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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
2012
Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012, 2012, and ending 12-31-2012

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization WSNCHS NORTH INC Doing Business As ST JOSEPH HOSPITAL	D Employer identification number 11-3438973
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 4295 HEMPSTEAD TURNPIKE Suite	E Telephone number (516) 520-2250
	City or town, state or country, and ZIP + 4 BETHPAGE, NY 117145713	G Gross receipts \$ 98,818,586
	F Name and address of principal officer ALAN D GUERCI MD 4295 HEMPSTEAD TURNPIKE BETHPAGE, NY 117145713	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number <input type="checkbox"/> 0928
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: WWW.STJOSEPHHOSPITALNY.ORG
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1999 M State of legal domicile NY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities CATHOLIC HEALTH SERVICES OF LONG ISLAND AND ITS MEMBERS, AS A MINISTRY OF THE CATHOLIC CHURCH, CONTINUE CHRIST'S HEALING MISSION, BY PROMOTING EXCELLENCE IN CARE AND COMMITTING ITSELF TO THOSE IN NEED		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	931
	6 Total number of volunteers (estimate if necessary)	6	40
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	256,180	208,014
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	99,192,724	95,546,505
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	21,262	23,169
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,053,425	2,958,628
		102,523,591	98,736,316
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	137,191
	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)	60,391,117	62,675,135
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	45,287,065	44,888,722
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	105,678,182	107,701,048	
19 Revenue less expenses Subtract line 18 from line 12	-3,154,591	-8,964,732	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	67,590,845	67,445,177
	21 Total liabilities (Part X, line 26)	59,299,042	68,118,106
22 Net assets or fund balances Subtract line 21 from line 20	8,291,803	-672,929	

Part II Signature Block

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

Sign Here	Signature of officer _____ Date 2013-11-05	
	DREW PALLAS EXECUTIVE VP, COO Type or print name and title	
Paid Preparer Use Only	Prnt/Type preparer's name Preparer's signature Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name <input type="checkbox"/> PricewaterhouseCoopers LLP Firm's EIN <input type="checkbox"/>	
	Firm's address <input type="checkbox"/> 300 Madison Avenue New York, NY 10017 Phone no (646) 471-3000	

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 Yes No

1 Briefly describe the organization's mission

ST JOSEPH HOSPITAL, A MEMBER OF CATHOLIC HEALTH SERVICES OF LONG ISLAND(CHS), AS A MINISTRY OF THE CATHOLIC CHURCH, CONTINUES CHRIST'S HEALING MISSION, PROMOTES EXCELLENCE IN CARE, AND COMMITS ITSELF TO THOSE IN NEED CHS AFFIRMS THE SANCTITY OF LIFE, AND ADVOCATES FOR THE POOR AND UNDERSERVED, AND SERVES THE COMMON GOOD IT CONDUCTS ITS HEALTHCARE PRACTICE, BUSINESS, EDUCATION AND INNOVATION WITH JUSTICE, INTEGRITY AND RESPECT FOR THE DIGNITY OF EACH PERSON

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 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 \$ 92,478,947 including grants of \$ 137,191) (Revenue \$ 98,442,089)

ST JOSEPH HOSPITAL IS A 203-BED, COMMUNITY HOSPITAL THAT PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT MEDICAL, CRITICAL CARE AND SURGICAL SERVICES ITS EMERGENCY DEPARTMENT CARES FOR MORE THAN 36,000 PATIENTS A YEAR OTHER VITAL SERVICES INCLUDE AN AMBULATORY SURGERY UNIT, THE CENTER FOR SLEEP MEDICINE, HYPERBARIC MEDICINE AND WOUND HEALING, A BALANCE CENTER, AN ENDOSCOPY UNIT, A DIABETES EDUCATION CENTER, A FULL SCOPE OF OUTPATIENT RADIOLOGY SERVICES, INCLUDING A CT SCANNER, MRI, AND NUCLEAR CAMERA

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 92,478,947

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)? <i>If "Yes," complete Schedule A</i> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule C, Part II</i> <input checked="" type="checkbox"/>	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? <i>If "Yes," complete Schedule C, Part III</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part I</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part II</i> <input checked="" type="checkbox"/>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> <input checked="" type="checkbox"/>		No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> <input checked="" type="checkbox"/>		No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> <input checked="" type="checkbox"/>		No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> <input checked="" type="checkbox"/>	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? <i>If "Yes," complete Schedule D, Part VII</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part VIII</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part IX</i> <input checked="" type="checkbox"/>	Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	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)? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> <input checked="" type="checkbox"/>	Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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 United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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 United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule G, Part II</i> <input checked="" type="checkbox"/>	Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> <input checked="" type="checkbox"/>		No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> <input checked="" type="checkbox"/>	Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? <input checked="" type="checkbox"/>	Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b 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 82		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable 1b 0		
1c	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 931		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) 2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 3a		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O 3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a		No
b	If "Yes," enter the name of the foreign country <input type="checkbox"/> _____ 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
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b		No
5c	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 as charitable contributions? 6a		No
6b	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
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided? 7b		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? 7c		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 7e		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7f		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? 7g		
7h	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.		
9a	Did the organization make any taxable distributions under section 4966? 9a		
9b	Did the organization make a distribution to a donor, donor advisor, or related person? 9b		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders 11a		
11b	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		
12b	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.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O 13a		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
13c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year? 14a		No
14b	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		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	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?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	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?		No
16b	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?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed NY
- 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 Other (explain in Schedule O)
- 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 during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 CHS SERVICES INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY (516) 705-1926

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Sister Elaine Callahan OP Chairperson	2 0	X					0	0	0	
(2) Mary Ann Dantuono Esq Director	2 0	X					0	0	0	
(3) Gara Edelstein Director	2 0	X					0	480,187	154,929	
(4) Alan D Guerci MD Director	50 0	X		X			0	1,101,603	322,203	
(5) Ruth Hennessey Director	50 0	X					0	1,301,844	185,681	
(6) JOSEPH TANTILLO Director	2 0	X					0	0	0	
(7) Alan Protzel DDS Director	2 0	X					9,167	0	0	
(8) Hon Chnstopher Quinn Director	2 0	X					0	0	0	
(9) Thomas Ryan Director	2 0	X					0	0	0	
(10) Joel Yohai MD Director	2 0	X					0	845,557	169,658	
(11) Drew Pallas Exec VP & COO	50 0			X			403,466	0	45,300	
(12) William C Armstrong VP & Chief Financial Officer	50 0			X			0	907,416	212,310	
(13) Howard Sussman CMO	50 0				X		192,221	0	26,606	
(14) Bernard Stark Physician	38 0					X	425,545	0	35,905	
(15) Margaret Minnick VP Nursing	38 0					X	183,096	0	11,814	
(16) Ihab Ibrahim VP Patient Safety & Clinical P	38 0					X	180,225	0	33,515	
(17) Blake Benz Dir of Project Mgt	38 0					X	170,136	0	33,412	

