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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

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

C Name of organization
INGHAM REGIONAL MEDICAL CENTER

Doing Business As
MCLAREN - GREATER LANSING

Number and street (or P O box if mail is not delivered to street address) | Room/suite
401 W GREENLAWN AVE

City or town, state or country, and ZIP + 4
LANSING, MI 48910

D Employer identification number
38-1434090

E Telephone number
(517) 975-7555

G Gross receipts $ 316,605,805

F Name and address of principal officer
RICK WRIGHT
401 W GREENLAWN AVE
LANSING, MI 48910

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW MCLAREN ORG/LANSING

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1942 | **M** State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
INGHAM REGIONAL MEDICAL CENTER (IRMC) IS A COMMUNITY BASED, INTEGRATED HEALTHCARE DELIVERY SYSTEM AND MAJOR TEACHING HOSPITAL LOCATED IN LANSING, MICHIGAN INGHAM IS COMPRISED OF TWO MEDICAL CENTERS AND VARIOUS AMBULATORY FACILITIES AND PROVIDES THE REGION WITH LEADING CARDIAC, ORTHOPEDIC, AND ONCOLOGY PROGRAMS INGHAM PROVIDES CARE AND TREATMENT TO THE PEOPLE OF THE MID-MICHIGAN COMMUNITY SERVING INGHAM, EATON, AND CLINTON COUNTIES WITH A COMBINED POPULATION OF 450,000 INGHAM PROVIDED INPATIENT CARE TO 15,927 PATIENTS, PERFORMED OVER 17,318 SURGICAL PROCEDURES AND PROVIDED MORE THAN 400,000 AMBULATORY VISITS TO THE COMMUNITY

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	2,338
6	Total number of volunteers (estimate if necessary)	**6**	713
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	714,694
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	769,764	774,788
9	Program service revenue (Part VIII, line 2g)	308,505,757	306,814,216
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,391,456	1,901,356
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,642,788	6,478,193
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	318,309,765	315,968,553
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,856,079	7,228,977
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	151,119,308	140,625,592
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	168,158,795	163,529,936
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	323,134,182	311,384,505
19	Revenue less expenses Subtract line 18 from line 12	-4,824,417	4,584,048
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	251,959,021	259,056,720
21	Total liabilities (Part X, line 26)	212,875,818	210,802,891
22	Net assets or fund balances Subtract line 21 from line 20	39,083,203	48,253,829

Part II Signature Block

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

Sign Here

****** | 2013-08-09
Signature of officer | Date

RICK WRIGHT CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's taxpayer identification number (see instructions)
SUSAN MIENCIER		☐	P00842339

Firm's name (or yours if self-employed), address, and ZIP + 4
PLANTE & MORAN PLLC
750 TRADE CENTRE WAY STE 300
PORTAGE, MI 49002

EIN ▶ 38-1357951

Phone no ▶ (269) 567-4500

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

MCLAREN HEALTH CARE CORPORATION, ALONG WITH ITS SUBSIDIARIES, WILL BE MICHIGAN'S BEST VALUE IN HEALTHCARE AS DEFINED BY QUALITY OUTCOMES AND COST

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 253,299,800 including grants of $ 5,871,093) (Revenue $ 306,099,522)

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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** ▶ $ 253,299,800

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, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	144		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	2,338			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 ▶

RICK WRIGHT
401 W GREENLAWN AVE
LANSING, MI 48910
(517) 975-7555

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								5,136,559	6,579,075	1,150,213

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 ▶ 128

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ANTHELIO PO BOX 601901 DALLAS, TX 752671001	CODING, MED RECORD, TRANSCRIPTION AND CA	2,098,380
SPARROW HOSPITAL 1215 EAST MICHIGAN AVE LANSING, MI 48912	MEDICAL EDUCATION RESIDENTS AND SUPPORT	1,906,585
NORTH GRAND RIVER COOP 4000 1/2 NORTH GRAND RIVER AVE LANSING, MI 48906	LAUNDRY SERVICES	1,171,848
MSU - COMBINED TOTAL MSU EAST LANSING, MI 48823	MEDICAL EDUCATION RESIDENTS AND SUPPORT	809,820
CAPITAL INTERNAL MEDICINE ASSOCIATES 3955 PATIENT CARE WAY SUITE A LANSING, MI 48911	HOSPITAL SERVICES AND MEDICAL DIRECTORSH	632,506

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 ▶ 30

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	596,191			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	178,597			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		774,788			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	622110	304,802,831	304,802,831		
	b	LAB	621500	2,011,385	1,296,691	714,694	
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		306,814,216			
	3	Investment income (including dividends, interest and other similar amounts)		1,726,448			1,726,448
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	667,523				
	b	Less rental expenses	0				
	c	Rental income or (loss)	667,523				
	d	Net rental income or (loss)		667,523			667,523
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		812,160			
	b	Less cost or other basis and sales expenses		637,252			
	c	Gain or (loss)		174,908			
	d	Net gain or (loss)		174,908			174,908
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	OTHER OPERATING REV	623000	4,128,287			4,128,287
	b	RECOVERY OF BAD DEBT	900099	1,682,383			1,682,383
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		5,810,670			
	12	**Total revenue.** See Instructions		315,968,553	306,099,522	714,694	8,379,549

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	7,228,977	7,228,977		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,317,471		2,317,471	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	110,137,603	98,324,136	11,813,467	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,124,700	5,355,079	769,621	
9	Other employee benefits	14,968,871	13,087,905	1,880,966	
10	Payroll taxes	7,076,947	6,630,288	446,659	
11	Fees for services (non-employees)				
a	Management				
b	Legal	98,677		98,677	
c	Accounting	63,943		63,943	
d	Lobbying	13,491		13,491	
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	38,574,186	12,068,164	26,506,022	
12	Advertising and promotion	980,378	1,746	978,632	
13	Office expenses	3,233,340	323,334	2,910,006	
14	Information technology				
15	Royalties . .				
16	Occupancy	1,019,262	980,472	38,790	
17	Travel	179,903	123,877	56,026	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	176,084	158,571	17,513	
20	Interest	5,461,228	4,095,921	1,365,307	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	13,812,653	10,359,490	3,453,163	
23	Insurance	1,436,249	30	1,436,219	
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	SUPPLIES	58,017,175	58,017,175		
b	BAD DEBTS	19,870,405	19,870,405		
c	QAAP	11,550,888	11,550,888		
d	EQUIPMENT RENTAL & MAIN	8,085,652	4,668,972	3,416,680	
e					
f	All other expenses	956,422	454,370	502,052	
25	**Total functional expenses.** Add lines 1 through 24f	311,384,505	253,299,800	58,084,705	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		21,841,118	2	12,148,589
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		26,598,103	4	32,379,330
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		197,912	7	109,666
	8	Inventories for sale or use		3,408,431	8	4,654,252
	9	Prepaid expenses and deferred charges		621,405	9	575,083
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 289,887,675			
	b	Less accumulated depreciation	10b 177,935,656	115,312,329	10c	111,952,019
	11	Investments—publicly traded securities		59,264,664	11	71,480,933
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		24,715,059	15	25,756,848
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		251,959,021	16	259,056,720
Liabilities	17	Accounts payable and accrued expenses		34,052,362	17	38,545,894
	18	Grants payable			18	
	19	Deferred revenue		202,251	19	209,740
	20	Tax-exempt bond liabilities		113,759,138	20	112,225,847
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,157,321	23	2,831,621
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		63,704,746	25	56,989,789
	26	**Total liabilities.** Add lines 17 through 25		212,875,818	26	210,802,891
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		39,083,203	27	48,253,829
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		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		39,083,203	33	48,253,829
	34	Total liabilities and net assets/fund balances		251,959,021	34	259,056,720

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	315,968,553
2	Total expenses (must equal Part IX, column (A), line 25)	2	311,384,505
3	Revenue less expenses Subtract line 2 from line 1	3	4,584,048
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	39,083,203
5	Other changes in net assets or fund balances (explain in Schedule O)	5	4,586,578
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	48,253,829

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 38-1434090
Name: INGHAM REGIONAL MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHARLES STEINBERG BOARD MEMBER	1 50	X						850	0	0
DAVID MCSHERRY SECRETARY	1 50	X		X				4,900	9,250	0
DENNIS LOUNEY BOARD MEMBER	1 50	X						2,800	0	0
E JAMES BARRETT CHAIRPERSON	1 50	X		X				4,900	10,500	0
EVERETT ZACK BOARD MEMBER	1 50	X						4,800	0	0
JOSEPH KOZLOWSKI DO BOARD MEMBER - CO-CHIEF	1 50	X						0	0	0
LINDA PETERSON CHIEF MEDICAL OFFICER	40 00	X		X				184,996	0	16,248
PATRICIA LOWRIE VICE-CHAIRPERSON	1 50	X		X				2,800	0	0
PATRICK SALOW CHIEF OPERATING OFFICER/INTERIM CEO	40 00	X		X				179,672	0	10,253
PAULA CUNNINGHAM BOARD MEMBER	1 50	X						2,200	0	0
PHILIP INCARNATI BOARD MEMBER	1 50	X						0	5,512,732	837,545
RALPH SHAHEEN BOARD MEMBER	1 50	X						3,200	0	0
RAMIRO GONZALEZ BOARD MEMBER	1 50	X						4,600	0	0
RICK WRIGHT PRESIDENT & CEO - AS OF 1/12	40 00	X		X				0	0	0
THERESA HUBBELL BOARD MEMBER	1 50	X						2,700	0	0
THOMAS HOISINGTON BOARD MEMBER - PART YEAR	1 50	X						2,400	0	0
TICO DUCKETT BOARD MEMBER	1 50	X						3,100	0	0
WILLIAM BEECROFT MD BOARD MEMBER - CO-CHIEF	1 50	X						145,553	0	7,278
MEHBOOB FATTEH MD BOARD MEMBER - CO-CHIEF TO 12/31/11	1 50	X						18,000	0	0
THOMAS ARCHAMBEAU MD BOARD MEMBER - CO-CHIEF TO 12/31/11	1 50	X						18,000	0	0
CAROL JONES VICE PRESIDENT OF PATIENT CARE SERVICES	40 00			X				165,147	0	10,649
FLOYD CHASSE VICE PRESIDENT HUMAN RESOURCES	40 00			X				136,539	0	10,582
KEVIN LANCIOTTI CHIEF FINANCIAL OFFICER	40 00			X				194,223	0	18,676
KRIS ALLEN VICE PRESIDENT OF PATIENT CARE SERVICES	40 00			X				126,354	0	23,386
THOMAS PETROFF VICE PRESIDENT OF MEDICAL AFFAIRS	40 00			X				401,791	0	26,835

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DARRYLL PATTERSON ADMINSTRATIVE DIRECTOR	40 00				X			224,372	0	18,308
JOHN PATTERSON ADMINSTRATIVE DIRECTOR	40 00				X			166,459	0	16,776
RONALD COSSON ADMINSTRATIVE DIRECTOR	40 00				X			163,074	0	15,243
DIVYAKANT GANDHI PHYSICIAN	40 00					X		556,367	0	21,819
HAMEEM U CHANGEZI PHYSICIAN	40 00					X		539,774	0	9,319
IBRAHIM SHAH PHYSICIAN	40 00					X		628,539	0	9,319
MOHAN C MADALA PHYSICIAN	40 00					X		709,650	0	7,998
PAUL M ZACK MD PHYSICIAN	40 00					X		538,799	0	16,558
ROBERT WRIGHT FORMER PRESIDENT	40 00						X	0	1,046,593	73,421

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
INGHAM REGIONAL MEDICAL CENTER	38-1434090

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		13,491
j	Total lines 1c through 1i			13,491
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	DUES PAID TO MHA, AHA, MICHIGAN CHAMBER OF COMMERCE, AND LANSING REGIONAL CHAMBER OF COMMERCE OF WHICH A PORTION IS DEEMED TO BE LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,847,267		3,847,267
b Buildings		187,555,432	116,881,972	70,673,460
c Leasehold improvements		323,306	201,480	121,826
d Equipment		97,646,894	60,852,204	36,794,690
e Other		514,776		514,776
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				111,952,019

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

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

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

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

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

(a) Description	(b) Book value
(1) GOODWILL/ORG COSTS	1,559,145
(2) OTHER ASSETS	1,133,331
(3) INVESTMENTS IN AFFILIATE	5,273,003
(4) OTHER DEFERRED IT EQUIPMENT	14,278,320
(5) DUE FROM AFFILIATES	429,053
(6) COST REPORT SETTLEMENTS	2,626,414
(7) OTHER ACCOUNTS RECEIVABLE	457,582
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	25,756,848

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
POST RETIREMENT BENEFITS	4,655,676
ACCRUED PENSION COST	48,304,979
MALPRACTICE RESERVE	3,100,000
OTHER LIABILITIES	1,168,903
DUE TO AFFILIATES	-239,769
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	56,989,789

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CORPORATION AND SUBSTANTIALLY ALL OF ITS SUBSIDIARIES ARE NONPROFIT, TAX-EXEMPT ORGANIZATIONS, ACCORDINGLY, NO TAX PROVISION IS REFLECTED IN THE CONSOLIDATED FINANCIAL STATEMENTS SOME SUBSIDIARIES ARE FOR-PROFIT CORPORATIONS INCOME TAX PROVISIONS ARE NOT MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS THE ACCOUNTING STANDARD THAT REFERS TO ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES ADDRESSES THE DETERMINATION OF HOW TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED ON THE CONSOLIDATED FINANCIAL STATEMENTS COMPANIES MUST RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION THE STANDARD ALSO PROVIDES GUIDANCE ON DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES ON INCOME TAXES, AND ACCOUNTING IN INTERIM PERIODS, AND REQUIRES INCREASED DISCLOSURES THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL THE CORPORATION IS SUBJECT TO EXAMINATION BY TAXING AUTHORITIES, HOWEVER, NO EXAMINATIONS ARE IN PROGRESS MANAGEMENT BELIEVES THE CORPORATION IS NOT SUBJECT TO TAX EXAMINATIONS FOR YEARS PRIOR TO SEPTEMBER 30, 2009 SUBSEQUENT TO THE TAX YEAR ENDING 9/30/2012, THE ORGANIZATION HAS BEEN SELECTED FOR EXAMINATION

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☑ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b		No
	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)			1,624,267		1,624,267	0 560 %
b Medicaid (from Worksheet 3, column a)			38,515,125	26,307,635	12,207,490	4 190 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			3,822,145	418,630	3,403,515	1 170 %
d **Total** Charity Care and Means-Tested Government Programs			43,961,537	26,726,265	17,235,272	5 920 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			74,926		74,926	0 030 %
f Health professions education (from Worksheet 5)			10,741,072	6,697,790	4,043,282	1 390 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			40,000	40,000		
i Cash and in-kind contributions for community benefit (from Worksheet 8)			171,549		171,549	0 060 %
j **Total** Other Benefits			11,027,547	6,737,790	4,289,757	1 480 %
k **Total.** Add lines 7d and 7j			54,989,084	33,464,055	21,525,029	7 400 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support		21,404	55,666	5,000	50,666	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**		21,404	55,666	5,000	50,666	0 020 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense	2	19,870,405		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	1,987,041		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	91,443,055
6	Enter Medicare allowable costs of care relating to payments on line 5	6	94,576,834
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-3,133,779
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a			No
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b			

Part IV Management Companies and Joint Ventures (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1	1 LANSING ASC PARTNERS LLC	AMBULATORY SURGERY CENTERS	23 220 %		53 570 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	IRMC DBA MCLAREN GREATER LANSING 401 W GREENLAWN AVENUE LANSING,MI 48910	X	X		X			X		
2	IRMC DBA MCLAREN ORTHOPEDIC HOSPITAL 2727 S PENNSYLVANIA AVENUE LANSING,MI 48910	X	X		X		X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

IRMC DBA MCLAREN GREATER LANSING

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 250 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☐ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☑ Medicaid/Medicare			
	g ☑ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

IRMC DBA MCLAREN ORTHOPEDIC HOSPITAL

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 20000 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 25000 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☐ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☑ Medicaid/Medicare			
	g ☑ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **14**

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C INCOME CRITERIA IS BASED UPON 200% OF THE FEDERAL POVERTY GUIDELINES PER THE FEDERAL REGISTER COLLECTIONS MAY BE CONSIDERED IF THE PATIENT HAS SUFFICIENT LIQUID ASSETS

Identifier	ReturnReference	Explanation
		PART I, LINE 6A OUR PARENT, MCLAREN HEALTH CARE CORPORATION, PREPARES AN ANNUAL REPORT OF ITS MEMBER HOSPITALS THIS ANNUAL REPORT IS AVAILABLE ON OUR WEBSITE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 COSTING METHODOLOGY - USED COST TO CHARGE RATIO FOR LINES 7A, 7B, AND 7C AND ACTUAL COST PER ACCOUNTING SYSTEM FOR LINES 7E, 7F, 7H AND 7I

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 19870405

Identifier	ReturnReference	Explanation
		PART II COMMUNITY-BUILDING ACTIVITIES ARE DESIGNED AND IMPLEMENTED BASED ON COMMUNITY NEEDS ASSESSMENTS AND INPUT FROM COMMUNITY-BASED ORGANIZATIONS AND OTHER COMMUNITY STAKEHOLDERS, INCLUDING BUSINESS VENDORS, RELIGIOUS ORGANIZATIONS AND POLITICAL LEADERS EACH ORGANIZATION DEFINES ANNUAL COMMUNITY-BUILDING AND OUTREACH ACTIVITY PLANS THESE PLANS ARE DESIGNED TO ADDRESS THE SPECIFIC HEALTH PREVENTION, EDUCATION, DIAGNOSIS, TREATMENT AND FOLLOW-UP CARE REQUIREMENTS OF UNIQUE DISEASE, DEMOGRAPHIC AND GEOGRAPHIC COMMUNITIES IDENTIFIED BY ONGOING NEEDS ASSESSMENTS DESCRIBED ABOVE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS ESTABLISHED ON AN AGGREGATE BASIS BY USING HISTORICAL WRITE-OFF RATE FACTORS APPLIED TO UNPAID ACCOUNTS BASED ON AGING LOSS RATE FACTORS ARE BASED ON HISTORICAL LOSS EXPERIENCE AND ADJUSTED FOR ECONOMIC CONDITIONS AND OTHER TRENDS AFFECTING THE CORPORATION'S ABILITY TO COLLECT OUTSTANDING AMOUNTS UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENT ADVANCES IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON CURRENT REIMBURSEMENT METHODOLOGIES THIS AMOUNT ALSO INCLUDES AMOUNTS RECEIVED AS INTERIM PAYMENTS AGAINST UNPAID CLAIMS FROM CERTAIN PAYORS BAD DEBT EXPENSE REPORTED ON LINE 2 IS THE BAD DEBT EXPENSE AS REPORTED ON FORM 990 PART IX LINE 3 WAS ESTIMATED BASED ON SAMPLES OF ACCOUNTS