Part VIII Statement of Revenue

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

		(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 _____ 127,654					
	d Related organizations 1d _____					
	e Government grants (contributions) 1e _____					
	f All other contributions, gifts, grants, and similar amounts not included above 1f _____ 80,360					
	g Noncash contributions included in lines 1a-1f \$ _____					
	h Total. Add lines 1a-1f ▶		208,014			
Program Service Revenue	2a NET PATIENT SERVICE REVENUE _____					
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue _____					
	g Total. Add lines 2a-2f ▶		95,546,505	95,546,505		
		Business Code 621990				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶	23,169			23,169	
	4 Income from investment of tax-exempt bond proceeds ▶	0				
	5 Royalties ▶	0				
	6a Gross rents	(i) Real 27,382				
		(ii) Personal				
		b Less rental expenses				
		c Rental income or (loss) 27,382 0				
	d Net rental income or (loss) ▶	27,382			27,382	
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss) ▶	0				
	8a Gross income from fundraising events (not including \$ 127,654 of contributions reported on line 1c) See Part IV, line 18	a 117,932				
		b Less direct expenses b 82,270				
c Net income or (loss) from fundraising events ▶		35,662			35,662	
9a Gross income from gaming activities See Part IV, line 19	a _____					
	b Less direct expenses b _____					
	c Net income or (loss) from gaming activities ▶	0				
10a Gross sales of inventory, less returns and allowances	a _____					
	b Less cost of goods sold b _____					
	c Net income or (loss) from sales of inventory ▶	0				
Miscellaneous Revenue	Business Code					
11a RADIOLOGY SERVICES _____	900099	2,532,321	2,532,321			
b CAFETERIA REVENUE _____	900099	208,663	208,663			
c REBATES _____	900099	26,821	26,821			
d All other revenue		127,779	127,779			
e Total. Add lines 11a-11d ▶		2,895,584				
12 Total revenue. See Instructions ▶		98,736,316	98,442,089		86,213	

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)

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	137,191	137,191		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	604,854	0	604,854	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	44,472,683	39,706,565	4,766,118	0
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,565,307	3,140,502	424,805	0
9	Other employee benefits	10,664,384	9,393,727	1,270,657	0
10	Payroll taxes	3,367,907	2,966,622	401,285	0
11	Fees for services (non-employees)				
a	Management	5,314,766	4,180,471	1,134,295	0
b	Legal	264,159	0	264,159	0
c	Accounting	180,004	0	180,004	0
d	Lobbying	38,010	0	38,010	0
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	4,778,539	4,778,539	0	0
12	Advertising and promotion	11,464	0	11,464	0
13	Office expenses	1,966,651	1,440,976	525,675	0
14	Information technology	0			
15	Royalties	0			
16	Occupancy	1,556,426	1,556,426	0	0
17	Travel	130,326	102,378	27,948	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	700,055	700,055	0	0
21	Payments to affiliates	1,452,785		1,452,785	0
22	Depreciation, depletion, and amortization	2,962,236	2,962,236	0	0
23	Insurance	3,296,845	3,296,845	0	0
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	CHS SERVICES	4,663,621	4,057,350	606,271	0
b	EQUIPMENT SERVICE CONTRACTS	547,042	547,042	0	0
c	EQUIPMENT RENTAL	1,563,846	1,455,955	107,891	0
d	HOME OFFICE	1,363,041	0	1,363,041	0
e	All other expenses	14,098,906	12,056,067	2,042,839	0
25	Total functional expenses. Add lines 1 through 24e	107,701,048	92,478,947	15,222,101	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	9,152,281	1	11,419,094
	2 Savings and temporary cash investments	4,204,330	2	2,708,980
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	11,232,808	4	11,072,676
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	1,592,105	8	1,561,610
	9 Prepaid expenses and deferred charges	955,255	9	972,070
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 39,317,286		
	b Less accumulated depreciation	10b 8,775,213	30,478,121	10c 30,542,073
	11 Investments—publicly traded securities	0	11	0
	12 Investments—other securities See Part IV, line 11	0	12	0
	13 Investments—program-related See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets See Part IV, line 11	9,975,945	15	9,168,674
16 Total assets. Add lines 1 through 15 (must equal line 34)	67,590,845	16	67,445,177	
Liabilities	17 Accounts payable and accrued expenses	13,341,383	17	11,995,431
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	23,215,653	23	21,114,212
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	22,742,006	25	35,008,463
	26 Total liabilities. Add lines 17 through 25	59,299,042	26	68,118,106
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	7,659,014	27	-1,196,071
	28 Temporarily restricted net assets	632,789	28	523,142
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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	8,291,803	33	-672,929	
34 Total liabilities and net assets/fund balances	67,590,845	34	67,445,177	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	98,736,316
2	Total expenses (must equal Part IX, column (A), line 25)	2	107,701,048
3	Revenue less expenses Subtract line 2 from line 1	3	-8,964,732
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,291,803
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-672,929

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Name of the organization
WSNCHS NORTH INC

Employer identification number
11-3438973

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 described in **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 - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 (ii) A family member of a person described in (i) above?
 (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

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

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

Part II Support Schedule for Organizations Described in Sections 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
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 2012 (line 6, column (f) divided by line 11, column (f))	14	
15 Public support percentage for 2011 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2012. 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—2011. If the organization did not check a 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—2012. 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—2011. 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 Section 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

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, Part V, line 35c (Proxy Tax), then

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

Table with 2 columns: Name of the organization (WSNCHS NORTH INC) and Employer identification number (11-3438973)

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 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 function activities \$
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a If zero or less, enter -0-														
i Subtract line 1f from line 1c If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		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?	Yes		38,010
j Total Add lines 1c through 1i			38,010
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible 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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 1	LOBBYING ACTIVITIES	AMOUNT REFLECTS PORTION OF TRADE ASSOCIATION DUES WHICH WERE USED FOR LEGISLATIVE LOBBYING ON BEHALF OF THE HEALTHCARE INDUSTRY THOSE TRADE ORGANIZATIONS REPRESENT

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2012

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number 11-3438973

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.

Table with 3 columns: (a) Donor advised funds, (b) Funds and other accounts, and a Yes/No column. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and questions about donor advisement and grant fund usage.

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, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description (2a-2d) and Held at the End of the Year. Rows include total number of easements, total acreage, easements on historic structures, and easements acquired after 8/17/06.