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE REQUIRED COST REPORT METHODOLOGY WAS USED IN DETERMINING THE ALLOWABLE COSTS REPORTED IN THE COST REPORT ACCEPTING MEDICARE SHORTFALLS BENEFIT THE COMMUNITY BY PROVIDING HEALTHCARE TO THE THOUSANDS OF MEDICARE ENROLLEES IN THE COMMUNITY WHO NEED HOSPITAL SERVICES

Identifier	ReturnReference	Explanation
		PART III, LINE 9B AT THIS TIME WE DO NOT HAVE A FORMAL DEBT COLLECTION POLICY CURRENTLY OUR PROCESS INCLUDES SENDING OUR SELF AND PRIVATE PAY PATIENT ACTIVITY TO AN OUTSIDE VENDOR FOR FOLLOW-UP AND ASSISTANCE FOR THE PATIENT SELF PAY PATIENTS REQUESTING FINANCIAL ASSISTANCE AT REGISTRATION ARE GIVEN A FINANCIAL ASSISTANCE APPLICATION WHICH IS THEN EVALUATED TO DETERMINE IF CHARITY CARE IS APPLICABLE AN ATTEMPT IS ALSO MADE AT THAT TIME TO ASSIST PATIENTS WHO MEET MEDICAL ELIGIBILITY REQUIREMENTS

Identifier	ReturnReference	Explanation
IRMC DBA MCLAREN GREATER LANSING		PART V, SECTION B, LINE 3 T

Identifier	ReturnReference	Explanation
IRMC DBA MCLAREN GREATER LANSING		PART V, SECTION B, LINE 19D ALL PATIENTS AND INSURANCES ARE CHARGED THE SAME GROSS CHARGE FROM OUR FEE SCHEDULE, TO WHICH DISCOUNTS ARE APPLIED DISCOUNTS ARE THEN PROVIDED TO UN-INSURED AND UNDER-INSURED PATIENTS BASED ON THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY AND/OR INDIVIDUAL CIRCUMSTANCES THE MAXIMUM AMOUNT CHARGED TO INDIVIDUALS ELIGIBLE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY IS 50% OF GROSS CHARGES

Identifier	ReturnReference	Explanation
IRMC DBA MCLAREN ORTHOPEDIC HOSPITAL		PART V, SECTION B, LINE 19D ALL PATIENTS AND INSURANCES ARE CHARGED THE SAME GROSS CHARGE FROM OUR FEE SCHEDULE, TO WHICH DISCOUNTS ARE APPLIED DISCOUNTS ARE THEN PROVIDED TO UN-INSURED AND UNDER-INSURED PATIENTS BASED ON THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY AND/OR INDIVIDUAL CIRCUMSTANCES THE MAXIMUM AMOUNT CHARGED TO INDIVIDUALS ELIGIBLE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY IS 50% OF GROSS CHARGES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 PRIMARY AND SECONDARY MARKET RESEARCH IS CONDUCTED BY AND THROUGH COMMUNITY-BASED HEALTH COALITIONS, ACADEMIC INSTITUTIONS, THIRD PARTY DATA ANALYTICS ORGANIZATIONS, HEALTH NEEDS ASSESSMENTS AND SURVEYS, HISTORIC HEALTH SERVICES UTILIZATION PATTERNS, DEMOGRAPHIC ANALYSIS AND POPULATION-BASED HEALTH CARE SERVICES UTILIZATION FORECASTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 FINANCIAL ASSISTANCE INFORMATION AND APPLICATIONS ARE PROVIDED AT ALL INPATIENT AND OUTPATIENT REGISTRATION POINTS-OF-SERVICE INFORMATION AND EDUCATION IS ALSO AVAILABLE THROUGH THE ORGANIZATIONS WEBSITE(S) ORGANIZATION AND ITS SUBSIDIARIES/AFFILIATES ALSO PROVIDE SPECIALLY-TRAINED COUNSELORS TO ASSIST PATIENTS AND REVIEW ELIGIBILITY FOR FEDERAL, STATE AND OTHER GOVERNMENT PROGRAMS, INCLUDING, BUT NOT LIMITED TO, MEDICAID, DISABILITY, SOCIAL SECURITY, AND ANY OTHER FORMS OF THIRD PARTY PAYMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE SERVICE AREA OF INGHAM REGIONAL MEDICAL CENTER IS COMPOSED OF 51 ZIP CODES AND IS CENTERED PRINCIPALLY ON THE CITY OF LANSING, MI IN THE COUNTY OF INGHAM THE PRIMARY SERVICE AREA, ACCOUNTING FOR 92% OF ANNUAL INPATIENT DISCHARGES, IS COMPOSED OF 27 ZIP CODES AND CAN BE CHARACTERIZED AS LARGELY URBAN IN NATURE THE SECONDARY SERVICE AREA, ACCOUNTING FOR 8% OF ANNUAL INPATIENT DISCHARGES, IS COMPOSED OF 24 ZIP CODES AND CAN BE CHARACTERIZED AS A COMBINATION OF URBAN AND RURAL IN NATURE PRIMARY SERVICE AREA DEMOGRAPHIC DISTRIBUTIONSAGE DISTRIBUTION0 - 14 18 2%15 - 17 4 1%18 - 24 14 2%25 - 34 12 9%35 - 54 26 6%55 - 64 12 0%65+ 11 9%EDUCATION LEVELLESS THAN HIGH SCHOOL 2 6%SOME HIGH SCHOOL 5 6%HIGH SCHOOL DEGREE 26 8%SOME COLLEGE/ASSOC DEGREE 34 2%BACHELORS DEGREE OR GREATER 30 6% HOUSEHOLD INCOME DISTRIBUTION<$15K 12 4%$15 - 25K 11 0%$25 - 50K 27 9%$50 - 75K 20 7%$75 - 100K 12 7%OVER $100K 15 3%RACE/ETHNICITYWHITE NON-HISPANIC 81 2%BLACK NON-HISPANIC 7 8%HISPANIC 5 0%ASIAN & PACIFIC IS NON-HISPANIC 3 2%ALL OTHERS 2 8%

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 THE PARENT ORGANIZATION AND EACH OF ITS SUBSIDIARY/AFFILIATE MEMBERS MAINTAIN A LOCAL COMMUNITY-BASED BOARD WITH POWERS, RESPONSIBILITIES AND ACCOUNTABILITIES FOR THE OVERSIGHT OF THE OPERATION OF THEIR RESPECTIVE ORGANIZATIONS EACH SUBSIDIARY/AFFILIATE ORGANIZATION MAINTAINS AN OPEN MEDICAL STAFF ALLOWING ANY PHYSICIAN OR OTHER CARE PROVIDER WITH PROPER CREDENTIALS TO JOIN THE STAFF AND PROVIDE APPROVED CARE THE ORGANIZATION FUNDS AND MAINTAINS OVER 500 MEDICAL RESIDENCY AND FELLOWSHIP PROGRAMS TO TRAIN FUTURE GENERATIONS OF PHYSICIANS, ORGANIZATION FUNDS, OPERATES AND MAINTAINS NUMEROUS HEALTH CARE EDUCATION PROGRAMS AT THE HIGH SCHOOL, COMMUNITY COLLEGE, UNIVERSITY AND POST-GRADUATE LEVELS OF EDUCATION ORGANIZATION PROVIDES SPONSORSHIP (FINANCIAL AND IN-KIND RESOURCES) SUPPORT TO COMMUNITY-LEVEL ACTIVITIES (HEALTH WALKS AND RACES, FITNESS TRAINING, DISEASE AWARENESS EVENTS, CULTURAL EVENTS AND OTHER HEALTH-RELATED NON-PROFIT ACTIVITIES, EVENTS AND ORGANIZATIONS) ORGANIZATION ALSO DIRECTS, FUNDS, SUPPORTS AND PARTICIPATES IN FUNDRAISING ACTIVITIES THAT SUPPORT HEALTH PREVENTION/EDUCATION, DIAGNOSIS AND TREATMENT PROVIDED BY OTHER NON-PROFIT COMMUNITY ORGANIZATIONS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE ROLE OF THE PARENT ORGANIZATION IS TO SET THE VISION AND STRATEGIC DIRECTION FOR THE ORGANIZATION AS A WHOLE THIS INCLUDES THE DEVELOPMENT OF THE ANNUAL STRATEGIC PLAN WHICH DEFINES THE STRATEGIC PRIORITIES FOR THE ORGANIZATION AND ITS MEMBERS, THE METRICS TO BE MEASURED FOR EACH STRATEGIC PROGRAMS AND THE BENCHMARK OR TARGET/GOALS FOR EACH METRIC STRATEGIC PRIORITIES DIRECTLY ADDRESS AND MEASURE (AT A SUBSIDIARY LEVEL) CLINICAL QUALITY AND CLINICAL OUTCOMES, PATIENT, PHYSICIAN, EMPLOYEE AND COMMUNITY SATISFACTION WITH THE ORGANIZATION AND ITS SUBSIDIARY/AFFILIATE MEMBERS, AND DEVELOPMENT OF NEW SERVICES TO IMPROVE ACCESS TO, QUALITY OF, AND COST OF HEALTH SERVICES THE ROLE OF THE ORGANIZATIONS SUBSIDIARIES/AFFILIATES IS THE DEVELOPMENT AND IMPLEMENTATION OF ANNUAL STRATEGIC AND OPERATIONAL PLANS THAT SUPPORT AND ADVANCE THE STRATEGIC PLAN OF THE PARENT ORGANIZATION ALL LOCAL PLANS ARE DEVELOPED AND DESIGNED TO REFLECT THE UNIQUE POPULATION-BASED HEALTH CARE NEEDS AND REQUIREMENTS OF THE COMMUNITIES SERVED BY THE SUBSIDIARY/AFFILIATE ORGANIZATION ALL LOCAL SUBSIDIARIES/AFFILIATES HAVE FULL AUTHORITY AND DECISION-MAKING POWERS TO DEFINE AND EXECUTE THE STRATEGIC AND OPERATIONAL PLANS INTENDED TO IMPROVE THE HEALTH AND WELFARE OF THE COMMUNITIES THEY SERVE

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

Additional Data

Software ID:
Software Version:
EIN: 38-1434090
Name: INGHAM REGIONAL MEDICAL CENTER

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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? **14** Name and address	Type of Facility (Describe)
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
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MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE
MCLAREN GREATER LANSING - VARIOUS OFFICE 2316 S CEDAR ST LANSING, MI 48910	PHYSICIAN PRACTICE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 12

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 REQUESTS FOR FUNDS ARE REVIEWED BY THE SENIOR DIRECTOR OF FINANCE, CFO, AND CEO FOR CONSISTENCY WITH THE ORGANIZATION'S MISSION AND PURPOSE FUNDS ARE DISTRIBUTED TO 501(C)(3) ORGANIZATIONS, TYPICALLY FOR GENERAL SUPPORT PURPOSES

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 38-1434090
Name: INGHAM REGIONAL MEDICAL CENTER

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BARRY EATON DISTRIBUTION HEALTH DEPARTMENT1033 HEALTHCARE DRIVE CHARLOTTE,MI 48813	30-0097701	GOVERNMENT	31,000		N/A	N/A	PLAN PROJECT SUPPORT
EAST LANSING ART FESTIVAL410 ABBOTT ROAD EAST LANSING,MI 48823	38-6004674	501(C)(3)	12,000		N/A	N/A	EAST LANSING ART

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREATER LANSING FOOD BANKPO BOX 16224 LANSING, MI 48901	38-2424756	501(C)(3)	23,000		N/A	N/A	LANSING FOOD BANK CONTRIBUTION
IMPRESSION 5 SCIENCE CENTER 200 MUSEUM DRIVE LANSING, MI 48933	23-7200548	501(C)(3)	5,000		N/A	N/A	CAPITAL CITY RIVER RUN

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
KOHLER EXPOS INC PO BOX 910 GRANDVILLE, MI 49468	38-3436949	501(C)(3)	18,000		N/A	N/A	TITLE SPONSORSHIP FOR 12TH ANNUAL MID-MICHIGAN WOMEN'S EXPO
LANSING ENTERTAINMENT & PUBLISHING FACILITIES AUTHORITY333 E MICHIGAN AVENUE LANSING, MI 48933	38-3280174	GOVERNMENT	5,000		N/A	N/A	LANSING ENTERTAINMENT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MEMORIAL HEALTHCARE FOUNDATION826 W KING STREET OWOSSO,MI 48867	38-1358208	501(C)(3)	8,500		N/A	N/A	DINNER/DANCE 2012 SPONSORSHIP - GOLF OUTING SPONSOR
MSU COLLEGE OF OSTEOPATHIC MEDICINEA310 E FEE HALL EAST LANSING,MI 48824	38-6005986	115	5,275		N/A	N/A	SILVERFEST SPONSOR - GOLF OUTING

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
POTTER PARK ZOOLOGICAL SOCIETY1301 SOUTH PENN LANSING, MI 48912	38-2153808	501(C)(3)	7,500		N/A	N/A	SPONSORSHIP FOR PPZ WONDERLAND OF LIGHTS
SOUTH LANSING COMMUNITY DEVELOPMENT ASSOCIATION1900 BOSTON BLVD LANSING, MI 48910	41-2137028	501(C)(3)	5,000		N/A	N/A	HAWK ISLAND SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ST VINCENT CATHOLIC CHARITIES2800 W WILLOW LANSING,MI 48917	38-1360530	501(C)(3)	5,000		N/A	N/A	ANGEL SPONSORSHIP
MCLAREN MEDICAL MANAGEMENT INC 401 S BALLENGER HWY FLINT,MI 48532	38-2988086	501(C)(3)	5,699,544		N/A	N/A	GENERAL SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MCLAREN HEALTH CARE CORPORATION401 S BALLENGER HWY FLINT,MI 48532	38-2397643	501(C)(3)	1,357,884		N/A	N/A	PROGRAM SUPPORT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) LINDA PETERSON	(i)	184,996	0	0	9,250	6,998	201,244	0
	(ii)	0	0	0	0	0	0	0
(2) PATRICK SALOW	(i)	179,672	0	0	8,984	1,269	189,925	0
	(ii)	0	0	0	0	0	0	0
(3) PHILIP INCARNATI	(i)	0	0	0	0	0	0	0
	(ii)	1,366,791	1,303,195	2,842,746	823,518	14,027	6,350,277	0
(4) WILLIAM BEECROFT MD	(i)	145,553	0	0	7,278	0	152,831	0
	(ii)	0	0	0	0	0	0	0
(5) CAROL JONES	(i)	165,147	0	0	8,257	2,392	175,796	0
	(ii)	0	0	0	0	0	0	0
(6) KEVIN LANCIOTTI	(i)	194,223	0	0	9,711	8,965	212,899	0
	(ii)	0	0	0	0	0	0	0
(7) THOMAS PETROFF	(i)	401,791	0	0	9,250	17,585	428,626	0
	(ii)	0	0	0	0	0	0	0
(8) DARRYLL PATTERSON	(i)	224,372	0	0	11,219	7,089	242,680	0
	(ii)	0	0	0	0	0	0	0
(9) JOHN PATTERSON	(i)	166,459	0	0	8,323	8,453	183,235	0
	(ii)	0	0	0	0	0	0	0
(10) RONALD COSSON	(i)	163,074	0	0	8,154	7,089	178,317	0
	(ii)	0	0	0	0	0	0	0
(11) DIVYAKANT GANDHI	(i)	556,367	0	0	12,500	9,319	578,186	0
	(ii)	0	0	0	0	0	0	0
(12) HAMEEM U CHANGEZI	(i)	539,774	0	0	0	9,319	549,093	0
	(ii)	0	0	0	0	0	0	0
(13) IBRAHIM SHAH	(i)	628,539	0	0	0	9,319	637,858	0
	(ii)	0	0	0	0	0	0	0
(14) MOHAN C MADALA	(i)	709,650	0	0	0	7,998	717,648	0
	(ii)	0	0	0	0	0	0	0
(15) PAUL M ZACK MD	(i)	538,799	0	0	0	16,558	555,357	0
	(ii)	0	0	0	0	0	0	0
(16) ROBERT WRIGHT	(i)	0	0	0	0	0	0	0
	(ii)	134,330	0	912,263	63,290	10,131	1,120,014	113,788

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	THE CEO/EXECUTIVE DIRECTOR WAS COMPENSATED BY A RELATED ORGANIZATION, AND THEREFORE NONE OF THE LINE 1 BOXES HAVE BEEN CHECKED THE CORPORATE CEO, SUBSIDIARY CEO'S AND CORPORATE VICE-PRESIDENTS IN SOME INSTANCES HAVE RECEIVED TAX INDEMNIFICATION FOR THE FOLLOWING BENEFITS VEHICLE COSTS, GROUP TERM LIFE INSURANCE, SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS, AND HEALTH CLUB OR SOCIAL DUES THESE BENEFITS HAVE BEEN INCLUDED IN TAXABLE COMPENSATION THE FOLLOWING INDIVIDUAL HAS RECEIVED THESE BENEFITS ROBERT WRIGHT AND PHILIP INCARNATI
	PART I, LINE 4B	MCLAREN MAINTAINS TWO SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS FOR A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES (THE "SERPS") THE OLD SERP WAS CLOSED TO NEW PARTICIPANTS ON OCTOBER 1, 2006, AND THE NEW SERP BECAME EFFECTIVE AS OF JANUARY 1, 2007 NO EMPLOYEE MAY PARTICIPATE IN BOTH OF THE SERPS THE OLD SERP IS STRUCTURED AS A DEFINED BENEFIT PLAN THAT ESSENTIALLY REPLACES THE BENEFITS THE PARTICIPANT IS NOT PERMITTED TO RECEIVE UNDER MCLAREN'S QUALIFIED RETIREMENT PLAN DUE TO IRS LIMITATIONS APPLICABLE TO QUALIFIED PLANS THE BENEFIT UNDER THE OLD SERP IS PAYABLE IN EITHER THE FORM OF A LUMP SUM DISTRIBUTION OR IN MONTHLY PAYMENTS EQUAL TO THE ACTUARIAL EQUIVALENT OF THE PARTICIPANT'S ACCRUED BENEFIT THE BENEFIT IS PAID AT AGE 55, AND IF THE PARTICIPANT REMAINS EMPLOYED, THE BENEFIT IS PAID UPON TERMINATION OF EMPLOYMENT, REDUCED TO TAKE INTO ACCOUNT THE BENEFIT PREVIOUSLY PAID THE NEW SERP IS STRUCTURED AS A DEFINED CONTRIBUTION PLAN, AND MCLAREN CONTRIBUTES 15 PERCENT OF EACH PARTICIPANT'S COMPENSATION TO THE PLAN EACH YEAR FOR ALLOCATION TO THE PARTICIPANT'S ACCOUNT PARTICIPANTS IN THE NEW SERP BECOME VESTED IN THEIR ACCOUNTS UPON THE EARLIER OF FIVE YEARS OF PARTICIPATION IN THE PLAN OR ATTAINMENT OF AGE 60 PARTICIPANTS IN THE NEW SERP SELF-DIRECT THE INVESTMENT OF THEIR ACCOUNTS AND HAVE THE ACTUAL INVESTMENT RETURN CREDITED OR DEBITED TO THEIR ACCOUNTS THE BENEFIT UNDER THE NEW SERP IS EQUAL TO THE PARTICIPANT'S ACCOUNT BALANCE, AND THE BENEFIT IS PAID IN A SINGLE SUM WITHIN 60 DAYS OF THE PARTICIPANT'S TERMINATION DATE BENEFITS UNDER BOTH SERPS ARE PROVIDED ON A TAX-NEUTRAL BASIS BOTH SERPS ARE DESIGNED TO COMPLY WITH INTERNAL REVENUE CODE SECTIONS 457(F) AND 409A THE INDIVIDUALS LISTED IN PART VII WHO PARTICIPATED IN THE OLD SERP ARE PHILIP INCARNATI AND ROBERT WRIGHT THERE ARE NO INDIVIDUALS LISTED IN PART VII WHO PARTICIPATED IN THE NEW SERP
	PART I, LINE 6	MCLAREN HEALTH CARE CORPORATION (MHCC) HAS A LEADERSHIP INCENTIVE PROGRAM FOR LEADERS OF THE CORPORATION, SUBSIDIARY EXECUTIVES AND DIRECTORS, AND CORPORATE MANAGERS THE PURPOSE OF THE PLAN IS TO ENHANCE THE ORGANIZATION'S ABILITY TO ACHIEVE ITS GOALS BY PROVIDING TOP OFFICIALS AND THE BOARD OF DIRECTORS WITH A TOOL FOR (A) CLEARLY COMMUNICATING PERFORMANCE ON THE PART OF KEY LEADERS, (B) STIMULATING AND REWARDING SUPERIOR LEVELS OF PERFORMANCE ON THE PART OF KEY LEADERS WHICH WILL ULTIMATELY BENEFIT THE COMMUNITIES MHCC SERVES, AND (C) PROTECTING MHCC'S ABILITY TO COMPETE WITH OTHER EMPLOYERS FOR HIGH-TALENT LEADERS
SUPPLEMENTAL INFORMATION	PART III	SCH J, PART I, LINE 3 THE CEO/EXECUTIVE DIRECTOR WAS COMPENSATED BY A RELATED ORGANIZATION, AND THEREFORE NONE OF THE LINE 3 BOXES HAVE BEEN CHECKED THE RELATED ORGANIZATION USED THE FOLLOWING METHODOLOGIES TO ESTABLISH THE COMPENSATION OF THE CEO/EXECUTIVE DIRECTOR OF THE FILING ORGANIZATION COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, FORM 990 OF OTHER ORGANIZATIONS, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

Additional Data

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Software ID:
Software Version:
EIN: 38-1434090
Name: INGHAM REGIONAL MEDICAL CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
LINDA PETERSON	(I)	184,996	0	0	9,250	6,998	201,244	0
	(II)	0	0	0	0	0	0	0
PATRICK SALOW	(I)	179,672	0	0	8,984	1,269	189,925	0
	(II)	0	0	0	0	0	0	0
PHILIP INCARNATI	(I)	0	0	0	0	0	0	0
	(II)	1,366,791	1,303,195	2,842,746	823,518	14,027	6,350,277	0
WILLIAM BEECROFT MD	(I)	145,553	0	0	7,278	0	152,831	0
	(II)	0	0	0	0	0	0	0
CAROL JONES	(I)	165,147	0	0	8,257	2,392	175,796	0
	(II)	0	0	0	0	0	0	0
KEVIN LANCIOTTI	(I)	194,223	0	0	9,711	8,965	212,899	0
	(II)	0	0	0	0	0	0	0
THOMAS PETROFF	(I)	401,791	0	0	9,250	17,585	428,626	0
	(II)	0	0	0	0	0	0	0
DARRYLL PATTERSON	(I)	224,372	0	0	11,219	7,089	242,680	0
	(II)	0	0	0	0	0	0	0
JOHN PATTERSON	(I)	166,459	0	0	8,323	8,453	183,235	0
	(II)	0	0	0	0	0	0	0
RONALD COSSON	(I)	163,074	0	0	8,154	7,089	178,317	0
	(II)	0	0	0	0	0	0	0
DIVYAKANT GANDHI	(I)	556,367	0	0	12,500	9,319	578,186	0
	(II)	0	0	0	0	0	0	0
HAMEEM U CHANGEZI	(I)	539,774	0	0	0	9,319	549,093	0
	(II)	0	0	0	0	0	0	0
IBRAHIM SHAH	(I)	628,539	0	0	0	9,319	637,858	0
	(II)	0	0	0	0	0	0	0
MOHAN C MADALA	(I)	709,650	0	0	0	7,998	717,648	0
	(II)	0	0	0	0	0	0	0
PAUL M ZACK MD	(I)	538,799	0	0	0	16,558	555,357	0
	(II)	0	0	0	0	0	0	0
ROBERT WRIGHT	(I)	0	0	0	0	0	0	0
	(II)	134,330	0	912,263	63,290	10,131	1,120,014	113,788

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) ANTHELIO	PHILIP INCARNATI, BOARD MEMBER OF ANTHELIO	8,424,942	MHCC IS THE CO-FOUNDER AND HAS A MINORITY INTEREST IN ANTHELIO AS PART OF THE AGREEMENT MHCC IS ENTITLED TO APPOINT TWO DIRECTORS TO THE ANTHELIO BOARD MHCC APPOINTED JAMES FITZGERALD AND PHILIP INCARNATI TO HOLD THOSE POSITIONS FEES PAID TO ANTHELIO FOR INFORMATION TECHNOLOGY SERVICES, MEDICAL RECORDS, TRANSCRIPTION, CODING, AND SYSTEM INSTALLATION		No
(2) CAPITAL AREA PATHOLOGISTS	DR MEHBOOB FATTEH, CURRENT CO-CHIEF OF STAFF AND PART OWNER OF CAP	729,017	MEDICAL DIRECTOR, PATHOLOGY AND OTHER HEALTHCARE SERVICES		No
(3) ANGELA TISDALE	SISTER-IN-LAW OF THERESA HUBBELL, BOARD MEMBER	81,724	EMPLOYEE COMPENSATION		No
(4) KAREN SALOW	SPOUSE OF INTERIM PRESIDENT/CEO	71,502	EMPLOYEE COMPENSATION		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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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
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THIS ORGANIZATION IS MCLAREN HEALTH CARE CORPORATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBER SHALL HAVE THE EXCLUSIVE RIGHT TO ELECT OR APPOINT THE DIRECTORS OF THE CORPORATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	DECISIONS BY THE GOVERNING BODY ARE SUBJECT TO THE POWERS OF THE MEMBER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 DATA IS PREPARED INTERNALLY AND SUBMITTED TO OUR AUDITING FIRM FOR RETURN PREPARATION ONCE THE RETURNS HAVE BEEN COMPLETED, THE FORMS ARE REVIEWED BY THE CORPORATE DIRECTOR OF BUDGET, THE CORPORATE SENIOR VICE PRESIDENT AND CFO OF MCLAREN HEALTH CARE CORPORATION (MHCC) COPIES OF THE RETURNS ARE MADE AVAILABLE TO THE MHCC BOARD MEMBERS, WHO SERVE AS THE OVERALL GOVERNING BOARD RETURNS ARE AVAILABLE FOR ALL CORPORATIONS OF WHICH MHCC IS THE SOLE MEMBER AS WELL AS OTHER RELATED ENTITIES OF THOSE CORPORATIONS FOR REVIEW RATHER THAN HAVING THE LOCAL BOARDS REVIEW THE RETURNS THE BOARD OF MHCC IS THE ULTIMATE ACCOUNTABLE ORGANIZATION FOR THE SYSTEM, AS SUCH IT IS THE OVERALL GOVERNING BOARD OF OUR SYSTEM WHOSE RESPONSIBILITIES INCLUDES BUT ARE NOT LIMITED TO APPROVING ALL SUBSIDIARY BOARD MEMBERS, FINANCIAL BUDGETS, AND ISSUANCE OF DEBT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE CORPORATE COMPLIANCE DEPARTMENT, IN ACCORDANCE WITH THE MCLAREN HEALTH CARE (MHC) BOARD CONFLICT OF INTEREST POLICY, ANNUALLY DISTRIBUTES THE CONFLICT OF INTEREST DISCLOSURE SURVEY TO ALL MHC CORPORATE AND SUBSIDIARY ORGANIZATION BOARD MEMBERS, EXECUTIVES AND OTHER LEADERSHIP EMPLOYEES THE CORPORATE COMPLIANCE DEPARTMENT THROUGH THE GOVERNANCE COMMITTEE, COMPILES AND ANALYZES SURVEY DATA BY ORGANIZATION, INVESTIGATES, AND REVIEWS POTENTIAL CONFLICTS WITH THE ORGANIZATION'S CEO AND BOARD CHAIR, AND WHEN NECESSARY, RECOMMENDS ACTIONS TO BE TAKEN TO RESOLVE IDENTIFIED CONFLICTS A COMPLETE REPORT OF ALL CORPORATE AND SUBSIDIARY BOARD MEMBER AND EXECUTIVE DISCLOSURES, CONFLICTS IDENTIFIED AND ACTIONS TAKEN IS REVIEWED BY THE MHC GOVERNANCE COMMITTEE AND EACH SUBSIDIARY CEO AND BOARD CHAIR RECEIVES A REPORT SPECIFIC TO THEIR ORGANIZATION'S BOARD MEMBERS AND EXECUTIVES CONFLICTS ARE DISCLOSED TO THE FULL BOARD AND BOARD COMMITTEES SO APPROPRIATE ACTIONS CAN BE TAKEN ACTIONS MAY INCLUDE PROHIBITING A BOARD MEMBER FROM PARTICIPATING IN DELIBERATIONS INVOLVING TRANSACTIONS WITH A COMPANY WITH WHICH THEY CONDUCT FINANCIAL TRANSACTIONS, BOARD MEMBERS FAILING TO COMPLETE A DISCLOSURE SURVEY OR INTENTIONALLY FAILING TO REPORT A KNOWN CONFLICT OF INTEREST ARE ASKED TO RESIGN

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION OF THE CEO IS DETERMINED BY THE COMPENSATION COMMITTEE OF MCLAREN HEALTH CARE CORPORATION BASED UPON THE PERFORMANCE OF THE CEO THE COMPENSATION OF THE CEO IS WITHIN THE SALARY RANGES DETERMINED BY THE COMPENSATION COMMITTEE OF MCLAREN HEALTH CARE CORPORATION THE PROCESS OF THE COMPENSATION COMMITTEE IS AS FOLLOWS THE COMPENSATION COMMITTEE IS APPOINTED BY THE BOARD OF DIRECTORS TO REVIEW THE PERFORMANCE AND RECOMMEND THE TOTAL COMPENSATION PACKAGE OF THE MCLAREN HEALTHCARE CORPORATION'S CEO'S TO THE BOARD FURTHER THE COMMITTEE ESTABLISHES THE SALARY RANGES AND PREREQUISITES OF THE CORPORATION'S OTHER MOST HIGHLY COMPENSATED OFFICERS (MHC VICE-PRESIDENTS AND MHC HOSPITAL/SUBSIDIARIES CEO'S) TO THE BOARD THE MEMBERS OF THE COMMITTEE MUST MEET THE INDEPENDENCE REQUIREMENTS OF THE APPLICABLE PROVISIONS OF SECTION 4958 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED AND FINAL TREASURY REGULATIONS SECTION 53 4956-6(C)(1)(III) THE COMMITTEE RETAINS THE SERVICES OF AN INDEPENDENT FIRM WITH SIGNIFICANT QUALIFICATIONS AND EXPERIENCE TO CONDUCT A REVIEW OF THE CORPORATION'S EXECUTIVE COMPENSATION PROGRAM THE RETAINED FIRM UTILIZES APPROPRIATE COMPENSATION COMPARABILITY DATA THE RETAINED FIRM CONDUCTS ANALYSIS OF THE COMPETITIVENESS OF THESE PROGRAMS AND EXPRESSES AN OPINION AS TO THE REASONABLENESS OF THESE COMPENSATION PROGRAMS ALL DATA UTILIZED BY THE COMMITTEE, DELIBERATIONS OF THE COMMITTEE, AND FINAL COMPENSATION DECISIONS BY THE COMMITTEE ARE DOCUMENTED IN FORMAL REPORTS AND MINUTES THE CORPORATE COMPENSATION COMMITTEE WORKS UNDER AND PERIODICALLY RENEWS THE MCLAREN HEALTH CARE CORPORATION COMPENSATION COMMITTEE CHARTER AND MCLAREN HEALTH CARE CORPORATION COMPENSATION PHILOSOPHY FOR SUBSIDIARY VICE PRESIDENTS AND DIRECTORS, THE CORPORATE HUMAN RESOURCES COMMITTEE COORDINATES THE GATHERING OF MARKET INFORMATION FROM A NUMBER OF INDEPENDENT SOURCES THIS DATA IS ANALYZED ALONG WITH EXPECTED BUDGETARY GUIDELINES THE CORPORATE VICE PRESIDENT OF HUMAN RESOURCES DETERMINES THE AMOUNT, IF ANY, THAT PAY RANGES INCREASE THE MOST RECENT YEAR THIS PROCESS WAS UNDERTAKEN WAS 2012

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	ALL DOCUMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A	THESE INDIVIDUALS DEVOTE THE FOLLOWING AVERAGE HOURS PER WEEK TO A RELATED ORGANIZATION DAVID MCSHERRY 1 0 HOUR DENNIS LOUNEY 0 6 HOUR E. JAMES BARRETT 1 1 HOURS KEVIN LANCIOTTI 4 0 HOURS PATRICK SALOW 0 8 HOUR PHILIP INCARNATI 50 8 HOURS RICK WRIGHT 0 8 HOUR ROBERT WRIGHT 4 5 HOURS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 10,697,519 MINIMUM PENSION LIABILITY ADJUSTMENT -4,511,641 GAIN ON INVESTMENT IN SUBSIDIARIES 506,602 TRANSFER TO AFFILIATES - PRACTICE ACQUISITIONS -1,273,152 TRANSFER TO AFFILIATES - DEBT EXTINGUISHMENT COSTS -832,750 TOTAL TO FORM 990, PART XI, LINE 5 4,586,578

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
INGHAM REGIONAL MEDICAL CENTER

Employer identification number
38-1434090

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MCLAREN - NORTHERN EQUITIES CANCER CENTER PROJECT LLC 39000 COUNTRY CLUB DRIVE FARMINGTON HILLS, MI 48331 26-3112935	RENTAL REAL ESTATE	MI	N/A									
(2) MOUNT CLEMENS REGIONAL HEALTH BUILDING HEALTH PARTNERS 1000 HARRINGTON ST MOUNT CLEMENS, MI 48043 26-2524717	BUILDING MANAGEMENT	MI	N/A									

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

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

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

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

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 38-1434090
Name: INGHAM REGIONAL MEDICAL CENTER