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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?

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 section 170(h)(4)(B)(ii)?

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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 XIII

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 XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

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

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

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 Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as

- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** Temporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%

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 XIII 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	0	7,390,000		7,390,000
b Buildings	0	19,622,039	3,598,348	16,023,691
c Leasehold improvements	0	312,300	224,804	87,496
d Equipment	0	11,928,506	4,952,062	6,976,445
e Other	0	64,441	0	64,441
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				30,542,073

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

1	Total revenue, gains, and other support per audited financial statements		1	98,608,042
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 XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	98,608,042
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 XIII)	4b	128,274	
c	Add lines 4a and 4b		4c	128,274
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	98,736,316

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

1	Total expenses and losses per audited financial statements		1	106,111,072
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 XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	106,111,072
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 XIII)	4b	1,589,976	
c	Add lines 4a and 4b		4c	1,589,976
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	107,701,048

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
PART X, OTHER LIABILITIES	LINE 2, FIN 48 FOOTNOTE	THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE (THE CODE) AND IS EXEMPT FROM FEDERAL AND STATE INCOME TAXES PURSUANT TO SECTION 501 (A) OF THE CODE THERE ARE NO TRANSACTIONS WHICH MANAGEMENT HAS DEEMED TO BE "UNRELATED BUSINESS INCOME" AND THEREFORE NO TAX LIABILITY HAS BEEN RECOGNIZED IN THE ACCOMPANYING FINANCIAL STATEMENTS MANAGEMENT REVIEWS TRANSACTIONS TO ESTIMATE POTENTIAL TAX LIABILITIES USING A THRESHOLD OF MORE LIKELY THAN NOT OF BEING SUSTAINED
SCHEDULE D, PART XI, LINE 4B	OTHER ADJUSTMENTS	RESTRICTED CONTRIBUTIONS 128,274
SCHEDULE D, PART XII, LINE 4B	OTHER ADJUSTMENTS	CHS TRANSFER 1,193,367 CHSLI TRANSFER 396,609 TOTAL FOR SCHEDULE D, PART XII, LINE 4B 1,589,976

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2012

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number

11-3438973

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations, b Internet and email solicitations, c Phone solicitations, d In-person solicitations, e Solicitation of non-government grants, f Solicitation of government grants, g Special fundraising events

2a Did the organization have a written or oral agreement with any individual... Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization. Includes a Total row at the bottom.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		<u>GALA</u> (event type)	<u>GOLF</u> (event type)	<u>0</u> (total number)	(add col (a) through col (c))
Revenue	1 Gross receipts	161,701	83,885		245,586
	2 Less Contributions	79,687	47,967		127,654
	3 Gross income (line 1 minus line 2)	82,014	35,918		117,932
Direct Expenses	4 Cash prizes	3,250	1,705		4,955
	5 Noncash prizes				
	6 Rent/facility costs	36,855	22,030		58,885
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	13,510	4,920		18,430
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				
11 Net income summary Combine line 3, column (d), and line 10 ▶					35,662

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
6 Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No		
7 Direct expense summary Add lines 2 through 5 in column (d) ▶					
8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶					

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	
b An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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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

2012

Open to Public Inspection

Name of the organization WSNCHS NORTH INC

Employer identification number 11-3438973

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy... 3a Did the organization use Federal Poverty Guidelines (FPG) as a factor... 3b Did the organization use FPG as a factor... 4 Did the organization's financial assistance policy... 5a Did the organization budget amounts... 5b If "Yes," did the organization's financial assistance expenses... 5c If "Yes" to line 5b... 6a Did the organization prepare a community benefit report... 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance and Means-Tested Government Programs, and Other Benefits.

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(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			5,393		5,393	0.010 %
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			5,393		5,393	0.010 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	36,953,052
6 Enter Medicare allowable costs of care relating to payments on line 5	6	46,010,529
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-9,057,477
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(List in order of size from largest to smallest—see instructions)

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

1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	ST JOSEPH HOSPITAL 4295 HEMPSTEAD TURNPIKE BETHPAGE, NY 117145713 WWW.STJOSEPHHOSPITALNY.ORG	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 or facility reporting groups listed in Part V, Section A)

ST JOSEPH HOSPITAL

Name of hospital facility or facility reporting group _____

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 CHNA 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 CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
a	<input type="checkbox"/> Hospital facility's website		
b	<input type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9 Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>300</u> % If "No," explain in Part VI the criteria the hospital facility used	10 Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	11 Yes	
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12 Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13 Yes	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14 Yes	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections			
15	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?	15 Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- a** Notified individuals of the financial assistance policy on admission
- b** Notified individuals of the financial assistance policy prior to discharge
- c** Notified individuals 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)

Policy Relating to Emergency Medical Care

19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate why

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

	Yes	No
19	Yes	

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

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

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

21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI

21		No
22		No

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year?

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

Part VI Supplemental Information

Complete this part to provide the following information

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any 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
- 8 Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
PART I, LINE 4		THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY DOES NOT SPECIFICALLY ADDRESS FREE OR DISCOUNTED CARE FOR THE MEDICALLY INDIGENT WHEN ESTABLISHED, THE POLICY'S FACTOR IN DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE WAS SPECIFICALLY SET HIGHER THAN FEDERALLY REQUIRED GUIDELINES IN ORDER TO CAPTURE POTENTIALLY MEDICALLY INDIGENT PATIENTS WHO MAY PRESENT THEMSELVES AT THE HOSPITAL FOR CARE THE POLICY OF THE HOSPITAL IS CURRENTLY BEING REVISED TO SPECIFICALLY DISCUSS CARE TO THE MEDICALLY INDIGENT
PART I, LINE 7		RATIO OF PATIENT CARE COST TO CHARGES WORKSHEET (WORKSHEET 2)AS PRESCRIBED BY THE IRS INSTRUCTIONS TO SCHEDULE H FORM 990 WAS THE METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN PART 1, LINE 7 CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST LINES 7A, 7B AND 7C AND 7D ALL OTHER LINES INCLUDE COSTS THAT WERE DERIVED BASED ON THE RCC METHODOLOGY OR ACTUAL COSTS FOR THE SERVICES AS TRACKED BY HOSPITAL PERSONNEL UTILIZING DIRECT HOURLY LABOR COSTS, FRINGES AND SUPPLY COSTS

Identifier	ReturnReference	Explanation
PART I, LINE 7A, COLUMN D		<p>DIRECT OFFSETTING REVENUES REPRESENT DISTRIBUTIONS FROM THE NEW YORK STATE (NYS) INDIGENT CARE POOL (ICP) WHICH IS SHOWN NET OF HOSPITAL CONTRIBUTIONS TO THE STATEWIDE POOL THE FORMULA EMPLOYED BY NYS TO DETERMINE DISTRIBUTIONS TO HOSPITALS FROM THE ICP IS COMPLEX AND IS DERIVED FROM A HOSPITAL'S "NEED" CALCULATION THIS CALCULATION CONSIDERS 90% OF A HOSPITAL'S "NEED" IS BASED ON BAD DEBTS AND CHARITY CARE WRITE OFFS, AND 10% IS BASED ON A "UNITS OF SERVICE" METHODOLOGY FOR UNINSURED PATIENTS THE HOSPITAL HAS APPORTIONED THE ICP REVENUE BETWEEN BAD DEBT AND CHARITY CARE FOR REPORTING ON LINE 7A BASED ON THE PROPORTION OF EACH TO THE TOTAL OF ACTUAL BAD DEBTS AND CHARITY CARE FOR 2012 IT IS IMPORTANT HOWEVER TO BE AWARE THAT THE COSTS OF BAD DEBTS ARE NOT INCLUDED IN LINE 7A, COLUMN C WHILE THE OFFSETTING REVENUE IS INCLUDED IN LINE 7A, COLUMN D BAD DEBTS AT COST ARE EXCLUDED FROM LINE 7 AND REPORTED IN PART III, LINE 2 IN ACCORDANCE WITH THE INSTRUCTIONS AS A RESULT, THE NET COST OF "FINANCIAL ASSISTANCE AT COST" ON LINE 7A, COLUMN F IS UNDERSTATED FOR NYS HOSPITALS WHO REPORT IN ACCORDANCE WITH THE INSTRUCTIONS AND IN SOME INSTANCES MAY SHOW A GAIN DUE TO THE MISMATCHING OF REVENUE AND EXPENSE IT IS IMPORTANT TO CONSIDER THE BAD DEBTS AT COST AMOUNT IN PART III, LINE 2 WHEN EVALUATING THE NET COSTS OF UNCOMPENSATED CARE FOR HOSPITALS IN NYS</p>
PART III, LINE 2		<p>RATIO OF PATIENT CARE COST TO CHARGES WORKSHEET (WORKSHEET 2) AS PRESCRIBED BY THE IRS INSTRUCTIONS TO SCHEDULE H FORM 990 WAS THE METHODOLOGY USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINE 2</p>

Identifier	ReturnReference	Explanation
PART III, LINE 4	TEXT OF FOOTNOTE DISCUSSING BAD DEBT	<p>THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS. MANAGEMENT PERIODICALLY ASSESSES THE ADEQUACY OF THIS ALLOWANCE BASED UPON HISTORICAL COLLECTION AND WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THESE REVIEWS ARE USED TO MODIFY, AS NECESSARY, THE PROVISION FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE NET PATIENT ACCOUNTS RECEIVABLE. AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE HOSPITAL FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY EACH FACILITY. ACCOUNT BALANCES ARE CHARGED OFF AGAINST THE ALLOWANCE AFTER ALL MEANS OF COLLECTION HAVE BEEN EXHAUSTED AND THE POTENTIAL FOR RECOVERY IS CONSIDERED REMOTE. THE HOSPITAL DOES NOT HAVE ANY OFF-BALANCE-SHEET CREDIT EXPOSURE RELATED TO ITS PATIENT ACCOUNTS RECEIVABLE.</p>
PART III, LINE 4	BAD DEBT AS COMMUNITY BENEFIT	<p>AS PART OF ITS TAX EXEMPT PURPOSE THE HOSPITAL PROVIDES ACCESS TO MEDICALLY NECESSARY CARE FOR EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF AGE, GENDER, GEOGRAPHIC LOCATION, OR CULTURAL BACKGROUND. THE HOSPITAL TREATS EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF WHETHER THEY HAVE THIRD-PARTY COVERAGE OR THE ABILITY TO PAY. BY PROVIDING HEALTH CARE TO ALL WHO REQUIRE EMERGENCY OR NON-ELECTIVE CARE IN A NON-DISCRIMINATORY MANNER, THE HOSPITAL IS PROVIDING HEALTH CARE TO THE BROAD COMMUNITY IT SERVES. A PATIENT'S PORTION OF A BILL THAT REMAINS UNPAID FOR A CERTAIN STIPULATED TIME PERIOD IS WHOLLY OR PARTIALLY CLASSIFIED AS BAD DEBT. BAD DEBTS ASSOCIATED WITH PATIENTS WHO HAVE RECEIVED CARE FROM THE HOSPITAL SHOULD BE CONSIDERED TO BE COMMUNITY BENEFIT SINCE CHARITABLE HOSPITALS EXIST TO PROVIDE SUCH CARE IN PURSUIT OF THEIR TAX EXEMPT PURPOSE, WHICH IS MEETING THE NEED FOR EMERGENCY AND NON-ELECTIVE MEDICAL CARE SERVICES IN THE COMMUNITY.</p>

Identifier	ReturnReference	Explanation
PART III, SECTION B, LINE 8	COSTING METHODOLOGY	THE MEDICARE REVENUE AND ALLOWABLE COSTS SHOWN ON PART III SECTION B LINE 5 WERE DERIVED FROM THE AS FILED 2012 CMS-2552 (MEDICARE COST REPORT) MEDICARE REVENUE IS BASED ON THE MEDICARE PROVIDER STATISTICAL AND REIMBURSEMENT REPORT AND MEDICARE COSTS ARE DEVELOPED UTILIZING A RATIO OF MEDICARE ALLOWABLE COSTS TO CHARGES METHODOLOGY
PART III, LINE 8	MEDICARE SHORTFALL AS COMMUNITY BENEFIT	LOSSES ON TREATING MEDICARE BENEFICIARIES SHOULD BE INCLUDED AS A COMMUNITY BENEFIT IN THEIR ENTIRETY THIS REPRESENTS THE AMOUNT BY WHICH COSTS TO DELIVER CARE TO MEDICARE RECIPIENTS EXCEEDS THE LEVEL OF PAYMENT ST JOSEPH BEARS THE BURDEN OF NOT ONLY PROVIDING THE BEST AND MOST ADVANCED MEDICAL CARE POSSIBLE TO THE COMMUNITY, BUT DOING SO WITH NO RECOURSE TO OBTAIN PAYMENT FOR THE COST OF PROVIDING CARE IN EXCESS OF THE MEDICARE PAYMENT AS MEDICARE REVENUE DECLINES AND THE COST TO PROVIDE CUTTING EDGE CARE TO THE COMMUNITY INCREASES, THE HOSPITAL WILL CARRY THE BURDEN AS A PARTICIPATING PROVIDER AND A CHARITABLE ORGANIZATION, MEDICARE PATIENTS, THE MAJORITY OF WHOM ARE ELDERLY AND DISABLED ARE NOT TURNED AWAY, SO ST JOSEPH WILL CONTINUE TO BEAR THE LOSS IN PROVIDING THE BEST CARE POSSIBLE TO THE LOCAL COMMUNITY