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
BAY MEDICAL FOUNDATION 1900 COLUMBUS AVE BAY CITY, MI 48708 38-2156534	FOUNDATION	MI	501(C)(3)	LINE 11A, I	BAY REGIONAL MEDICAL CENTER	Yes	
BAY REGIONAL MEDICAL CENTER 1900 COLUMBUS AVE BAY CITY, MI 48708 38-1976271	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
BAY REGIONAL MEDICAL CENTER AUXILIARY 1908 COLUMBUS AVENUE BAY CITY, MI 48708 38-6081235	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 11A, I	BAY REGIONAL MEDICAL CENTER	Yes	
BAY SPECIAL CARE HOSPITAL 1900 COLUMBUS AVE BAY CITY, MI 48708 38-3161753	HOSPITAL	MI	501(C)(3)	LINE 3	BAY REGIONAL MEDICAL CENTER	Yes	
CENTRAL MICHIGAN COMMUNITY HOSPITAL 1221 SOUTH DRIVE MT PLEASANT, MI 48858 38-1420304	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
CENTRAL MICHIGAN COMMUNITY HOSPITAL RADIATION ONCOLOGY 1000 HARRINGTON MT PLEASANT, MI 48858 30-0312172	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
CHARLEVOIX NURSING HOME CORPORATION DBA BOULDER PARK TERRACE 14676 WEST UPRIGHT CHARLEVOIX, MI 49720 38-3038683	SKILLED NURSING FACILITY	MI	501(C)(3)	LINE 9	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
GREAT LAKES CANCER INSTITUTE 401 S BALLENGER HWY FLINT, MI 48532 38-3584572	CANCER CARE CENTER	MI	501(C)(3)	LINE 7	MCLAREN HEALTH CARE CORPORATION	Yes	
HEALTHSHARE REAL ESTATE 416 CONNABLE AVENUE PETOSKEY, MI 49770 38-2492223	REAL ESTATE HOLDINGS	MI	501(C)(2)		NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
INGHAM REGIONAL HEALTHCARE FOUNDATION 401 S GREENLAWN AVE LANSING, MI 48910 38-2463637	FOUNDATION	MI	501(C)(3)	LINE 7	INGHAM REGIONAL MEDICAL CENTER	Yes	
LAPEER REGIONAL MEDICAL CENTER 1375 N MAIN ST LAPEER, MI 48446 38-2689033	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
LAPEER REGIONAL MEDICAL CENTER FOUNDATION 1375 N MAIN ST LAPEER, MI 48446 38-2689603	FOUNDATION	MI	501(C)(3)	LINE 11A, I	LAPEER REGIONAL MEDICAL CENTER	Yes	
MCLAREN HEALTH CARE CORPORATION 401 S BALLENGER HWY FLINT, MI 48532 38-2397643	SUPPORTING ORG	MI	501(C)(3)	LINE 11A, I	N/A		No
MCLAREN HEALTH CARE VILLAGE FOUNDATION 401 S BALLENGER HIGHWAY FLINT, MI 48532 26-2693350	SUPPORTING ORG	MI	501(C)(3)	LINE 11A, I	MCLAREN HEALTH CARE CORPORATION	Yes	
MCLAREN HEALTH PLAN G-3245 BEECHER ROAD FLINT, MI 48532 38-3383640	HEALTH CARE SERVICES	MI	501(C)(4)		MCLAREN HEALTH CARE CORPORATION	Yes	
MCLAREN MEDICAL MANAGEMENT INC 401 S BALLENGER HWY FLINT, MI 48532 38-2988086	MANAGEMENT COMPANY	MI	501(C)(3)	LINE 11A, I	MCLAREN HEALTH CARE CORPORATION	Yes	
MCLAREN REGIONAL MEDICAL CENTER 401 S BALLENGER HWY FLINT, MI 48532 38-2383119	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
MOUNT CLEMENS REGIONAL HEALTHCARE FOUNDATION PO BOX 326 MOUNT CLEMENS, MI 48046 38-2578873	FOUNDATION	MI	501(C)(3)	LINE 9	MOUNT CLEMENS REGIONAL MEDICAL CENTER	Yes	
MOUNT CLEMENS REGIONAL MEDICAL CENTER 1000 HARRINGTON MOUNT CLEMENS, MI 48043 38-1218516	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
NORTH OAKLAND NORTH MACOMB IMAGING INC 355 BARCLAY CIR STE A ROCHESTER HILLS, MI 48307 38-2807040	MRI IMAGING	MI	501(C)(3)	LINE 3	POH REGIONAL MEDICAL CENTER	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
NORTHERN MICHIGAN HEMATOLOGY AND ONCOLOGY 416 CONNABLE AVENUE PETOSKEY, MI 49770 32-0020293	PHYSICIAN PRACTICE	MI	501(C)(3)	LINE 3	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
NORTHERN MICHIGAN HOSPITALS DBA NORTHERN MICHIGAN REGIONAL HOSP 416 CONNABLE AVENUE PETOSKEY, MI 49770 38-2146751	ACUTE CARE HOSPITAL	MI	501(C)(3)	LINE 3	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
NORTHERN MICHIGAN MEDICAL MANAGEMENT 416 CONNABLE AVENUE PETOSKEY, MI 49770 20-8458840	PHYSICIAN PRACTICE	MI	501(C)(3)	LINE 3	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM 416 CONNABLE AVENUE PETOSKEY, MI 49770 38-2445613	HEALTH SERVICES	MI	501(C)(3)	LINE 11A, I	MCLAREN HEALTH CARE CORPORATION	Yes	
NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM FOUNDATION 360 CONNABLE AVENUE PETOSKEY, MI 49770 38-2445611	FUNDRAISING	MI	501(C)(3)	LINE 11A, I	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
PETOSKEY COMMUNITY FREE CLINIC 416 CONNABLE AVENUE PETOSKEY, MI 49770 20-3675817	HEALTH SERVICES	MI	501(C)(3)	LINE 3	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
POH REGIONAL MEDICAL CENTER 50 NORTH PERRY STREET PONTIAC, MI 48342 38-1428164	HOSPITAL	MI	501(C)(3)	LINE 3	MCLAREN HEALTH CARE CORPORATION	Yes	
POH RILEY FOUNDATION 50 NORTH PERRY STREET PONTIAC, MI 48342 20-0442217	FOUNDATION	MI	501(C)(3)	LINE 11C, III-FI	POH REGIONAL MEDICAL CENTER	Yes	
REGIONAL EMERGENCY MEDICAL SERVICE INC 25400 W 8 MILE ROAD SOUTHFIELD, MI 48034 38-3255499	AMBULANCE SERVICE	MI	501(C)(3)	LINE 9	MCLAREN MEDICAL MANAGEMENT INC	Yes	
THE CARDIAC INSTITUTE DBA MICHIGAN HEART & VASCULAR SPECIALISTS 416 CONNABLE AVENUE PETOSKEY, MI 49770 26-2774689	PHYSICIAN PRACTICE	MI	501(C)(3)	LINE 3	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
VISITING NURSE SERVICE OF MICHIGAN 401 S BALLENGER HWY FLINT, MI 48532 38-3491714	HEALTH CARE SERVICES	MI	501(C)(3)	LINE 9	MCLAREN HEALTH CARE CORPORATION	Yes	
VITALCARE INC 761 LAFAYETTE AVENUE CHEBOYGAN, MI 49721 38-2527255	HOSPICE CARE/HOME HEALTH SERVICES	MI	501(C)(3)	LINE 9	NORTHERN MICHIGAN REGIONAL HEALTH SYSTEM	Yes	
WOMENS HOSPITAL ASSOCIATION OF FLINT MICHIGAN 401 S BALLENGER HIGHWAY FLINT, MI 48532 38-1358053	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 11A, I	MCLAREN HEALTH CARE CORPORATION	Yes	
MCLAREN HOSPITALITY HOUSE 401 S BALLENGER HIGHWAY FLINT, MI 48532 45-5567669	HOSPITALITY HOUSE	MI	501(C)(3)	LINE 7	MCLAREN HEALTH CARE CORPORATION	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
HEALTH ADVANTAGE INC G3245 BEECHER ROAD FLINT, MI 48532 91-2141720	HEALTH CARE SERVICES	MI	N/A	C			
CLARKSTON PROPERTY ASSOCIATES 50 NORTH PERRY STREET PONTIAC, MI 48342 43-2006072	REAL ESTATE	MI	N/A	C			
HOSPITAL HEALTH CARE INC 50 NORTH PERRY STREET PONTIAC, MI 48342 38-2643070	HEALTH CARE	MI	N/A	C			
PHYSICIAN ORGANIZED HEALTHCARE SYSTEM 50 NORTH PERRY STREET PONTIAC, MI 48342 38-3136458	MANAGED CARE	MI	N/A	C			
MCLAREN HEALTH PLAN INSURANCE COMPANY G-3245 BEECHER ROAD SUITE 200 FLINT, MI 48532 27-1780283	INSURANCE	MI	N/A	C			
VITALCARE HOME MEDICAL EQUIPMENT INC 761 LAFAYETTE AVENUE CHEBOYGAN, MI 49721 38-2662954	SALE AND RENTAL OF DURABLE MEDICAL EQUIPMENT	MI	N/A	C			
PETOSKEY ASSURANCE LTD 68 WEST BAY ROADPO BOX 1109 GRAND CAYMAN KY1-1102 CJ 98-0628316	PROFESSIONAL AND GENERAL LIABILITY COVERAGE	CJ	N/A	C			
RAPIN & RAPIN INC DBA PRESCRIPTION SERVICES PHARMACY 416 CONNABLE AVENUE PETOSKEY, MI 49770 38-3465261	RETAIL PHARMACY	MI	N/A	C			

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	MCLAREN HEALTH CARE CORPORATION	L	19,186,827	ALLOCATION OF COST
(2)	MCLAREN HEALTH CARE CORPORATION	N	819,127	ALLOCATION OF COST
(3)	MCLAREN HEALTH CARE CORPORATION	O	19,200,556	ALLOCATION OF COST
(4)	MCLAREN HEALTH CARE CORPORATION	J	280,000	ALLOCATION OF COST
(5)	MCLAREN HEALTH CARE CORPORATION	B	1,357,882	CASH
(6)	MCLAREN HEALTH PLAN	K	9,779,076	ALLOCATION OF COST
(7)	LAPEER REGIONAL MEDICAL CENTER	P	53,151	ALLOCATION OF COST
(8)	LAPEER REGIONAL MEDICAL CENTER	K	60,241	ALLOCATION OF COST
(9)	MCLAREN REGIONAL MEDICAL CENTER	P	270,288	ALLOCATION OF COST
(10)	MCLAREN REGIONAL MEDICAL CENTER	O	467,138	ALLOCATION OF COST
(11)	MCLAREN REGIONAL MEDICAL CENTER	K	234,060	ALLOCATION OF COST
(12)	VISITING NURSE SERVICE OF MICHIGAN	I	100,246	ALLOCATION OF COST
(13)	VISITING NURSE SERVICE OF MICHIGAN	P	435,939	ALLOCATION OF COST
(14)	VISITING NURSE SERVICE OF MICHIGAN	K	85,178	ALLOCATION OF COST
(15)	VISITING NURSE SERVICE OF MICHIGAN	N	109,827	ALLOCATION OF COST
(16)	MCLAREN MEDICAL MANAGEMENT INC	O	5,894,018	ALLOCATION OF COST
(17)	MCLAREN MEDICAL MANAGEMENT INC	L	145,398	ALLOCATION OF COST
(18)	MCLAREN MEDICAL MANAGEMENT INC	I	57,780	ALLOCATION OF COST
(19)	MCLAREN MEDICAL MANAGEMENT INC	B	5,699,544	CASH
(20)	MOUNT CLEMENS REGIONAL MEDICAL CENTER	L	289,098	ALLOCATION OF COST

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(21)	INGHAM REGIONAL HEALTHCARE FOUNDATION	C	596,191	CASH
(22)	INGHAM REGIONAL HEALTHCARE FOUNDATION	N	246,389	ALLOCATION OF COST
(23)	INGHAM REGIONAL HEALTHCARE FOUNDATION	P	410,728	ACTUAL EXPENSE

McLaren Health Care Corporation and Subsidiaries

Consolidated Financial Report with Additional Information September 30, 2012

McLaren Health Care Corporation and Subsidiaries

Contents

plante moran

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Independent Auditor's Report

To the Board of Directors
McLaren Health Care Corporation
and Subsidiaries

We have audited the accompanying consolidated balance sheet of McLaren Health Care Corporation and Subsidiaries (the "Corporation") as of September 30, 2012 and 2011 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of McLaren Insurance Company, LTD, a consolidated subsidiary, which reflect total assets of $78,067,000 and $66,618,000 as of September 30, 2012 and 2011, respectively, and total revenue of $7,450,000 and $6,499,000, respectively, for the years then ended. These financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for McLaren Insurance Company, LTD, is based solely on the report of the other auditors.

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

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of McLaren Health Care Corporation and Subsidiaries at September 30, 2012 and 2011 and the consolidated results of their operations, changes in net assets, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

January 8, 2013

Praxity
MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

McLaren Health Care Corporation and Subsidiaries

Consolidated Balance Sheet
(in thousands)

	September 30, 2012	September 30, 2011
Assets		
Current Assets		
Cash and cash equivalents	$ 275,041	$ 301,385
Collateral from securities lending (Note 6)	16,173	14,906
Accounts receivable (Note 2)	249,953	185,363
Cost report settlements receivable (Note 3)	4,276	6,294
Assets limited as to use for payment of current liabilities (Note 6)	4,097	4,646
Other current assets	50,245	47,347
Total current assets	599,785	559,941
Property and Equipment - Net (Note 5)	864,632	759,621
Other Assets (Note 6)	936,045	746,076
Total assets	**$ 2,400,462**	**$ 2,065,638**
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt (Note 8)	$ 17,064	$ 14,600
Notes payable (Note 9)	9,902	26,265
Accounts payable	173,896	156,718
Cost report settlements payable (Note 3)	37,299	11,914
Accrued and other liabilities (Note 10)	145,409	125,357
Total current liabilities	383,570	334,854
Long-term Debt - Net of current portion (Note 8)	633,416	585,550
Fair Value of Interest Rate Swap Agreements (Note 8)	45,086	46,186
Other Liabilities (Note 11)	467,405	430,066
Total liabilities	1,529,477	1,396,656
Net Assets		
Unrestricted	801,134	622,251
Temporarily restricted	22,357	10,604
Permanently restricted	47,494	36,127
Total net assets	870,985	668,982
Total liabilities and net assets	**$ 2,400,462**	**$ 2,065,638**

McLaren Health Care Corporation and Subsidiaries

Consolidated Statement of Operations
(In thousands)

	Year Ended	
	September 30, 2012	September 30, 2011
Unrestricted Revenue, Gains, and Other Support		
Patient service revenue	$ 4,920,353	$ 4,342,971
Revenue deductions	(3,012,081)	(2,641,687)
Net patient service revenue	1,908,272	1,701,284
Other (Note 1)	426,216	361,502
Net assets released from restrictions used for operations	2,253	1,793
Total unrestricted revenue, gains, and other support	2,336,741	2,064,579
Expenses		
Salaries and wages	794,235	691,995
Employee benefits and payroll taxes	186,158	176,741
Supplies	372,169	317,673
Outside services	281,432	191,992
Professional and other liability costs	12,106	15,596
Healthcare costs	210,046	177,703
Depreciation and amortization	91,070	85,077
Provision for bad debts	114,105	109,516
Interest expense	25,988	25,656
Other	189,279	221,576
Total expenses (Note 16)	2,276,588	2,013,525
Operating Income	60,153	51,054
Other Income (Loss)		
Investment income (Note 6)	14,029	13,394
Change in interest rate swap agreements (Note 8)	3,896	(7,847)
Change in unrealized gains and losses on investments (Note 6)	93,978	(24,662)
Inherent contribution from acquisition of Northern (Note 18)	73,334	-
Loss on extinguishment of debt	(2,021)	(631)
Total other income (loss)	183,216	(19,746)
Excess of Revenue Over Expenses	243,369	31,308
Other	(53)	(1,247)
Pension-related Changes Other Than Net Periodic Benefit Cost	(67,004)	(70,337)
Net Assets Released from Restriction	2,571	2,391
Increase (Decrease) in Unrestricted Net Assets	**$ 178,883**	**$ (37,885)**

McLaren Health Care Corporation and Subsidiaries

Consolidated Statement of Changes in Net Assets

(In thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets - October 1, 2010	$ 660,136	$ 12,349	$ 38,021	$ 710,506
Excess of revenue over expenses	31,308	-	-	31,308
Restricted contributions	-	3,753	2	3,755
Restricted investment (loss) income	-	(32)	4	(28)
Change in unrealized gains and losses on investments	-	(253)	-	(253)
Increase in fair value of perpetual trust	-	-	(1,896)	(1,896)
Other changes in net assets	(1,247)	(1,027)	(4)	(2,278)
Pension-related changes other than net periodic benefit cost	(70,337)	-	-	(70,337)
Net assets released from restriction	2,391	(4,186)	-	(1,795)
Decrease in net assets	(37,885)	(1,745)	(1,894)	(41,524)
Net Assets - September 30, 2011	622,251	10,604	36,127	668,982
Excess of revenue over expenses	243,369	-	-	243,369
Restricted contributions	-	7,227	24	7,251
Restricted investment income	-	170	14	184
Change in unrealized gains and losses on investments	-	1,192	-	1,192
Increase in fair value of perpetual trust	-	-	3,886	3,886
Other changes in net assets	(53)	(823)	-	(876)
Inherent contribution from acquisition of Northern	-	8,811	7,443	16,254
Pension-related changes other than net periodic benefit cost	(67,004)	-	-	(67,004)
Net assets released from restriction	2,571	(4,824)	-	(2,253)
Increase in net assets	178,883	11,753	11,367	202,003
Net Assets - September 30, 2012	**$ 801,134**	**$ 22,357**	**$ 47,494**	**$ 870,985**

See Notes to Consolidated Financial Statements.

McLaren Health Care Corporation and Subsidiaries

Consolidated Statement of Cash Flows
(in thousands)

	Year Ended September 30, 2012	Year Ended September 30, 2011
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 202,003	$ (41,524)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation and amortization of deferred charges	91,070	84,965
Net change in unrealized gains and losses on investments	(93,978)	26,640
Realized gains on investments	(5,516)	(4,102)
Loss in unconsolidated subsidiaries	205	208
Pension related changes other than periodic benefit costs	67,004	70,337
(Increase) decrease in fair value of perpetual trusts	(3,886)	1,896
Loss (gain) on disposal of equipment	345	(25)
Change in fair value of interest rate swap agreements	(3,896)	7,847
Loss on defeasance of debt	2,021	631
Temporarily and permanently restricted contributions	(7,251)	(3,755)
Provision for bad debts	114,105	109,516
Inherent contribution for the acquisition of Northern	(89,588)	-
Changes in assets and liabilities which (used) provided cash - Net of assets acquired and liabilities assumed in connection with Northern acquisition (Note 18):		
Accounts receivable	(160,108)	(120,786)
Other current assets	7,348	1,849
Cost report settlements receivable (payable)	22,370	(624)
Other assets	8,063	15,485
Accounts payable	9,979	34,507
Accrued and other liabilities	7,669	(19,945)
Other liabilities	(61,499)	8,157
Net cash provided by operating activities	106,460	171,277
Cash Flows from Investing Activities		
Purchase of property and equipment	(118,158)	(134,742)
Proceeds from sale of property and equipment	801	479
Cash paid for intangibles	(28,592)	-
Purchase of investments	(68,744)	(125,134)
Proceeds from sale and maturities of investments	34,140	74,018
Cash proceeds from acquisition of Northern	17,742	-
Net cash used in investing activities	(162,811)	(185,379)
Cash Flows from Financing Activities		
Increase (decrease) in funds held by trustee under bond indenture	25,199	(28,227)
Proceeds from issuance of debt obligations	114,316	70,818
Principal payment on long-term debt	(104,530)	(27,408)
Proceeds from (payments on) bond financing costs and other	4,134	(2,024)
(Payments on) proceeds from notes payable to bank	(16,363)	15,240
Temporarily and permanently restricted contributions	7,251	3,755
Net cash provided by financing activities	30,007	32,154
Net (Decrease) Increase in Cash and Cash Equivalents	(26,344)	18,052
Cash and Cash Equivalents - Beginning of year	301,385	283,333
Cash and Cash Equivalents - End of year	**$ 275,041**	**$ 301,385**
Supplemental Cash Flow Information - Cash paid for interest	**$ 26,186**	**$ 26,156**

Significant noncash investing and financing activity includes the affiliation of Northern as of January 1, 2012 (Note 18)

See Notes to Consolidated Financial Statements.