Identifier	ReturnReference	Explanation
PART III, LINE 9B		<p>THE HOSPITAL'S CHARITY CARE POLICY DESCRIBES THE POLICIES AND PROCEDURES RELATING TO THE PROVISION OF CHARITY CARE TO PERSONS WHO ARE UNABLE TO PAY FOR ALL OR A PORTION OF THEIR BILL NO INDIVIDUAL WILL BE DENIED MEDICALLY NECESSARY HOSPITAL SERVICES BASED ON A DEMONSTRATED INABILITY TO PAY FOR THOSE SERVICES IN ADDITION, UPON APPLYING FOR CHARITY CARE, EACH PATIENT AND PATIENT GUARANTOR'S ABILITY TO PAY WILL BE ASSESSED ELIGIBILITY FOR ASSISTANCE A REASONABLE REVIEW SHALL BE PERFORMED PRIOR TO TURNING AN ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT, TO ASSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (I E MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH THE CHS CHARITY CARE POLICY AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY ACCOUNT THAT SUBSEQUENTLY IS DETERMINED TO MEET THE CHARITY CARE CRITERIA SHALL BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT FOR APPROPRIATE FOLLOW-UP THE THIRD-PARTY COLLECTION AGENT SHALL ADVISE THE PATIENT/GUARANTOR OF THE HOSPITAL'S CHARITY CARE POLICY AND RETURN THE ACCOUNT IMMEDIATELY IF IT IS DETERMINED THAT THE QUALIFICATIONS ARE MET</p>
PART VI, LINE 2	NEEDS ASSESSMENT	<p>THE HOSPITAL WORKED WITH THE NASSAU COUNTY DEPARTMENT OF HEALTH, OTHER HOSPITAL FACILITIES AND OTHER HEALTHCARE PARTNERS IN THE NASSAU COUNTY REGION ON THE PREVENTION AGENDA PRIORITIES PARTICIPATION OF THE COMMUNITY MEMBERS IN THE HOSPITAL'S SERVICE AREA WAS SOLICITED VIA MULTIPLE VENUES IN AN EFFORT TO ENGAGE COMMUNITY PARTICIPATION IN THE DEVELOPMENT OF THE COMMUNITY SERVICE PLAN THE PUBLIC INPUT PROCESS WAS ANNOUNCED VIA THE HOSPITAL'S WEBSITE IN JUNE 2009 WHEREBY WE ENCOURAGED OUR COMMUNITY MEMBERS TO PROVIDE COMMENTS ON THEIR HEALTH CARE PRIORITIES AND HOW ST JOSEPH HOSPITAL COULD BEST SERVE THEIR NEEDS</p>

Identifier	ReturnReference	Explanation
PART VI, LINE 3	FINANCIAL ASSISTANCE POLICY COMMUNICATION	<p>ALL EMPLOYEES IN THE SCHEDULING, PATIENT ACCESS, PATIENT FINANCIAL SERVICES AND EMERGENCY DEPARTMENTS ARE FULLY VERSED IN THE CHARITY CARE POLICY, HAVE ACCESS TO THE CHARITY CARE APPLICATION FORMS, AND ARE ABLE TO DIRECT QUESTIONS TO THE APPROPRIATE HOSPITAL REPRESENTATIVES THE HOSPITAL POSTS MULTILINGUAL NOTICES AS TO ANY POLICIES ON CHARITY CARE IN SEVERAL PROMINENT LOCATIONS WITHIN THE HOSPITAL INCLUDING, BUT NOT LIMITED TO, THE EMERGENCY DEPARTMENT, BILLING OFFICE, WAITING ROOMS FOR PURPOSES OF ADMISSIONS, AND THE INPATIENT AND OUTPATIENT REGISTRATION AREA SAID NOTICES ARE PUBLISHED IN AT LEAST ENGLISH AND SPANISH, AND ARE CLEARLY VISIBLE TO THE PUBLIC FROM THE LOCATION AT WHICH THEY ARE POSTED THE HOSPITAL PROVIDES PATIENTS, IN A TIMELY MANNER, A SUMMARY OF ITS CHARITY CARE POLICY UPON REQUEST THE SUMMARY, AT A MINIMUM PROVIDES SPECIFIC INFORMATION AS TO INCOME LEVELS USED TO DETERMINE ELIGIBILITY AND THE MEANS OF APPLYING FOR ASSISTANCE THIS SUMMARY IS WRITTEN AT OR BELOW A SIXTH GRADE READING LEVEL THE HOSPITAL POSTS ITS CHARITY CARE POLICY SUMMARY ON THEIR INTERNET WEBSITE THE HOSPITAL PROVIDES ALL PATIENTS INTERPRETERS TO ASSIST THEM IN UNDERSTANDING ITS CHARITY CARE PROGRAM IN THE LANGUAGE SPOKEN BY THE PATIENT DURING ANY PRE-ADMISSION, ADMISSION, AND DISCHARGE PROCESS ON ALL BILLS AND STATEMENTS SENT TO PATIENTS, A STATEMENT IS INCLUDED REGARDING THE AVAILABILITY OF VARIOUS FINANCIAL ASSISTANCE PROGRAMS, INCLUDING CHARITY CARE, AND A CONTACT NUMBER TO CALL TO OBTAIN FURTHER INFORMATION THIS INFORMATION IS AVAILABLE AT OR BELOW A SIXTH GRADE READING LEVEL</p>
PART VI, LINE 4	COMMUNITY INFORMATION	<p>THE HOSPITAL PRIMARILY SERVES PATIENTS FROM THE FOLLOWING SURROUNDING COMMUNITIES MASSAPEQUA, FARMINGDALE, AMITYVILLE, LEVITOWN, MASSAPEQUA PARK, WANTAGH, SEAFORD, BETHPAGE, BELLMORE, EAST MEADOW, LINDENHURST, COPIAGUE, BABYLON, HICKSVILLE, PLAINVIEW AND WOODBURY APPROXIMATELY 90% OF HOSPITAL PATIENTS WHO ARE ADMITTED AND/OR PROVIDED CARE IN OUR EMERGENCY DEPARTMENT RESIDE IN THE AFOREMENTIONED SERVICE AREAS THIS IS BASED ON ANNUAL 2008 DATA RELATIVE TO INPATIENT ADMISSIONS/EMERGENCY DEPARTMENT VISITS TO OUR HOSPITAL</p>

Identifier	ReturnReference	Explanation
PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH	<p>WSNCHS NORTH, INC (THE HOSPITAL) IS A 501(C)(3) VOLUNTARY, NOT-FOR-PROFIT CORPORATION WITH CERTIFIED BED CAPACITY OF 203 ON JANUARY 26, 2010, THE HOSPITAL BECAME A MEMBER HOSPITAL OF CATHOLIC HEALTH SERVICES (CHS) OF LONG ISLAND AND THE HOSPITAL IS DOING BUSINESS AS (ST JOSEPH) CHS SUPPORTS ST JOSEPH'S MISSION TO DELIVER QUALITY HEALTH CARE AND REMAIN A COMMUNITY-BASED HOSPITAL CHS IS COMMITTED TO CONTINUING AND EXPANDING THE IMPORTANT MEDICAL SERVICES PROVIDED BY ST JOSEPH TO THE SURROUNDING COMMUNITIES THAT RELY UPON IT FOR QUALITY CARE WITH THE ADDITION OF ST JOSEPH, CHS IS NOW COMPRISED OF SIX HOSPITALS, THREE NURSING HOMES, A REGIONAL HOME CARE AND HOSPICE NETWORK AND A COMMUNITY-BASED AGENCY FOR PERSONS WITH DEVELOPMENTAL NEEDS THE BOARD OF DIRECTORS IS COMPRISED OF TEN MEMBERS, CONSISTING OF VOLUNTARY COMMUNITY MEMBERS, A PHYSICIAN REPRESENTATIVE, MEMBERS OF CHS' BOARD AND Leadership team and THE PRESIDENT & CHIEF EXECUTIVE OFFICER OF ST JOSEPH WHO IS DIRECTLY RESPONSIBLE TO THE BOARD OF DIRECTORS THE BOARD PROVIDES STRATEGIC, VISIONARY GUIDANCE AND DIRECTION FOR THE HOSPITAL'S CURRENT PROGRAMS, FUTURE PROGRAMS, PATIENT QUALITY AND SAFETY, CAPITAL PROJECTS, SPECIAL INITIATIVES AND FOR ALL GOVERNANCE RESPONSIBILITIES THERE ARE FOUR BOARD COMMITTEES FINANCE, EXECUTIVE, PIPS (PERFORMANCE IMPROVEMENT PATIENT SATISFACTION) AND CORPORATE COMPLIANCE AND AUDIT ONE OR MORE BOARD MEMBERS CHAIR, CO-CHAIR AND/OR ATTEND EACH OF THESE COMMITTEES AT THEIR SCHEDULED MEETINGS THE BOARD IS VERY MUCH ENGAGED AND COMMITTED IN LISTENING TO AND ADDRESSING COMMUNITY NEEDS TO FURTHER ST JOSEPH'S MISSION OF PROVIDING HIGH QUALITY CARE TO OUR PATIENTS AND VERY SUPPORTIVE OF FORMER COMMISSIONER RICHARD DAINES' "PREVENTION AGENDA FOR THE HEALTHIEST STATE" INITIATIVE, AIMED TO IMPROVE THE HEALTH OF ALL NEW YORKERS ST JOSEPH HOSPITAL'S COMMUNITY OUTREACH PROGRAMS INCLUDE SUPPORT GROUPS, COMMUNITY HEALTH EDUCATION LECTURES, "MEALS ON WHEELS", HEALTH FAIRS AND SCREENINGS, BLOOD DRIVES AND OTHER PATIENT-FOCUSED INITIATIVES ST JOSEPH IS SUPPORTIVE OF EDUCATIONAL INSTITUTIONS AND THEIR RESPECTIVE STUDENTS TO PROVIDE CLINICAL EXPERIENCE AND EDUCATION IN THE HOSPITAL ENVIRONMENT ST JOSEPH HOLDS MULTIPLE AFFILIATION AGREEMENTS WITH EDUCATIONAL FACILITIES (E G HOFSTRA UNIVERSITY, LONG ISLAND UNIVERSITY, STATE UNIVERSITY AT FARMINGDALE, WESTERN SUFFOLK BOCES) FOR ONSITE STUDENT TRAINING / MENTORING IN NURSING, RADIOLOGY TECHNOLOGY, HEALTH ADMINISTRATION AND FOR OTHER HEALTH CARE PROFESSIONS AND IS A DESIGNATED SITE FOR TRAINING OF DOCTOR OF PHARMACY CANDIDATES THROUGH ST JOHN'S UNIVERSITY ST JOSEPH HOSPITAL IS ALSO AN ACTIVE MEMBER OF FARMINGDALE, BETHPAGE AND MASSAPEQUA CHAMBERS OF COMMERCE AND PARTICIPATES IN MANY OF THE CHAMBERS' ACTIVITIES, INCLUDING HEALTH FAIRS, STREET FAIRS AND COMMUNITY FESTIVAL DAYS AT THESE FESTIVALS THE HOSPITAL PROVIDES FREE EDUCATIONAL HEALTH CARE MATERIAL AND OFTEN OFFERS FREE BLOOD PRESSURE SCREENINGS TO COMMUNITY RESIDENTS ST JOSEPH ALSO HOLDS A YEARLY HEALTH FAIR ON ITS PREMISES, WHERE IT INVITES ALL ITS COMMUNITY MEMBERS TO LEARN ABOUT HOSPITAL SERVICES AND SPECIAL PROGRAMS ST JOSEPH HELD A FAIR TO PROVIDE BLOOD PRESSURES, DIETITIAN CONSULTATIONS/BMI, DIABETES EDUCATOR CONSULTATIONS, AMONG OTHER FREE HEALTH SERVICES FOR COMMUNITY MEMBERS IN ATTENDANCE ST JOSEPH HOSPITAL ALSO HOLDS ANNUAL PROSTATE SCREENINGS ALSO, IN COLLABORATION WITH THE BETHPAGE LIBRARY AND FARMINGDALE LIBRARY, ST JOSEPH SPONSORS SEASONAL FLU VACCINE CLINIC TO SENIORS IN THE NASSAU COUNTY AREA IN LINE WITH THE FORMER NYS DOH COMMISSIONER RICHARD DAINES' "PREVENTION AGENDA FOR THE HEALTHIEST STATE", PRIORITIES WERE CHOSEN BY TAKING INTO CONSIDERATION THE 2-3 PRIORITIES (OF THE PUBLISHED LIST OF 10 PRIORITIES) THAT WOULD PROVIDE THE GREATEST HEALTH CARE BENEFIT TO THE HEALTH OF THE LARGEST NUMBER OF NEW YORKERS IN OUR STATE, DIRECTLY OR INDIRECTLY, AND SPECIFICALLY IN NASSAU COUNTY THROUGH COLLABORATION WITH OUR LOCAL HEALTH DEPARTMENT, OTHER HOSPITAL PROVIDERS IN THE COUNTY AND, WITH OTHER HEALTHCARE PARTNERS COLLABORATION, FOCUS, ATTENTION AND ACTION BY THIS GROUP ON THE PRIORITIES SELECTED SHOULD ALLOW US TO ACHIEVE THE DESIRED OUTCOME, A HEALTHIER COUNTY WHICH WILL CONTRIBUTE TO THE GOAL OF A HEALTHIER NEW YORK STATE THE CRITERIA USED INCLUDED THE BENEFITS THAT THE PRIORITY HEALTH FOCUS WOULD YIELD TO BETTER THE QUALITY OF LIFE FOR COMMUNITY RESIDENTS, A REDUCED NEED FOR EXPENSIVE HEALTHCARE RESOURCES FOR HEALTH CONDITIONS THAT MIGHT HAVE OTHERWISE BEEN MITIGATED BEFORE THEIR MANIFESTATION TO A LEVEL REQUIRING THE USE OF EXTENSIVE AND EXPENSIVE HEALTH RESOURCES AND, ULTIMATELY PRIORITIES THAT WOULD, OVER THE COURSE OF TIME, FREE-UP SUFFICIENT GOVERNMENTAL AND OTHER HEALTH PAYER SPENDING TO HELP SUPPORT THE FUNDING OF HEALTH INSURANCE FOR THE UNINSURED / UNDER-INSURED AND TO BE ABLE TO REDUCE AND EVENTUALLY ELIMINATE ANY BARRIERS TO HIGH QUALITY HEALTH CARE FOR EVERYONE IN OUR COMMUNITIES IN NEED OF CARE DATA USED TO HELP SELECT THESE PRIORITIES WAS DERIVED FROM THE NEW YORK STATE DEPARTMENT OF HEALTH PREVENTION AGENDA WEBSITE AND ASSOCIATED LINKS / DATA TOOLS, THE NASSAU COUNTY COMMUNITY HEALTH ASSESSMENT AND A COMPARISON OF ACTUAL MOST RECENT AVAILABLE PREVENTION AGENDA INDICATOR RATES FOR NASSAU COUNTY VERSUS PREVENTION AGENDA OBJECTIVES FOR 2013 AS TARGETED BY THE NYSDOH IN SUMMARY, THE GROUP DEVELOPED A PRIORITY-SETTING PLAN TO HELP DETERMINE WHICH OF THE