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Structure - McLaren Health Care Corporation and Subsidiaries (the "Corporation" or MHC), a not-for-profit corporation, is a major provider of healthcare services to residents of Flint, Lansing, Bay City, Lapeer, Macomb, Oakland, Mt. Pleasant, and Petoskey, Michigan and surrounding communities.

The consolidated financial statements include the corporations listed below, as well as their subsidiaries and related foundations, of which MHC is the sole member:

McLaren Flint (Flint)

McLaren Bay Region (Bay)

McLaren Lapeer Region (Lapeer)

McLaren Greater Lansing (Lansing)

McLaren Macomb (Macomb)

McLaren Oakland (Oakland)

McLaren Central Michigan (Central)

McLaren Northern Michigan (Northern)

McLaren Medical Group (MMG)

McLaren Homecare Group (MHG)

McLaren Health Plan (MHP)

McLaren Bay Special Care (BSC)

McLaren Insurance Company, LTD (MICOL)

On January 1, 2012, the Corporation acquired Northern Michigan Regional Health System Inc. and its controlled nonstock affiliates and subsidiary, known collectively as Northern Michigan Regional Health System. In addition, MHP acquired CareSource Michigan on August 1, 2012 (Note 18).

Significant accounting policies include the following:

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of McLaren Health Care Corporation and its subsidiaries. Intercompany transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents - Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less, excluding amounts limited as to use by board designation or other arrangements under trust agreements (see Note 6).

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The Corporation routinely invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these investments is minimal.

Accounts Receivable - Accounts receivable from patients, insurance companies, and governmental agencies are based on gross charges. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Corporation's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims from certain payors.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair market value. Investments in other equity securities or privately held companies are recorded at cost. Investment income or loss (including realized and changes in unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue over expenses, unless the income or loss is restricted by the donor.

The Corporation's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated balance sheet and the consolidated statements of operations and changes in net assets.

Securities Lending Arrangements - The Corporation engages in transactions whereby certain securities in its portfolio are loaned to other institutions, generally for a short period of time. The Corporation records the fair value of the collateral received as a current asset and a current liability since the Corporation is obligated to return the collateral upon the return of the borrowed securities.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Pooled Funds - The Corporation has authorized investment pools for flexibility in investing its assets and maximizing its rate of return. Realized and unrealized gains or losses and income on unallocated investments are allocated to the unrestricted and temporarily restricted net assets participating in the pool based upon the average balance of the respective net assets.

Assets Limited as to Use - Assets limited as to use include assets set aside by the governing boards of various subsidiaries for future capital improvements, over which the boards retain control and may at their discretion subsequently use for other purposes. Assets limited as to use also include assets held by trustees under indenture agreements, funds held in trust by foundations, funds restricted by donors for specific purposes, funds held in trust for payment of employee benefits, and self-insurance trust arrangements (see Note 6).

Property and Equipment - Property and equipment acquisitions are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Interest Rate Swaps - The Corporation has entered into interest rate swap agreements to manage its investments and capitalization, including risks associated with changes in interest rates. The Corporation records its interest rate swaps as either assets or liabilities in the accompanying consolidated balance sheet at fair value. None of the Corporation's current swaps are designated as a hedge. Accordingly, both the unrealized and realized gains or losses related to the interest rate swaps are included in nonoperating income (loss) on the consolidated statement of operations (see Note 8).

Classification of Net Assets - Net assets of the Corporation are classified as permanently restricted, temporarily restricted, or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Corporation's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Temporarily Restricted Net Assets - Temporarily restricted net assets reflect assets contributed or pledged to the Corporation and its subsidiaries, the use of which is restricted by the donor. Temporarily restricted net assets are restricted for medical education, indigent care, and property and equipment purchases. Investment earnings on temporarily restricted investments are restricted by donors for specific purposes.

Permanently Restricted Net Assets - Permanently restricted net assets are primarily comprised of the estimated present value of the future cash receipts from certain trust assets. The present value of the future receipts from the trusts is recorded at the fair value of the assets of the trusts, net of liabilities.

Excess of Revenue Over Expenses - The consolidated statement of operations includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include net assets released from restrictions for the acquisition of long-lived assets, pension-related changes other than net periodic benefit cost, and other.

Net Patient Service Revenue - The Corporation has agreements with third-party payors that provide for payments to the Corporation 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. Retroactively calculated adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs.

Contributions - The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of changes in net assets as net assets released from restrictions.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The Corporation reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation reports the expiration of donor restrictions when the assets are placed in service.

Premium Revenue - MHP recognizes premium revenue in the period the subscribers are entitled to related healthcare services. Premium revenue is reported in other revenue in the consolidated statement of operations and was $358 million and $319 million for the years ended September 30, 2012 and 2011, respectively.

Healthcare Costs - MHP contracts with various healthcare providers for the provision of certain medical services to its members. Healthcare costs include all amounts incurred under capitation payment agreements and services rendered under the fee-for-service arrangement, including an estimate of costs incurred but not reported at each year end. Healthcare costs are reported in other expenses in the consolidated statement of operations.

Professional and Other Liability Insurance - The Corporation, its subsidiaries, and qualifying medical staff are insured for professional liability on a claims-made basis by MICOL, a multiprovider, offshore captive insurance company wholly owned by the Corporation. The Corporation and its subsidiaries accrue an estimate of the ultimate expense, including litigation and settlement expense, net of applicable reinsurance coverage, for incidents of potential improper professional service and other liability claims occurring during the year as well as for those claims that have not been reported at year end based on estimates provided by an independent actuary (see Note 14).

Charity Care - Subsidiaries of the Corporation provide care to patients who meet certain criteria under charity care policies without charge or at amounts less than established rates. Because the Corporation and its subsidiaries do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue (see Note 4).

Tax Status - The Corporation and substantially all of its subsidiaries are nonprofit, tax-exempt organizations; accordingly, no tax provision is reflected in the consolidated financial statements. Some subsidiaries are for-profit corporations. Income tax provisions are not material to the consolidated financial statements.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The accounting standard that refers to accounting for uncertainty in income taxes addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded on the consolidated financial statements. Companies must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The standard also provides guidance on derecognition, classification, interest and penalties on income taxes, and accounting in interim periods, and requires increased disclosures. The evaluated potential exposure related to uncertain tax positions was found to be immaterial.

The Corporation is subject to examination by taxing authorities; however, no examinations are in progress. Management believes the Corporation is not subject to tax examinations for years prior to September 30, 2009.

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

Reclassification - Certain 2011 amounts have been reclassified to conform to the 2012 presentation. The Corporation reclassified $16,958,000 in revenue deductions from other revenue for disproportionate share hospital pools and Quality Assurance Assessment Program activity. The Corporation also reclassified various expenses to conform to the classifications utilized in 2012.

Electronic Health Records Incentive Payments - The American Recovery and Reinvestment Act of 2009 (ARRA) established funding in order to provide incentive payments to hospitals and physicians that implement the use of electronic health record (EHR) technology by 2014. The Corporation may receive an incentive payment for up to four years, provided the Corporation demonstrates meaningful use of certified EHR technology for the EHR reporting period. The revenue from the incentive payments is recognized ratably over the EHR reporting period when there is reasonable assurance that the Corporation will comply with eligibility requirements during the EHR reporting period and an incentive payment will be received. The amounts are recorded within other operating revenue, as the incentive payments are related to the Corporation's ongoing and central activities, yet not critical to the delivery of patient service.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

New Accounting Pronouncements - During 2011, the Financial Accounting Standards Board (FASB) adopted Accounting Standards Update (ASU) 2011-07 *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities.* Topic 954 establishes accounting and disclosures for healthcare entities that recognize significant amounts of patient service revenue at the time services are rendered even though the entities do not assess a patient's ability to pay. The amendments in the ASU will change the presentation of the consolidated statement of operations and add new disclosures that are not required under current generally accepted accounting principles. The provision for bad debts associated with patient service revenue is required to be presented on a separate line as a deduction from patient service revenue (net of contractual allowances and discounts) in the consolidated statement of operations. The ASU is effective for the Corporation for the year ending September 30, 2013.

The Corporation has adopted Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries,* for the year ended September 30, 2012. In accordance with the ASU, the accrued liability for malpractice claims and similar liabilities and the related insurance recovery receivable, if applicable, have been presented separately on the consoldiated balance sheet on a gross basis. Prior guidance allowed the liability to be reported net of the estimated insurance recovery receivable. There was no impact on beginning net assets related to the implementation of this ASU.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including January 8, 2013, which is the date the consolidated financial statements were available to be issued.

Note 2 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below (in thousands):

	2012	2011
Patient accounts receivable	$ 835,571	$ 685,710
Less allowance for uncollectible accounts	(94,366)	(86,025)
Less allowance for contractual adjustments	(512,009)	(430,186)
Net patient accounts receivable	229,196	169,499
Other	20,757	15,864
Total accounts receivable	$ 249,953	$ 185,363

Note 2 - Patient Accounts Receivable (Continued)

Subsidiaries of the Corporation grant credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors is as follows:

	Percentage	
	2012	2011
Medicare	33	31
Blue Cross/Blue Shield of Michigan	13	12
Medicaid	19	20
Commercial insurance and HMOs	19	23
Self-pay	16	14
Total	100	100

Note 3 - Cost Report Settlements

Medical centers of the Corporation have agreements with third-party payors that provide for reimbursement at amounts different from the subsidiaries' established rates. A summary of the basis of reimbursement with these third-party payors is as follows:

- **Medicare** - Inpatient, acute care, psychiatric, and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Long-term acute care services are reimbursed on a prospectively determined per-diem basis. Outpatient, physician, and homecare services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care or on an established fee-for-service methodology.
- **Medicaid** - Inpatient, acute care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service and percentage-of-charge bases.
- **Health Maintenance Organizations** - Services rendered to HMO beneficiaries are paid at predetermined rates or at a percentage of hospital charges.

Note 3 - Cost Report Settlements (Continued)

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, Blue Cross/Blue Shield of Michigan, and HMO programs and are subject to audit by fiscal intermediaries.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 may be reviewed by contractors for validity, accuracy, and proper documentation. The Corporation is unable to determine the extent of liability for overpayments, if any. The potential exists for significant overpayment of claims liability for the Corporation at a future date.

Note 4 - Community Benefit

The Corporation and its subsidiaries accept all patients regardless of their ability to pay. The Corporation has established a formal policy whereby a patient may qualify as a charity patient if certain criteria are met. These policies define charity services as those services for which no payment is anticipated. In assessing a patient's ability to pay, the Corporation utilizes multiple poverty levels consistent with industry practice, but also includes certain cases where incurred charges are significant compared to the patient's available resources. In addition to providing services to the financially disadvantaged, the medical centers participate in county, state, and federal programs designed for the indigent and elderly, whereby the medical centers may be reimbursed at less than the cost of providing those services, provide other community services at no or nominal cost, and subsidize graduate medical education in the community. An estimate of charity and other uncompensated care for the medical centers is as follows (in thousands):

	2012	2011
Charity care cost	$ 21,980	$ 12,217
Cost in excess of reimbursement for county health plans (unaudited)	12,719	11,556
Cost in excess of reimbursement from government programs (unaudited)	81,012	58,923
Cost in excess of reimbursement for graduate medical education (unaudited)	18,617	17,395
Cost of community programs (unaudited)	13,292	7,967
Total	$ 147,620	$ 108,058

The cost of bad debt for the Corporation for the years ended September 30, 2012 and 2011 was approximately $39,168,000 and $37,504,000, respectively, which is reflected in the consolidated statement of operations as charges of $114,105,000 and $109,516,000, respectively.

Note 5 - Property and Equipment

Property and equipment and depreciable lives are summarized as follows (in thousands):

	2012	2011	Depreciable Life - Years
Land	$ 57,095	$ 50,231	-
Land improvements	37,511	36,727	5-35
Buildings	836,111	768,400	20-40
Equipment	1,001,298	892,847	5-15
Construction in progress	83,444	80,530	-
Total cost	2,015,459	1,828,735	
Accumulated depreciation	(1,150,827)	(1,069,114)	
Net property and equipment	$ 864,632	$ 759,621	

Construction in progress consists primarily of the construction of a facility to provide proton beam therapy, various renovation projects, and implementation of information technology projects at the medical centers and MHC.

Depreciation expense was approximately $91,070,000 and $85,077,000 for the years ended September 30, 2012 and 2011, respectively.

Note 6 - Other Assets

The detail of other assets is summarized in the following schedule (in thousands):

	2012	2011
Investments:		
Assets limited as to use and permanently or temporarily restricted assets:		
Funds held by trustees under bond indentures	$ 20,740	$ 49,586
Funds held in trust for payment of professional and other liability claims (Note 14)	75,232	62,297
By board of trustees for future capital improvements	123,718	90,080
By the foundations - Funds held in trust for the benefit of MHC and its subsidiaries	76,185	51,400
By donors for specific purposes	9,625	9,206
Funds held in trust for payment of employee benefits	16,435	10,963
Total assets limited as to use and permanently or temporarily restricted assets	321,935	273,532
General investments	499,446	387,169
Investment in Anthelio (Note 15)	34,133	38,104
Total investments	855,514	698,805
Less amount for payment of current liabilities	(4,097)	(4,646)
Bond issue and other costs	6,673	7,504
Investment in joint ventures	28,112	29,235
Intangible assets	31,909	3,317
Interest rate swap (Note 8)	2,796	-
Other	15,138	11,861
Total other assets	$ 936,045	$ 746,076

Note 6 - Other Assets (Continued)

Investments consist of the following (in thousands):

	2012	2011
Money market investments	$ 68,708	$ 87,416
Certificates of deposit and cash equivalents	7,085	3,825
Government securities	36,120	3,727
Mortgage-backed securities	200	346
Mutual funds	345,337	265,344
Corporate bonds	12,186	16,743
Common and preferred stocks	349,686	289,098
Due from trusts (Note 12)	36,192	32,306
Total	$ 855,514	$ 698,805

Funds held by the trustee under bond indenture are held for the purpose of making future bond principal and interest payments and payments for certain construction projects. Investment income accrues to the funds as earned.

Investment income and gains and losses are comprised of the following for the years ended September 30, 2012 and 2011 (in thousands):

	2012	2011
Unrestricted investment income	$ 14,029	$ 13,394
Investment income (loss) on temporarily and permanently restricted investments	184	(28)
Change in net unrealized gains and losses on unrestricted investments	93,978	(24,662)
Change in net unrealized gains and losses on restricted investments	1,192	(253)
Total investment income (loss)	$ 109,383	$ (11,549)

Note 6 - Other Assets (Continued)

The Corporation participates in the JPMorgan Chase Bank, N.A. Security Lending Program for its U.S. and non-U.S. securities held in custody at JPMorgan Chase Bank, N.A. (JPMorgan Chase). These securities are loaned to certain unrelated third-party brokers in exchange for collateral, usually in the form of cash. Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are more than fully collateralized at all times. Collateral received is invested in a segregated account managed by JPMorgan Chase, which consists of high quality short-term investments. In the event that the loaned securities are not returned by the borrower, JPMorgan Chase will, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit the Corporation's accounts with cash equal to the fair value of the loaned securities.

The Corporation receives 40 percent of any residual income earned on the securities held as collateral. JPMorgan Chase receives the remainder of the income.

Although the Corporation's securities lending activities are collateralized as described above, and although the terms of the securities lending agreement with JPMorgan Chase require JPMorgan Chase to comply with government rules and regulations related to the lending of securities held by the Corporation, the securities lending program involves both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize its loan upon a sudden material change in the fair value of the loaned securities or the collateral, or that JPMorgan Chase's investment of collateral received from the borrowers of the Corporation's securities may be subject to unfavorable market fluctuations. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

At September 30, 2012 and 2011, the fair value of securities loaned in the portfolio was $16,330,000 and $15,112,000, respectively, while the collateral held was $16,173,000 and $14,906,000, respectively. Collateral received consists of cash and fixed-income securities. The value of the collateral held and a corresponding liability to return the collateral have been reported on the accompanying consolidated balance sheet.

On August 1, 2012, MHP purchased CareSource Michigan for approximately $27 million. As part of that transaction, MHP recorded $18 million of intangible assets for plan members and provider networks that will be amortized over 18 years. In addition, MHP recognized $3 million of intangible assets related to Medicare Advantage contracts and goodwill of approximately $5.5 million. These assets are considered to have an indefinite useful life and therefore are not being amortized but are tested for impairment on an annual basis.

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Corporation's assets and liabilities measured at fair value on a recurring basis at September 30, 2012 and 2011 and the valuation techniques used by the Corporation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Corporation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Corporation's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2012 and 2011.

Note 7 - Fair Value Measurements (Continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis at September 30, 2012 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2012
Assets				
Mutual funds:				
Fixed-income investments	$ 184,486	$ 1,787	$ -	$ 186,273
Equity investments	144,187	-	-	144,187
Balanced investments	3,747	-	-	3,747
Short-term investments	11,130	-	-	11,130
Common and preferred stocks:				
U.S. securities	178,088	-	-	178,088
Foreign securities	133,212	-	-	133,212
Preferred stocks	-	4,253	-	4,253
Debt securities:				
U.S. government and agencies	2,247	32,444	-	34,691
State government and agencies	-	1,429	-	1,429
Corporate bonds and notes	-	12,186	-	12,186
Residential mortgage-backed securities	-	200	-	200
Money market investments:				
Short-term investments	68,400	-	-	68,400
Fixed-income investments	308	-	-	308
Collateral on securities lending arrangements	-	16,173	-	16,173
Due from trusts	-	36,192	-	36,192
Interest rate swap agreements	-	2,796	-	2,796
Total assets	$ 725,805	$ 107,460	$ -	$ 833,265
Liabilities				
Obligations on secured lending arrangements	$ -	$ 16,330	$ -	$ 16,330
Interest rate swap agreements	-	45,086	-	45,086
Total liabilities	$ -	$ 61,416	$ -	$ 61,416

Note 7 - Fair Value Measurements (Continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis at September 30, 2011 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2011
Assets				
Mutual funds:				
Fixed-income investments	$ 167,589	$ -	$ -	$ 167,589
Equity investments	88,233	-	-	88,233
Balanced investments	779	-	-	779
Short-term investments	8,743	-	-	8,743
Common and preferred stocks:				
U.S. securities	139,652	-	-	139,652
Foreign securities	108,649	-	-	108,649
Preferred stocks	-	2,693	-	2,693
Debt securities:				
U.S. government and agencies	-	2,316	-	2,316
State government and agencies	-	1,411	-	1,411
Corporate bonds and notes	-	16,743	-	16,743
Residential mortgage-backed securities	-	346	-	346
Money market investments - Short-term investments	87,416	-	-	87,416
Collateral on securities lending arrangements	-	14,906	-	14,906
Due from trusts	-	32,306	-	32,306
Total assets	$ 601,061	$ 70,721	$ -	$ 671,782
Liabilities				
Obligations on secured lending arrangements	$ -	$ 15,112	$ -	$ 15,112
Interest rate swap agreements	-	46,186	-	46,186
Total liabilities	$ -	$ 61,298	$ -	$ 61,298

Note 7 - Fair Value Measurements (Continued)

Collateral from securities lending, assets whose use is limited or restricted, and investments on the consolidated balance sheet, as further discussed in Note 6, at September 30, 2012 and 2011 included cash and certificates of deposit of $7,085,000 and $3,824,000, respectively, and an investment in Anthelio Healthcare Solutions, Inc. recorded at cost of $34,133,000 and $38,104,000, respectively. Cash and certificates of deposit and the investment in Anthelio are not measured at fair value on a recurring basis and therefore are not included in the tables above.