TEN PREVENTION AGENDA PRIORITIES WOULD BE REASONABLY PRACTICAL TO ADDRESS AND BEST MEET THE NEEDS OF OUR CATCHMENT AREAS THE GROUP FOCUSED ON CONSIDERATION OF THE FOLLOWING CRITERIA FOR SELECTION OF THE PREVENTION AGENDA PRIORITY CHOICES - COUNTY INDICATORS OFFERING THE GREATEST OPPORTUNITY FOR IMPACT - COMMUNITY NEED - ALIGNMENT AND SYNERGY WITH EXISTING HOSPITAL STRATEGY AND MISSION - AVAILABILITY OF OUTCOME MEASURES - AVAILABILITY OF BENCHMARKS ON PERFORMANCE QUALITY INDICATORS - POTENTIAL FOR GRANT / FUNDING - EXISTING GROUPS, PROGRAMS AND RESOURCES PURSUANT TO A SERIES OF MEETINGS HELD IN COLLABORATION WITH THE NASSAU COUNTY DEPARTMENT OF HEALTH (NCDOH), OTHER HOSPITAL FACILITIES IN THE COUNTY AND OTHER HEALTH CARE PARTNERS, IT WAS DECIDED BY THE GROUP THAT THE PREVENTION PRIORITIES THE COUNTY WOULD BE FOCUSED ON WERE THE FOLLOWING PUBLIC HEALTH PREVENTION AGENDA SELECTIONS TOBACCO USE PREVENTION AND CESSATION AND UNINTENTIONAL INJURY AND PREVENTION OF FALLS AMONG THOSE AGED 65+ YEARS OF AGE WORK GROUPS, NAMED THE "THOUGHT LEADERS", WERE ESTABLISHED, ONE FOR EACH OF THESE PRIORITIES THE THOUGHT LEADERS WORKGROUPS WERE COMPRISED OF A REPRESENTATIVE FROM EACH HOSPITAL, INCLUDING ST JOSEPH HOSPITAL, AND THE NCDOH TO ASSESS THE CURRENT STATUS, PROGRAMMING, RESOURCES AND POTENTIAL PARTNERS FOR EACH PRIORITY AND TO FORMULATE A STRATEGIC PLAN TO ADDRESS EACH PRIORITY OVER THE NEXT THREE YEARS ST JOSEPH HOSPITAL HAS UNDERTAKEN THESE INITIATIVES FROM THE STANDPOINT OF PROVIDING EDUCATION FOR HOSPITALIZED PATIENTS DURING THEIR STAY AND UPON DISCHARGE, PUBLICIZING RELEVANT INFORMATION TO THE COMMUNITY AT LARGE AND IS AVAILABLE AT THE ST JOSEPH WEBSITE THESE INITIATIVES WOULD BE CLASSIFIED AS "NEW" FROM THE STANDPOINT THAT THE STATE HEALTH DEPARTMENT, LOCAL HEALTH DEPARTMENT, AS WELL AS HOSPITAL PROVIDERS, INCLUDING HEALTH PRACTITIONERS AND OTHER COMMUNITY PARTNERS WOULD ALL BE WORKING COLLABORATIVELY TOWARD COMMON GOALS AND OBJECTIVES WITH THIS MAGNITUDE AND BROAD SCALE LEVEL OF SUPPORT AND CHANNLED EFFORT, IT IS MORE LIKELY THAT WE CAN REALIZE GREATER AND MORE SIGNIFICANT IMPACT AND IMPROVEMENT IN AFFECTING POSITIVE CHANGE IN PREVENTATIVE CARE WE BELIEVE THAT THE FIRST STEP NEEDS TO BE FOCUSED ON RAISING LEVEL OF AWARENESS AND WORKING ON DEVELOPING NEW AND STRENGTHENING EXISTING RELATIONSHIPS WITH OUR COMMUNITY PARTNERS OTHER IMPORTANT SERVICES PROVIDED BY ST JOSEPH HOSPITAL TO PROMOTE COMMUNITY HEALTH & WELLNESS ARE - HYPERBARIC AND WOUND HEALING OUTPATIENT CENTER - THE CENTER FOR SLEEP MEDICINE - OUTPATIENT BALANCE/VESTIBULAR TESTING AND PHYSICAL THERAPY - MRI SERVICE - SPEECH SWALLOWING AND VOICE DISORDERS - GASTROENTEROLOGY OUTPATIENT SERVICE - DIABETES EDUCATION CENTER</p>
PART VI, LINE 6	AFFILIATED HEALTHCARE SYSTEM	<p>ST JOSEPH IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL WHICH IS LOCATED ON A SINGLE CAMPUS IN BETHPAGE, NEW YORK ALONG WITH THE AFOREMENTIONED COMMUNITY PROGRAMS, ST JOSEPH THROUGH ITS DAILY OPERATIONS, PROVIDES TO THE AREA ACUTE, EMERGENCY AND OUTPATIENT CARE ST JOSEPH IS A MEMBER OF CATHOLIC HEALTH SYSTEMS OF LONG ISLAND (D/B/A/ CATHOLIC HEALTH SERVICES OF LONG ISLAND)(CHS) WHICH IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED TO SERVE AS THE COORDINATING BODY OF AN INTEGRATED NETWORK OF PROVIDERS SERVING NASSAU AND SUFFOLK COUNTIES CHS IS SPONSORED BY THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTRE AS OF DECEMBER 31, 2012, CHS COMPRISED SIX HOSPITALS (MERCY MEDICAL CENTER, ST FRANCIS HOSPITAL AND ST JOSEPH HOSPITAL IN NASSAU COUNTY, AND GOOD SAMARITAN HOSPITAL MEDICAL CENTER, ST CHARLES HOSPITAL AND REHABILITATION CENTER AND ST CATHERINE OF SIENA MEDICAL CENTER IN SUFFOLK COUNTY), AS WELL AS THREE NURSING HOMES (ST CATHERINE OF SIENA NURSING AND REHABILITATION CARE CENTER, GOOD SAMARITAN NURSING HOME AND OUR LADY OF CONSOLATION NURSING AND REHABILITATIVE CARE CENTER, ALL IN SUFFOLK COUNTY), A REGIONAL HOME CARE AND HOSPICE NETWORK, AND A COMMUNITY-BASED AGENCY FOR PERSONS WITH SPECIAL NEEDS WITH MORE THAN 17,000 STAFF AND 4,600 MEDICAL STAFF WORKING THROUGHOUT THE SYSTEM, CHS PROVIDES THE REGION'S FINEST HEALTH AND HUMAN SERVICES MEMBER ORGANIZATIONS OF CHS OFFER VIRTUALLY EVERY MEDICAL SPECIALTY AND CLINICAL SERVICE, AND SHAPE A DEDICATION TO CONTINUOUSLY UPGRADE THE SCOPE, QUALITY AND ACCESSIBILITY OF CARE EACH OF CHS MEMBER ORGANIZATIONS HAS RETAINED THEIR INDIVIDUAL LINKS TO THEIR HISTORY, THEIR DISTINCTIVE PERSONALITIES, AS WELL AS THE SERVICE SPECIALTIES WHICH THEY ARE KNOWN FOR, THUS EMBEDDING THE ORGANIZATION IN THE COMMUNITY AND SERVING IT EFFECTIVELY THE CHS SYSTEM PROVIDES AN ABUNDANCE OF EDUCATION AND SUPPORT GROUPS, PROVIDES FREE HEALTH SCREENINGS THROUGH THE HEALTHY SUNDAY PROGRAMS, HEALTH FAIRS AND OTHER PROGRAMS WHICH HELP THE COMMUNITIES SERVED BY CHS ACCESS CARE SINCE 1907, CATHOLIC HEALTHCARE ON LONG ISLAND HAS BUILT A DISTINGUISHED TRADITION OF OPERATING COMMUNITY BASED HOSPITAL AND HUMAN SERVICE ORGANIZATIONS WITH THE PRIMARY OBJECTIVE OF SERVING THE COMMUNITY TO FURTHER THE MISSION OF BRINGING CARE TO THE COMMUNITY, CHS AND ITS MEMBER HOSPITALS, TOGETHER WITH A NUMBER OF OTHER HEALTHCARE PROVIDERS ON LONG ISLAND ENTERED INTO A PARTNERSHIP AGREEMENT WHICH OPERATES AS THE LONG ISLAND HEALTH NETWORK (LIHN) LIHN WAS CREATED TO ESTABLISH A COMPREHENSIVE AND EFFICIENT HOSPITAL NETWORK IN NASSAU AND SUFFOLK COUNTIES BY WORKING TO, AMONG OTHER THINGS, IMPROVE QUALITY OF CARE, FACILITATE CLINICAL INTEGRATION, BENCHMARK BEST PRACTICES AND REDUCE LENGTH OF STAY COSTS</p>