The fair value of the securities lending and swap arrangements was determined primarily based on Level 2 inputs. The Corporation estimates the fair value of these investments using the fair market value as determined by the investment custodians. The Level 2 inputs used in estimating the fair value of the swap agreements include the notional amount, effective interest rate, and maturity date.

Note 8 - Long-term Debt

Long-term debt consists of the following (in thousands):

	2012	2011
McLaren Health Care Series 2012A	$ 107,695	$ -
McLaren Health Care Series 2010	67,125	67,125
McLaren Health Care Series 2008A	212,595	216,470
McLaren Health Care Series 2008B	160,700	163,000
McLaren Health Care Series 2005C	75,935	76,680
McLaren Health Care Series 1998A	-	64,065
Unamortized premium (discount)	10,603	(3,423)
Subtotal	634,653	583,917
Other	15,827	16,233
Total	650,480	600,150
Less current portion	17,064	14,600
Long-term portion	$ 633,416	$ 585,550

The McLaren Health Care Series bonds are issued through MHC as credit group agent, on behalf of the Credit Group, which consists of the following medical centers: Bay, Flint, Lansing, Oakland, Lapeer, Macomb, Northern, and Central; along with the following foundations: McLaren Foundation, McLaren Macomb Healthcare Foundation, and McLaren Lapeer Region Foundation. As credit group agent, MHC has the power to cause any member of the Credit Group to make required principal and interest payments on the bonds issued by the Credit Group.

Note 8 - Long-term Debt (Continued)

In July 2012, the Michigan Finance Authority issued the Hospital Revenue Refunding Bonds (McLaren Health Care), Series 2012A, totaling $107,695,000. The proceeds of the bonds were used to refund the following outstanding bonds: Michigan Finance Authority Revenue and Refunding Bonds (McLaren Health Care Corporation), Series 1998A; Petoskey Hospital Finance Authority Limited Obligation Revenue and Refunding Bonds (Northern Michigan Hospitals Obligated Group), Series 1998; Petoskey Hospital Finance Authority Limited Obligation Revenue Bonds, Series 2003 (Northern Michigan Hospitals Obligated Group); and Petoskey Hospital Finance Authority Limited Obligation Lease Revenue Bonds, Series 2006 (Northern Michigan Hospitals Obligated Group), along with outstanding indebtedness on McLaren's line of credit. The bonds are secured by gross revenue of the Credit Group.

The 2012A bonds consist of serial bonds with interest ranging from 2.0 percent to 5.0 percent and annual maturities ranging from $7,340,000 in 2013 to $5,215,000 in 2028, a term bond in the amount of $10,285,000, due June 1, 2035 with interest at 5.0 percent, and an additional term bond in the amount of $660,000, due June 1, 2035 at 4.0 percent. In connection with the refunding of the McLaren Health Care Series 1998A, Limited Obligation Revenue and Refunding Bonds Series 1998, Limited Obligation Revenue Bonds Series 2003, and Limited Obligation Lease Revenue Bonds Series 2006, a loss on extinguishment of debt was recognized in the amount of $2,021,000. The Limited Obligation Revenue and Refunding Bonds Series 1998, Limited Obligation Revenue Bonds Series 2003, and Limited Obligation Lease Revenue Bonds Series 2006 were indebtedness of Northern Michigan Hospital at the time the Corporation acquired Northern Michigan Regional Health System.

McLaren Health Care Series 2010 bonds consist of revenue bonds issued by Michigan Finance Authority on behalf of the Credit Group. The bonds are secured by gross revenue of the Credit Group and are payable in annual installments beginning December 1, 2021 of $3,356,250, plus interest. Flint will pay the remaining outstanding principal on December 1, 2040. The bonds bear interest at 3.25 percent per annum until the initial optional tender date on December 1, 2020.

McLaren Health Care Series 2008A and 2008B bonds (collectively, the "2008 Bonds"), consist of Revenue and Refunding Bonds issued by Michigan Finance Authority. The Series 2008A bonds are secured by the gross revenue of the Credit Group and consist of serial bonds with interest ranging from 5.00 percent to 5.25 percent and annual maturities ranging from $4,060,000 in 2013 to $5,135,000 in 2018, a term bond in the amount of $68,890,000, due May 15, 2028 with interest at 5.625 percent, and an additional term bond in the amount of $116,195,000, due May 15, 2038 with interest at 5.75 percent.

Note 8 - Long-term Debt (Continued)

The Series 2008B bonds consist of variable rate bonds bearing interest based on a weekly interest rate determined by a remarketing agent to reflect current prevailing market conditions. The bonds are secured by the gross revenue of the Credit Group and have mandatory sinking fund redemption requirements in various amounts through 2038.

Holders of the Series 2008B bonds have the option to demand payment of their outstanding bonds. The Credit Group has entered into a remarketing agreement that requires the remarketing agent to utilize best efforts to remarket any such bonds that may be tendered for payment. The Credit Group has entered into a credit facility with a bank to provide for payment in the event any of the bonds cannot be remarketed. Draws on the credit facility are required to be reimbursed to the credit facility at the earliest remarketing or expiration of the credit facility. The credit facility expires on December 1, 2013 and may be extended. Any outstanding draws on the credit facility at expiration will be converted to a term note payable over three years.

McLaren Health Care Series 2005C bonds consist of revenue bonds issued by Michigan Finance Authority. The bonds are secured by the gross revenue of the Credit Group and consist of term bonds with annual principal payments including mandatory sinking fund payments ranging from $765,000 in 2013 to $11,420,000 in 2035. The bonds bear fixed interest rates ranging from 4.75 percent to 5.0 percent.

McLaren Health Care Series 1998A bonds consist of Hospital Revenue and Refunding Bonds issued by Michigan Finance Authority on behalf of the Credit Group. The bonds consist of term bonds payable in annual installments through June 1, 2028, ranging from $2,535,000 to $5,285,000, at interest rates ranging from 5.15 percent to 5.37 percent. These bonds were refunded through the issuance of the 2012A bonds.

In connection with their loan agreements with the Michigan Finance Authority, the Obligated and Credit Groups have made a covenant, among others, that net revenue, as defined in the bond documents, would equal or exceed 140 percent of maximum annual interest and principal requirements, as defined under the agreements.

Note 8 - Long-term Debt (Continued)

Scheduled minimum principal payments on long-term debt to maturity as of September 30, 2012 are as follows (in thousands):

2013	$ 17,064
2014	12,177
2015	12,245
2016	12,810
2017	13,420
Thereafter	572,161
Subtotal	639,877
Unamortized premium	10,603
Total	$ 650,480

Derivatives

The derivative instruments used by the Corporation are interest rate swap agreements that are used to manage variability in interest rates.

(a) Objectives and Strategies

The Corporation's objectives with respect to its use of derivative instruments include managing the risk of increased debt service resulting from rising market interest rates, the risk of decreased surplus returns resulting from falling interest rates, and the management of the risk of an increase in the fair value of outstanding fixed rate obligations resulting from declining market interest rates.

Debt obligations expose the Corporation to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit the variability of a portion of its interest payments. To meet this objective, management enters into interest rate swap agreements to manage fluctuations resulting from interest rate risk.

By using derivative financial instruments to hedge exposure to changes in interest rates, the Corporation exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Corporation, which creates credit risk for the Corporation. When the fair value of a derivative contract is negative, the Corporation owes the counterparty and, therefore, it does not pose credit risk. The Corporation minimizes the credit risk in derivative instruments by entering into transactions with high quality counterparties.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Note 8 - Long-term Debt (Continued)

(b) Risk Management Policies

The Corporation assesses interest rate risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Corporation maintains risk management control systems to monitor interest rate risk attributable to both the Corporation's outstanding or forecasted debt obligations, as well as the Corporation's offsetting hedge positions. The risk management control system involves the use of analytical techniques, including cash flow sensitivity analysis, to estimate the expected impact of changes in interest rates on the Corporation's future cash flows.

The Corporation does not use derivative instruments for speculative investment purposes.

(c) Transactions

MHC has entered into three interest rate swap agreements to manage the overall variability in interest rates.

In December 2011, the Corporation entered into novation agreements related to two of the three existing swap agreements. Under the novation agreement, the existing counterparty has transferred the swap agreement to two separate counterparties. Each of the three swaps will have a separate collateral threshold, as opposed to the aggregate collateral threshold of $25,000,000 that existed as of September 30, 2011. Under the terms of the ISDA master agreement, the Corporation is required to maintain collateral posted within the counterparty to secure a portion of the estimated value of the derivative instruments when said instruments are valued in favor of the counterparty, as periodically determined by the counterparty. For the year ended September 30, 2011, the Corporation was required to post collateral of $13,150,000. The Corporation was not required to post collateral at September 30, 2012. The Corporation's accounting policy is not to offset collateral amounts against fair value amounts recognized for derivative instrument obligations. Accordingly, the posted collateral is included in cash and cash equivalents in the accompanying consolidated balance sheet.

One swap agreement is for a notional amount of $225,000,000. Under the terms of the agreement, MHC pays the counterparty a rate equal to the USD-SIFMA Municipal Swap Index rate and receives in exchange 61.3 percent of LIBOR plus 0.776 percent.

The second swap agreement is for a notional amount of $85,700,000. Under the terms of the agreement, MHC pays the counterparty a fixed rate of 3.355 percent and receives in exchange 65 percent of LIBOR plus 0.12 percent.

Note 8 - Long-term Debt (Continued)

The third swap agreement is for a notional amount of $75,000,000. Under the terms of the agreement, MHC pays the counterparty a fixed rate of 3.64 percent and receives in exchange 65 percent of LIBOR plus 0.12 percent.

These swap agreements are recorded on the consolidated balance sheet at their fair value. Changes in the fair value of the swap agreements are reported as a component of excess of revenue over expenses, as well as any settlements on the interest rate swaps. There were no settlements in 2012 or 2011.

The Corporation's interest rate swap asset and liability at September 30, 2012 was $2,796,000 and $45,086,000, respectively. For the year ended September 30, 2011, the Corporation's interest rate swap liability was $46,186,000. The amount of gain recognized in the consolidated statement of operations attributable to derivative instruments as changes in fair market value of interest rate swap agreements was $3,896,000 for the year ended September 30, 2012. For the year ended September 30, 2011, a loss was recognized of $7,847,000.

Note 9 - Notes Payable

MHC negotiated, on behalf of the Corporation, a revolving line of credit agreement, secured by gross revenue of the Credit Group, with a bank in the amount of $80,000,000, at an interest rate based on the Eurodollar rate plus 0.5 percent at the time of borrowing (an effective rate of 1.78 percent and 1.25 percent at September 30, 2012 and 2011, respectively).

There was $9,902,000 and $26,265,000 outstanding on the line of credit as of September 30, 2012 and 2011, respectively.

Note 10 - Accrued and Other Liabilities

The details of accrued liabilities at September 30, 2012 and 2011 are as follows (in thousands):

	2012	2011
Payroll and related items	$ 58,212	$ 44,340
Compensated absences	37,369	33,169
Professional and other liability claims - Current portion (Note 14)	3,201	3,224
Interest	4,815	5,013
Obligations under securities lending (Note 6)	16,330	15,112
Other	25,482	24,499
Total accrued liabilities	$ 145,409	$ 125,357

Note 11 - Other Liabilities

The detail of other liabilities at September 30, 2012 and 2011 is given below (in thousands):

	2012	2011
Accrued defined contribution cost	$ 5,646	$ 4,258
Accrued defined benefit pension cost (Note 13)	296,649	267,077
Accrued postretirement benefit cost (Note 13)	50,148	43,483
Accrued professional and other liability claims (Note 14)	87,722	85,276
Other	27,240	29,972
Total other liabilities	$ 467,405	$ 430,066

Note 12 - Due from Trusts

McLaren Foundation is the sole beneficiary of the income from the Minnie I. Ballenger Trust and the William S. Ballenger Trust (collectively, the "Trusts"). The amount due from these Trusts (see Note 6) represents the fair value of the assets held in the Trusts. Since McLaren Foundation receives only the net interest and dividend income of the Trusts, this income is recorded as an increase in unrestricted net assets. Changes in the fair value of the investments in the Trusts are recorded as changes in permanently restricted net assets by McLaren Foundation. The amounts receivable, representing the fair value of the trust assets, are as follows (in thousands):

	2012	2011
Minnie I. Ballenger Trust	$ 35,294	$ 31,510
William S. Ballenger Trust	898	796
Total	$ 36,192	$ 32,306

Note 13 - Pension and Other Postretirement Benefit Plans

MHC, Flint, MHP, MHG, and MMG participate in a single defined benefit pension plan. Bay, Lansing, Lapeer, Oakland, Macomb, and Northern have separate noncontributory defined benefit pension plans covering certain employees. The Corporation intends to annually contribute amounts deemed necessary, if any, to maintain the plans on a sound actuarial basis.

As a result of the Corporation's acquisition of Northern during 2012, the Corporation assumed the existing defined benefit pension plan obligation for the employees of Northern that participate in the defined benefit pension plan sponsored by Northern. The plan's funded status at January 1, 2012 was $95,686,000. Activity and funded status of the plan are included within the tables below.

Note 13 - Pension and Other Postretirement Benefit Plans (Continued)

The various defined benefit pension plans have taken steps to freeze accrual of future benefits or participation in the plans by new hires. Subsequent to September 30, 2012, the McLaren plan covering MHC, Flint, MHP, MHG, and MMG froze the plan for all nonbargaining group employees. No additional benefits will accrue for nonbargaining unit employees effective October 1, 2012.

Substantially all employees of the Corporation also participate in defined contribution pension plans that provide benefits to eligible participants as determined according to the provisions of the plan agreements.

MHC, Flint, Lansing, Macomb, and Bay also sponsor defined benefit postretirement plans that provide postretirement medical benefits summarized as follows:

MHC and Flint - The plan includes substantially all employees who have a minimum of 10 years of service after the age of 45. Employees who elect for early retirement can purchase benefits at the group rate through the plan. MHC and Flint currently fund the cost of these benefits as they are incurred. The retiree healthcare plan requires participant contributions and deductibles.

Lansing - The plan allows retirees to purchase health insurance coverage at group rates through Lansing. Individuals who retired before December 31, 1993 also receive a maximum monthly contribution for the purchase of health insurance coverage. Individuals who retire after January 1, 1994 and have attained the age of 65 do not receive postretirement medical benefits under this plan. Lansing does not prefund the plan and has the right to modify or terminate the plan in the future.

Bay - The plan provides certain health care and prescription drugs for employees who retired prior to October 1994. Bay funds the cost of these benefits as they are incurred.

Macomb - The plan provides medical savings account plan benefits to substantially all employees who are subject to the collective bargaining units.

Note 13 - Pension and Other Postretirement Benefit Plans (Continued)

Obligations and Funded Status (in thousands)

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Change in Benefit Obligation				
Benefit obligation at beginning of year	$ 792,087	$ 731,819	$ 43,483	$ 43,824
Benefit obligation at acquisition - Northern	95,686	-	-	-
Service cost	15,437	17,241	971	955
Interest cost	47,007	42,324	2,364	2,367
Plan participants' contributions	-	-	628	635
Amendments	(21,317)	(838)	805	-
Actuarial loss (gain)	152,617	33,171	4,640	(1,234)
Benefits and expenses	(36,692)	(31,630)	(2,743)	(3,064)
Benefit obligation at end of year	1,044,825	792,087	50,148	43,483
Change in Plan Assets				
Fair value of plan assets at beginning of year	525,010	515,860	-	-
Fair value of plan assets at acquisition - Northern	70,219	-	-	-
Actual return on plan assets	110,060	(5,542)	-	-
Employer contributions	79,579	46,322	2,115	2,429
Plan participants' contributions	-	-	628	635
Benefits paid	(36,692)	(31,630)	(2,743)	(3,064)
Fair value of plan assets at end of year	748,176	525,010	-	-
Funded status at end of year	$ (296,649)	$ (267,077)	$ (50,148)	$ (43,483)

The accumulated benefit obligation for all defined benefit pension plans was $1,009,759,778 and $737,222,398 at September 30, 2012 and 2011, respectively.

Note 13 - Pension and Other Postretirement Benefit Plans (Continued)

Components of net periodic benefit cost and other changes in plan assets and benefit obligations are as follows (in thousands):

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Net Periodic Benefit Cost				
Service cost	$ 14,629	$ 17,241	$ 971	$ 955
Interest cost	47,007	42,324	2,364	2,367
Expected return on plan assets	(56,631)	(47,515)	-	-
Amortization of prior service cost (credits)	18,632	17,386	(1,630)	(2,394)
Total net periodic benefit cost	$ 23,637	$ 29,436	$ 1,705	$ 928
Other Changes in Plan Assets and Benefit Obligations				
Net gain	$ 434,750	$ 359,468	$ 6,371	$ 1,731
Amortization of transition asset	(3)	(3)	(51)	(51)
Prior services credit	(762)	(1,032)	2,575	140
Total other changes in plan assets and benefit obligations	$ 433,985	$ 358,433	$ 8,895	$ 1,820

Assumptions

Weighted average assumptions used to determine benefit obligations at September 30 are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Discount rate	4.50 %	5.60 %	4.50 %	5.60 %

Weighted average assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Discount rate	5.60 %	5.90 %	5.60 %	5.90 %
Expected long-term return on plan assets	8.50	8.50	-	-

Note 13 - Pension and Other Postretirement Benefit Plans (Continued)

The actuarial assumption for rate of compensation increase is age graded for the benefit obligation at September 30, 2012 and 2011. The rate of compensation increase assumption for the net periodic benefit cost is age graded for 2012 and 2011.

The overall expected rate of return on plan assets represents a weighted average composite rate based on the historical rates of returns of the respective asset classes adjusted for anticipated market movements. The determination is influenced by the asset allocation, as well as the Corporation's investment policy. The Corporation's investment strategy is of a long-term nature and is intended to ensure that funds are available to pay benefits as they become due and to maximize the trust's total return at an appropriate level of investment risk.

Pension Plan Assets

The goals of the pension plan investment program are to fully fund the obligation to pay retirement benefits in accordance with the plan documents and to provide returns that, along with appropriate funding from the Corporation, maintain an asset/liability ratio that is in compliance with all applicable laws and regulations and ensures timely payment of retirement benefits.

The target allocation of plan assets is 59 percent equity securities, 40 percent fixed-income securities, and 1 percent other types of investments.

The fair values of the Corporation's pension plan assets at September 30, 2012 and 2011, by major asset classes, are as follows (in thousands):

Fair Value Measurements at September 30, 2012

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Classes				
Mutual funds:				
Equity investments	$ 126,238	$ 126,238	$ -	$ -
Fixed-income investments	285,155	-	285,155	-
Equity investments:				
Common stock	175,734	175,734	-	-
Preferred stock	3,920	3,920	-	-
Foreign	144,814	144,814	-	-
Other:				
Money market fund	12,063	12,063	-	-
Bond fund	252	-	252	-
Total	$ 748,176	$ 462,769	$ 285,407	$ -

Note 13 - Pension and Other Postretirement Benefit Plans (Continued)

Fair Value Measurements at September 30, 2011

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Classes				
Mutual funds:				
Equity investments	$ 49,683	$ 49,683	$ -	$ -
Fixed-income investments	214,483	-	214,483	-
Equity investments:				
Common stock	132,747	132,747	-	-
Preferred stock	2,334	2,334	-	-
Foreign and other	101,668	101,668	-	-
Other:				
Money market fund	7,609	7,609	-	-
Bond fund	16,486	-	16,486	-
Total	$ 525,010	$ 294,041	$ 230,969	$ -

Cash Flow

Contributions

The Corporation expects to contribute $72,768,000 to its pension plans and $2,276,000 to its other postretirement benefit plans in 2013.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

Year	Pension Benefits	Postretirement Benefits
2013	$ 38,712	$ 2,257
2014	39,473	2,459
2015	41,917	2,558
2016	45,447	2,634
2017	48,357	2,788
2018-2022	319,230	15,574

Note 14 - Professional and Other Liability Insurance

The Corporation's professional malpractice liability coverage is provided by a multiprovider offshore captive insurance company (MICOL) on a retrospectively rated claims-made policy to Flint, Lansing, Lapeer, Bay, Macomb, Oakland, Central, Northern, MHG, and MMG. MICOL covers claims occurring and reported after March 31, 2004 for Flint, Lapeer, Lansing, and MMG, as well as claims occurring after 1979 but not reported as of April 1, 2003 for Lansing. Central began participating in MICOL on January 1, 2011. Northern began participating in MICOL on April 1, 2012.

MICOL has purchased commercial excess insurance coverage for claims exceeding specified amounts.

The Corporation records an estimate of the present value of the ultimate settlement cost of settling and defending professional liability claims based on projections from a consulting actuary. The estimate of losses is based on the covered entities' own past experience along with industry experience. This estimate includes a reserve for known claims and unreported incidents. A discount rate of 5 percent was used in determining the present value of the claims. Claims expected to be settled within one year and the related assets are recorded as a current liability and current asset, respectively, in the accompanying consolidated balance sheet.

For professional liability claims occurring prior to April 1, 2003, Flint, Lansing, MMG, and Lapeer maintained a program of self-insurance for professional and other liability claims. Revocable trusts are maintained with local banks as trustees to maintain funds for payment of any future settlements. Flint, Lansing, MMG, and Lapeer make necessary contributions to the trust funds, as determined by an independent actuary, to adequately provide for asserted or expected claims. The assets of the trust are included in the consolidated balance sheet with assets limited as to use (see Note 6).

Prior to July 1, 2006, Macomb participated in a separate multiprovider offshore captive insurance company. Macomb terminated its participation in this company effective July 1, 2006 and obtained insurance coverage through MICOL. MICOL covers claims reported after July 1, 2006. Macomb continues to be responsible for retrospective premiums which may be assessed by the former insurer.

Prior to July 1, 2008, Oakland participated in a separate multiprovider offshore captive insurance company. Oakland terminated its participation in this company effective July 1, 2008 and obtained insurance coverage through MICOL. MICOL covers claims reported after July 1, 2008. Oakland continues to be responsible for retrospective premiums which may be assessed by the former insurer.

Prior to January 1, 2011, Central was insured against potential professional liability claims under a claims-made policy, whereby only the claims reported to the insurance carrier during the policy period are covered regardless of when the incident giving rise to the claim occurred. MICOL covers claims reported after January 1, 2011.

Note 14 - Professional and Other Liability Insurance (Continued)

Prior to April 1, 2012, Northern was insured against potential professional liability claims through their captive insurance company, Petoskey Assurance Limited (PAL). PAL was a subsidiary of Northern. Effective May 31, 2012, PAL was acquired by MICOL and ceased to exist; however, the assets and liabilities transferred from PAL are being tracked separately by MICOL until all claims reported under PAL are settled. MICOL covers claims reported after April 1, 2012.

The detail of accrued professional and other liability for the self-insurance plans and the MICOL claims are as follows (in thousands):

	2012	2011
Total professional and other liability claims	$ 90,923	$ 88,500
Less current portion (Note 10)	(3,201)	(3,224)
Long-term portion (Note 11)	$ 87,722	$ 85,276

Note 15 - Investment in Anthelio Healthcare Solutions, Inc.

The Corporation had an investment in PHNS, Inc., along with other healthcare providers and investors. PHNS provided outsourced information technology services, system support, and other services such as transcription and communications to healthcare providers, including the Corporation and its subsidiaries.

In October 2010, PHNS entered into a transaction agreement with ConJoin Global (ConJoin), in which ConJoin acquired all shares of PHNS. The existing stockholders of PHNS at the time of the transaction received a combination of cash consideration and shares of ConJoin stock. In exchange for its shares, the Corporation received approximately $13,500,000 at the time of the transaction and subsequently received $4,500,000 that was initially held in escrow. In addition, the Corporation received 8.8 million shares of ConJoin.

ConJoin subsequently changed its name to Anthelio Healthcare Solutions, Inc. (Anthelio).

The Corporation negotiated a five-year contract extension with Anthelio as part of the transaction agreement. As part of the transaction and extension agreement, the Corporation received an additional 30 million shares of Anthelio stock. The investment in common stock of Anthelio is included in other assets at a basis of $34 million, which approximates the value of the stock at the time of the transaction. A deferred liability has been recorded corresponding to the value of the shares received in the contract extension. The deferral will be recognized as a reduction to purchased services over the contract period.

Note 15 - Investment in Anthelio Healthcare Solutions, Inc. (Continued)

During the years ended September 30, 2012 and 2011, the Corporation and its subsidiaries purchased services from Anthelio of approximately $100,285,000 and $90,213,000, respectively.

Note 16 - Functional Expenses

The Corporation provides general healthcare services to residents within its geographic locations. Expenses related to providing these services are as follows (in thousands):

	2012	2011
Healthcare services	$ 1,707,777	$ 1,481,379
General and administrative	568,811	532,146
Total	$ 2,276,588	$ 2,013,525

Note 17 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents - The carrying amount approximates fair value because of the short maturity of those instruments.

Investments - Fair values, which are the amounts reported in the consolidated balance sheet, are based on quoted market prices or quoted prices for similar assets in active markets.

Accounts Receivable, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the consolidated balance sheet for accounts receivable, accounts payable, and accrued liabilities approximates its fair value.

Estimated Third-party Payor Settlements - Net - The carrying amount reported in the consolidated balance sheet for estimated third-party payor settlements - net approximates their fair value.

Fair Value of Interest Rate Swap - The fair value of the interest rate swap is based on a mark-to-market calculation of the notional amount of the interest rate swap.

Long-term Debt - The fair value of bonds is estimated based on current traded value. The fair value of remaining debt is estimated using discounted cash flow analysis, based on current investment borrowing rates for similar types of borrowing arrangements.

Note 17 - Fair Value of Financial Instruments (Continued)

The estimated fair value of the Corporation's long-term debt is as follows (in thousands):

	Carrying Amount	Fair Value
2012 long-term debt	$ 650,480	$ 688,143
2011 long-term debt	600,150	615,914

Note 18 - Acquisitions

On January 1, 2012, the Corporation acquired Northern Michigan Regional Health System (NMRHS). At the time of acquisition, NMRHS's name was changed to McLaren Northern Michigan (Northern). The Corporation's board of directors provides governance oversight of Northern's net assets and operations. The accompanying consolidated financial statements represent the results of operations for the nine-month period as of the acquisition date of January 1, 2012 and ending on September 30, 2012, the Corporation's fiscal year end.

The transaction has been accounted for as an acquisition in accordance with ASC Topic 958-805, *Not-for-Profit Entities: Mergers and Acquisitions*. The assets and liabilities of Northern have been adjusted to fair value as of January 1, 2012. The fair value of the net assets on January 1, 2012 acquired from Northern, including the Northern Michigan Regional Health System Foundation, was approximately $89,588,000. The net assets, based on fair value calculations, are reflected as inherent contributions due to the acquisition in the consolidated statement of operations as of January 1, 2012. The inherent contributions are the result of the lack of financial contributions in the acquisition. Significant intercompany accounts and transactions have been eliminated in the consolidation of the Corporation's financial statements.

The amount of Northern's excess of revenue over expenses for the nine-month period ended September 30, 2012 that is included in the Corporation's financial statements is $8,767,000. The amount of Northern's excess of revenue over expenses for the 12-month period ended September 31, 2012 was $12,391,000 (unaudited).

The Corporation acquired cash of $17,742,000, accounts receivable of $18,587,000, cost report receivables of $388,000, other current assets of $11,513,000, property, plant and equipment of $77,417,000, other assets of $54,965,000, accounts payable of $7,199,000, debt of $34,187,000, other liabilities of $44,217,000, and cost report settlements of $5,421,000 at January 1, 2012.

Note 18 - Acquisitions (Continued)

On August 1, 2012, McLaren Health Plan (MHP) purchased CareSource Michigan (CSM). At the time of the acquisition of CSM by MHP, MHP merged into CSM, creating one consolidated entity under the name of McLaren Health Plan. The Corporation's board of directors provides governance oversight of MHP's net assets and operations. The accompanying consolidated financial statements represent the results of operations for the two-month period as of the CSM acquisition date of August 1, 2012 and ending on September 30, 2012, the Corporation's fiscal year end.

The transaction has been accounted for as an acquisition in accordance with ASC Topic 958-805, *Not-for-Profit Entities: Mergers and Acquisitions*. MHP paid $27,000,000 to acquire CSM in which intangible assets were acquired.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Directors
McLaren Health Care Corporation
and Subsidiaries

We have audited the consolidated financial statements of McLaren Health Care Corporation and Subsidiaries as of and for the years ended September 30, 2012 and 2011. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

January 8, 2013

Praxity
MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

McLaren Health Care Corporation and Subsidiaries

	MHC	Flint	Bay	Lapeer	Lansing	Macomb	Oakland
Assets							
Current Assets							
Cash and cash equivalents	$ 58,700	$ 19,401	$ 9,220	$ 7,515	$ 12,149	$ 7,067	$ 33,583
Collateral from securities lending	16,173	-	-	-	-	-	-
Accounts receivable	-	78,360	36,603	12,269	32,837	16,472	4,832
Cost report settlements receivable	-	432	220	1,397	2,874	252	-
Assets limited as to use for payment of current liabilities	-	1,000	-	500	786	-	1,577
Other current assets	26,228	7,364	3,384	3,649	5,229	5,666	3,089
Total current assets	101,101	106,557	49,427	25,330	53,875	29,457	43,081
Property and Equipment - Net	114,848	191,895	92,723	25,667	111,952	124,415	37,121
Other Assets	88,848	156,656	169,137	32,846	93,892	153,848	28,226
Total assets	**$ 304,797**	**$ 455,108**	**$ 311,287**	**$ 83,843**	**$ 259,719**	**$ 307,720**	**$ 108,428**
Liabilities and Net Assets							
Current Liabilities							
Current portion of long-term debt	$ 495	$ 4,173	$ 685	$ 979	$ 3,170	$ 3,425	$ 646
Notes payable	-	-	-	-	2,000	-	3,900
Accounts payable	17,142	18,835	11,912	3,762	21,557	12,415	12,825
Cost report settlements payable	-	18,650	3,610	-	1,091	2,251	4,137
Accrued and other liabilities	31,739	23,384	16,431	6,373	16,530	17,138	6,681
Total current liabilities	49,376	65,042	32,638	11,114	44,348	35,229	28,189
Long-term Debt - Net of current portion	10,603	189,896	48,897	39,285	109,887	149,875	36,318
Fair Value of Interest Rate Swap Agreements	45,086	-	-	-	-	-	-
Other Liabilities	116,089	138,903	58,042	21,417	57,230	30,206	20,162
Total liabilities	221,154	393,841	139,577	71,816	211,465	215,310	84,669
Net Assets							
Unrestricted	83,643	58,146	171,196	12,027	48,254	92,118	22,948
Temporarily restricted	-	3,121	42	-	-	292	811
Permanently restricted	-	-	472	-	-	-	-
Total net assets	83,643	61,267	171,710	12,027	48,254	92,410	23,759
Total liabilities and net assets	**$ 304,797**	**$ 455,108**	**$ 311,287**	**$ 83,843**	**$ 259,719**	**$ 307,720**	**$ 108,428**

Consolidating Balance Sheet
September 30, 2012
(in thousands)

Central	Northern	MMG	MHG	MHP	BSC	MICOL	Foundations	Eliminating Entries	Total
$ 4,943	$ 15,113	$ 539	$ 122	$ 92,629	$ 1,174	$ 8,246	$ 4,640	$ -	$ 275,041
-	-	-	-	-	-	-	-	-	16,173
14,243	27,870	5,845	15,636	5,622	1,555	-	443	(2,634)	249,953
-	93	-	-	-	-	-	-	(992)	4,276
-	234	-	-	-	-	-	-	-	4,097
2,362	7,850	2,192	8,862	731	92	2,383	62	(28,898)	50,245
21,548	51,160	8,576	24,620	98,982	2,821	10,629	5,145	(32,524)	599,785
29,868	86,950	22,569	21,389	3,453	1,415	-	367	-	864,632
27,548	42,055	10,286	14,154	42,308	15,073	67,438	88,406	(94,676)	936,045
$ 78,964	**$ 180,165**	**$ 41,431**	**$ 60,163**	**$ 144,743**	**$ 19,309**	**$ 78,067**	**$ 93,918**	**$ (127,200)**	**$2,400,462**
$ 1,054	$ 2,305	$ -	$ 651	$ -	$ -	$ -	$ -	$ (519)	$ 17,064
3,000	1,002	-	-	-	-	-	-	-	9,902
2,527	18,414	325	3,985	76,019	338	34	1,085	(27,279)	173,896
793	7,001	-	-	-	758	-	-	(992)	37,299
6,838	8,092	3,793	21,475	3,453	458	-	373	(17,349)	145,409
14,212	36,814	4,118	26,111	79,472	1,554	34	1,458	(46,139)	383,570
11,247	34,568	-	3,359	-	-	-	-	(519)	633,416
-	-	-	-	-	-	-	-	-	45,086
790	24,988	11,753	3,351	1,329	-	61,139	573	(78,567)	467,405
26,249	96,370	15,871	32,821	80,801	1,554	61,173	2,031	(125,225)	1,529,477
51,821	83,795	25,560	27,342	63,942	17,755	16,894	27,668	(1,975)	801,134
746	-	-	-	-	-	-	17,345	-	22,357
148	-	-	-	-	-	-	46,874	-	47,494
52,715	83,795	25,560	27,342	63,942	17,755	16,894	91,887	(1,975)	870,985
$ 78,964	**$ 180,165**	**$ 41,431**	**$ 60,163**	**$ 144,743**	**$ 19,309**	**$ 78,067**	**$ 93,918**	**$ (127,200)**	**$2,400,462**

McLaren Health Care Corporation and Subsidiaries

	MHC	Flint	Bay	Lapeer	Lansing	Macomb	Oakland
Assets							
Current Assets							
Cash and cash equivalents	$ 55,899	$ 36,175	$ 8,419	$ 7,273	$ 21,841	$ 11,654	$ 25,639
Collateral from securities lending	14,906	-	-	-	-	-	-
Accounts receivable	-	58,531	28,219	10,530	26,979	19,800	6,445
Estimated third-party payor settlements	-	339	3,187	2,834	5,503	1,725	-
Assets limited as to use	-	1,000	-	500	786	-	1,571
Other current assets	21,468	7,617	3,738	2,039	4,030	5,925	2,650
Total current assets	92,273	103,662	43,563	23,176	59,139	39,104	36,305
Property and Equipment - Net	105,039	179,372	93,675	27,894	115,312	124,972	38,209
Other Assets	81,109	157,695	144,162	29,390	76,587	127,901	26,444
Total assets	**$ 278,421**	**$ 440,729**	**$ 281,400**	**$ 80,460**	**$ 251,038**	**$ 291,977**	**$ 100,958**
Liabilities and Net Assets							
Current Liabilities							
Current portion of long-term debt	$ 452	$ 2,546	$ 661	$ 955	$ 2,946	$ 2,595	$ 724
Notes payable	-	10,000	-	-	-	-	3,900
Accounts payable	22,716	28,672	11,661	3,815	22,538	12,179	11,334
Cost report settlements payable	-	11,083	2,532	-	-	2,254	2,565
Accrued and other liabilities	28,949	22,648	14,861	5,853	12,703	17,121	5,835
Total current liabilities	52,117	74,949	29,715	10,623	38,187	34,149	24,358
Long-term Debt - Net of current portion	10,502	184,121	49,581	40,238	111,970	151,360	36,964
Fair Value of Interest Rate Swap Agreements	46,186	-	-	-	-	-	-
Other Liabilities	109,951	127,563	52,810	19,189	61,797	30,617	22,022
Total liabilities	218,756	386,633	132,106	70,050	211,954	216,126	83,344
Net Assets							
Unrestricted	59,665	51,224	148,822	10,410	39,084	75,569	16,672
Temporarily restricted	-	2,872	-	-	-	282	942
Permanently restricted	-	-	472	-	-	-	-
Total net assets	59,665	54,096	149,294	10,410	39,084	75,851	17,614
Total liabilities and net assets	**$ 278,421**	**$ 440,729**	**$ 281,400**	**$ 80,460**	**$ 251,038**	**$ 291,977**	**$ 100,958**

Consolidating Balance Sheet
September 30, 2011
(In thousands)

Central	MMG	MHG	MHP	BSC	MICOL	Foundations	Eliminating Entries	Total
$ 14,212	$ 244	$ 1,418	$ 107,080	$ 708	$ 9,579	$ 1,244	$ -	$ 301,385
-	-	-	-	-	-	-	-	14,906
7,434	7,845	19,535	2,627	1,426	-	-	(4,008)	185,363
-	-	148	-	-	-	-	(7,442)	6,294
789	-	-	-	-	-	-	-	4,646
2,056	1,624	15,885	432	81	746	23	(20,967)	47,347
24,491	9,713	36,986	110,139	2,215	10,325	1,267	(32,417)	559,941
31,598	23,721	15,157	3,248	1,417	-	7	-	759,621
19,212	9,260	13,369	8,494	12,488	56,293	61,556	(77,884)	746,076
$ 75,301	**$ 42,694**	**$ 65,512**	**$ 121,881**	**$ 16,120**	**$ 66,618**	**$ 62,830**	**$ (110,301)**	**$2,065,638**
$ 603	$ -	$ 3,637	$ -	$ -	$ -	$ -	$ (519)	$ 14,600
12,365	-	-	-	-	-	-	-	26,265
4,593	325	5,458	50,339	260	19	1,398	(18,589)	156,718
692	-	-	-	230	-	-	(7,442)	11,914
6,136	4,546	16,798	2,648	509	-	74	(13,324)	125,357
24,389	4,871	25,893	52,987	999	19	1,472	(39,874)	334,854
814	-	1,037	-	-	-	-	(1,037)	585,550
-	-	-	-	-	-	-	-	46,186
500	11,126	2,767	1,451	-	57,675	13	(67,415)	430,066
25,703	15,997	29,697	54,438	999	57,694	1,485	(108,326)	1,396,656
48,584	26,697	35,815	67,443	15,121	8,924	20,196	(1,975)	622,251
875	-	-	-	-	-	5,633	-	10,604
139	-	-	-	-	-	35,516	-	36,127
49,598	26,697	35,815	67,443	15,121	8,924	61,345	(1,975)	668,982
$ 75,301	**$ 42,694**	**$ 65,512**	**$ 121,881**	**$ 16,120**	**$ 66,618**	**$ 62,830**	**$ (110,301)**	**$2,065,638**

McLaren Health Care Corporation and Subsidiaries

	MHC	Flint	Bay	Lapeer	Lansing	Macomb	Oakland
Unrestricted Revenue, Gains, and Other Support							
Patient service revenue	$ -	$1,290,577	$ 762,059	$ 363,902	$ 855,066	$ 705,392	$ 330,010
Revenue deductions	-	(870,452)	(498,989)	(253,909)	(548,657)	(428,112)	(167,140)
Net patient service revenue	-	420,125	263,070	109,993	306,409	277,280	162,870
Other	110,606	7,067	15,062	2,133	6,136	6,621	3,792
Net assets released from restrictions used for operations	-	-	-	-	-	568	643
Total unrestricted revenue, gains, and other support	110,606	427,192	278,132	112,126	312,545	284,469	167,305
Expenses							
Salaries and wages	19,408	166,367	114,104	41,236	112,455	106,712	56,730
Employee benefits and payroll taxes	4,775	45,546	28,279	11,427	28,171	23,525	11,397
Supplies	402	70,704	54,093	16,230	62,214	43,018	27,434
Outside services	62,046	37,275	22,086	5,541	34,613	49,909	31,521
Professional and other liability costs	185	1,805	123	295	1,436	(1,140)	1,837
Healthcare costs	-	-	-	-	-	-	-
Depreciation and amortization	15,005	21,655	10,641	5,464	13,775	16,478	6,072
Provision for bad debts	-	22,469	13,708	10,738	18,188	13,165	17,665
Interest expense	601	6,055	2,351	1,927	5,499	6,800	1,741
Other	6,184	37,632	26,611	16,319	26,294	11,653	8,145
Total expenses	108,606	409,508	271,996	109,177	302,645	270,120	162,542
Operating Income (Loss)	2,000	17,684	6,136	2,949	9,900	14,349	4,763
Other Income (Loss)							
Investment income	743	2,747	3,349	468	1,726	2,163	342
Change in interest rate swap agreements	3,896	-	-	-	-	-	-
Change in unrealized gains and losses on investments	4,998	19,608	22,234	3,429	10,698	11,617	2,428
Inherent contribution from acquisition of Northern	-	-	-	-	-	-	-
Loss on extinguishment of debt	(226)	(199)	-	(15)	(833)	-	-
Total other income (loss)	9,411	22,156	25,583	3,882	11,591	13,780	2,770
Excess of Revenue Over (Under) Expenses	11,411	39,840	31,719	6,831	21,491	28,129	7,533
Net Assets Transferred from (to) Affiliate	12,252	(497)	(1,856)	(1,709)	(7,809)	(2,701)	1,509
Other	-	-	-	-	-	-	(53)
Pension-related Changes Other Than Net Periodic Benefit Cost	315	(32,513)	(7,489)	(3,505)	(4,512)	(8,879)	(3,106)
Net Assets Released from Restriction	-	92	-	-	-	-	393
Increase (Decrease) in Unrestricted Net Assets	**$ 23,978**	**$ 6,922**	**$ 22,374**	**$ 1,617**	**$ 9,170**	**$ 16,549**	**$ 6,276**

*Northern is for the nine-month period ending September 30, 2012

Consolidating Statement of Operations
Year Ended September 30, 2012
(in thousands)

Central	Northern*	MMG	MHG	MHP	BSC	MICOL	Foundations	Eliminating Entries	Total
$ 231,834	$ 420,784	$ 65,220	$ 117,377	$ -	$ 22,639	$ -	$ -	$ (244,507)	$ 4,920,353
(144,317)	(243,152)	(23,150)	(27,370)	-	(14,756)	-	-	207,923	(3,012,081)
87,517	177,632	42,070	90,007	-	7,883	-	-	(36,584)	1,908,272
1,667	14,039	2,753	518	357,716	18	7,450	3,944	(113,306)	426,216
-	-	-	-	-	-	-	1,042	-	2,253
89,184	191,671	44,823	90,525	357,716	7,901	7,450	4,986	(149,890)	2,336,741
39,732	71,730	33,451	34,430	10,853	3,919	-	956	(17,848)	794,235
7,336	12,743	7,541	9,763	-	1,091	-	181	(5,617)	186,158
13,995	46,053	3,255	34,322	-	763	-	77	(391)	372,169
7,792	17,832	1,648	4,460	5,276	1,158	-	275	-	281,432
-	624	967	-	-	-	7,138	-	(1,164)	12,106
-	-	-	-	243,991	-	-	-	(33,945)	210,046
5,168	7,305	2,182	2,023	424	132	-	6	(15,260)	91,070
7,014	6,469	976	3,640	-	73	-	-	-	114,105
329	1,071	-	160	-	-	-	12	(558)	25,988
11,038	20,790	4,534	11,262	79,504	572	312	3,536	(75,107)	189,279
92,404	184,617	54,554	100,060	340,048	7,708	7,450	5,043	(149,890)	2,276,588
(3,220)	7,054	(9,731)	(9,535)	17,668	193	-	(57)	-	60,153
372	466	(1)	264	485	325	-	580	-	14,029
-	-	-	-	-	-	-	-	-	3,896
2,121	1,492	-	1,853	268	2,116	7,970	3,146	-	93,978
-	70,663	-	-	-	-	-	2,671	-	73,334
-	(748)	-	-	-	-	-	-	-	(2,021)
2,493	71,873	(1)	2,117	753	2,441	7,970	6,397	-	183,216
(727)	78,927	(9,732)	(7,418)	18,421	2,634	7,970	6,340	-	243,369
3,695	9,039	10,867	(205)	(21,900)	-	-	(685)	-	-
-	-	-	-	-	-	-	-	-	(53)
-	(4,171)	(2,272)	(850)	(22)	-	-	-	-	(67,004)
269	-	-	-	-	-	-	1,817	-	2,571
$ 3,237	**$ 83,795**	**$ (1,137)**	**$ (8,473)**	**$ (3,501)**	**$ 2,634**	**$ 7,970**	**$ 7,472**	**$ -**	**$ 178,883**

McLaren Health Care Corporation and Subsidiaries

	MHC	Flint	Bay	Lapeer	Lansing	Macomb	Oakland
Unrestricted Revenue, Gains, and Other Support							
Patient service revenue	$ -	$1,206,771	$ 729,294	$ 330,927	$ 850,444	$ 709,026	$ 273,888
Revenue deductions	-	(815,349)	(466,382)	(229,113)	(542,760)	(423,481)	(128,142)
Net patient service revenue	-	391,422	262,912	101,814	307,684	285,545	145,746
Other	105,986	4,673	8,953	1,263	5,883	5,258	3,070
Net assets released from restrictions used for operations	-	-	-	-	-	67	930
Total unrestricted revenue, gains, and other support	105,986	396,095	271,865	103,077	313,567	290,870	149,746
Expenses							
Salaries and wages	18,754	152,364	106,449	35,849	117,952	104,258	51,180
Employee benefits and payroll taxes	5,717	45,211	26,088	10,954	34,330	22,271	13,409
Supplies	202	66,034	55,058	16,014	63,652	46,460	18,717
Outside services	59,751	34,951	22,805	4,467	32,232	45,891	30,524
Professional and other liability costs	125	793	3,363	42	1,210	661	2,274
Healthcare costs	-	-	-	-	-	-	-
Depreciation and amortization	14,139	20,553	11,166	5,511	14,221	17,363	6,148
Provision for bad debts	-	20,906	11,426	9,902	16,631	24,224	16,322
Interest expense	688	6,156	2,468	1,995	5,878	7,203	1,249
Other	5,558	35,315	22,950	14,299	30,797	10,875	6,964
Total expenses	104,934	382,283	261,773	99,033	316,903	279,206	146,787
Operating Income (Loss)	1,052	13,812	10,092	4,044	(3,336)	11,664	2,959
Other Income (Loss)							
Investment income	605	2,518	3,244	795	1,393	2,198	301
Change in interest rate swap agreements	(7,847)	-	-	-	-	-	-
Change in unrealized gains and losses on investments	681	(4,925)	(9,382)	(1,085)	(2,535)	(2,863)	(575)
Loss on extinguishment of debt	-	-	-	-	-	-	-
Total other (loss) income	(6,561)	(2,407)	(6,138)	(290)	(1,142)	(665)	(274)
Excess of Revenue (Under) Over Expenses	(5,509)	11,405	3,954	3,754	(4,478)	10,999	2,685
Net Assets Transferred from (to) Affiliate	19,147	(2,852)	(2,248)	(3,608)	(3,417)	(6,033)	(1,860)
Other	-	-	-	-	-	-	(269)
Pension-related Changes Other Than Net Periodic Benefits	(1,712)	(26,608)	(7,830)	(5,057)	(11,313)	(8,050)	(6,085)
Net Assets Released from Restriction	-	120	-	-	-	-	915
Increase (Decrease) in Unrestricted Net Assets	$ 11,926	$ (17,935)	$ (6,124)	$ (4,911)	$ (19,208)	$ (3,084)	$ (4,614)

Consolidating Statement of Operations
Year Ended September 30, 2011
(in thousands)

Central	MMG	MHG	MHP	BSC	MICOL	Foundations	Eliminating Entries	Total
$ 233,211	$ 79,758	$ 116,752	$ -	$ 22,371	$ -	$ -	$ (209,471)	$ 4,342,971
(146,836)	(29,121)	(18,249)	-	(14,284)	-	-	172,030	(2,641,687)
86,375	50,637	98,503	-	8,087	-	-	(37,441)	1,701,284
1,691	3,513	366	319,114	5	6,499	2,683	(107,455)	361,502
-	-	-	-	-	-	796	-	1,793
88,066	54,150	98,869	319,114	8,092	6,499	3,479	(144,896)	2,064,579
35,329	38,919	36,292	6,991	3,833	-	385	(16,560)	691,995
5,793	8,752	9,251	-	969	-	88	(6,092)	176,741
14,386	3,711	32,065	-	1,516	-	43	(185)	317,673
11,142	2,978	4,599	4,505	983	-	126	(62,962)	191,992
-	937	-	-	-	6,191	-	-	15,596
-	-	-	211,310	-	-	-	(33,607)	177,703
4,397	2,486	1,707	414	127	-	-	(13,155)	85,077
5,832	1,255	2,975	-	43	-	-	-	109,516
520	-	166	-	-	-	-	(667)	25,656
7,286	8,782	10,491	77,534	-	308	2,085	(11,668)	221,576
84,685	67,820	97,546	300,754	7,471	6,499	2,727	(144,896)	2,013,525
3,381	(13,670)	1,323	18,360	621	-	752	-	51,054
1,495	5	237	120	278	-	205	-	13,394
-	-	-	-	-	-	-	-	(7,847)
(2,729)	-	(439)	(13)	(491)	263	(569)	-	(24,662)
(631)	-	-	-	-	-	-	-	(631)
(1,865)	5	(202)	107	(213)	263	(364)	-	(19,746)
1,516	(13,665)	1,121	18,467	408	263	388	-	31,308
5,747	13,842	(260)	(18,000)	-	-	(458)	-	-
(978)	-	-	-	-	-	-	-	(1,247)
-	(2,695)	(784)	(203)	-	-	-	-	(70,337)
471	-	-	-	-	-	885	-	2,391
$ 6,756	**$ (2,518)**	**$ 77**	**$ 264**	**$ 408**	**$ 263**	**$ 815**	**$ -**	**$ (37,885)**

McLaren Health Care Corporation and Subsidiaries

Consolidating Balance Sheet - Credit Group
September 30, 2012
(in thousands)

	McLaren Credit Group	Non-Credit Group Members	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 162,965	$ 112,076	$ -	$ 275,041
Collateral from securities lending	16,173	-	-	16,173
Accounts receivable	202,772	40,252	6,929	249,953
Cost report settlements receivable	5,341	(73)	(992)	4,276
Assets limited as to use for payment of current liabilities	4,097	-	-	4,097
Other current assets	47,135	21,024	(17,914)	50,245
Total current assets	438,483	173,279	(11,977)	599,785
Property and Equipment - Net	800,497	64,135	-	864,632
Other Assets	790,354	170,968	(25,277)	936,045
Total assets	**$ 2,029,334**	**$ 408,382**	**$ (37,254)**	**$ 2,400,462**
Liabilities and Net Assets				
Current Liabilities				
Current portion of long-term debt	$ 16,932	$ 651	$ (519)	$ 17,064
Notes payable	8,900	1,002	-	9,902
Accounts payable	90,513	90,321	(6,938)	173,896
Cost report settlements payable	37,533	758	(992)	37,299
Accrued and other liabilities	129,745	32,807	(17,143)	145,409
Total current liabilities	283,623	125,539	(25,592)	383,570
Long-term Debt - Net of current portion	630,576	3,359	(519)	633,416
Fair Value of Interest Rate Swap Agreements	45,086	-	-	45,086
Other Liabilities	373,436	103,137	(9,168)	467,405
Total liabilities	1,332,721	232,035	(35,279)	1,529,477
Net Assets				
Unrestricted	649,639	153,470	(1,975)	801,134
Temporarily restricted	9,271	13,086	-	22,357
Permanently restricted	37,703	9,791	-	47,494
Total liabilities and net assets	**$ 2,029,334**	**$ 408,382**	**$ (37,254)**	**$ 2,400,462**

McLaren Health Care Corporation and Subsidiaries

Consolidating Statement of Operations - Credit Group
Year Ended September 30, 2012
(in thousands)

	McLaren Credit Group	Non-Credit Group Members	Eliminating Entries	Total
Unrestricted Revenue, Gains, and Other Support				
Patient service revenue	$ 4,877,854	$ 287,006	$ (244,507)	$ 4,920,353
Revenue deductions	(3,125,154)	(94,850)	207,923	(3,012,081)
Net patient service revenue	1,752,700	192,156	(36,584)	1,908,272
Other	69,960	373,507	(17,251)	426,216
Net assets released from restrictions used for operations	1,211	1,042	-	2,253
Total unrestricted revenue, gains, and other support	1,823,871	566,705	(53,835)	2,336,741
Expenses				
Salaries and wages	682,447	113,876	(2,088)	794,235
Employee benefits and payroll taxes	163,250	23,565	(657)	186,158
Supplies	317,663	54,552	(46)	372,169
Outside services	259,669	21,763	-	281,432
Professional and other liability costs	3,911	8,753	(558)	12,106
Healthcare costs	-	243,991	(33,945)	210,046
Depreciation and amortization	85,879	6,602	(1,411)	91,070
Provision for bad debts	108,943	5,162	-	114,105
Interest expense	25,698	355	(65)	25,988
Other	113,783	90,561	(15,065)	189,279
Total expenses	1,761,243	569,180	(53,835)	2,276,588
Operating Income (Loss)	62,628	(2,475)	-	60,153
Other Income (Loss)				
Investment income	12,682	1,347	-	14,029
Change in interest rate swap agreements	3,896	-	-	3,896
Change in unrealized gains and losses on investments	80,078	13,900	-	93,978
Inherent contribution from acquisition of Northern	81,012	(7,678)	-	73,334
Loss on extinguishment of debt	(2,021)	-	-	(2,021)
Total other income	175,647	7,569	-	183,216
Excess of Revenue Over Expenses	238,275	5,094	-	243,369
Net Assets Transferred from (to) Affiliate	1,434	(1,434)	-	-
Other	(53)	-	-	(53)
Pension-related Changes Other Than Net Periodic Benefit Cost	(59,689)	(7,315)	-	(67,004)
Net Assets Released from Restriction	1,141	1,430	-	2,571
Increase (Decrease) in Unrestricted Net Assets	**$ 181,108**	**$ (2,225)**	**$ -**	**$ 178,883**