Identifier	ReturnReference	Explanation
PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT		NY

Schedule I (Form 990)

OMB No 1545-0047

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

2012

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number 11-3438973

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
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.

Table with 8 columns: (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, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Row 1 contains data for DIOCESE OF ROCKVILLE CENTRE - CATHOLIC MINISTRIES.

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

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated 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, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
SCHEDULE I, PART I, LINE 2	PROCEDURE FOR MONITORING GRANT FUND USE	THE DIOCESE OF ROCKVILLE CENTRE PROVIDES ANNUAL UPDATES TO ALL CONTRIBUTORS TO THE CATHOLIC MINISTRIES APPEAL, WHETHER PARISHONERS OR CORPORATE CONTRIBUTORS LIKE CHSLI
SCHEDULE I, PART II, LINE 1 COLUMN (H)	PURPOSE OF GRANT ASSISTANCE	TO PROVIDE GENERAL SUPPORT OF THE CATHOLIC MINISTRIES OF THE DIOCESE OF ROCKVILLE CENTRE IN CONNECTION WITH THE FORMATION OF YOUTH AND ADULTS IN THE FAITH, PROMOTION OF THE DIGNITY OF LIFE, PROMOTION OF QUALITY EDUCATION FOR YOUNG PEOPLE, AND FOSTERING OF VOCATIONS FOR THE PRIESTHOOD

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2012

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
WSNCHS NORTH INC

Employer identification number

11-3438973

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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?
- b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization?
- b** Any related organization?

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

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

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

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

	Yes	No
1b		
2		
4a		No
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is 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, applicable column (D) and (E) amounts for that individual

(A) Name and Title	(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, LINE 4B	SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN	ALAN D GUERCI, MD \$270,034 PARTICIPATION IN PLAN RUTH HENNESSY \$140,387 PARTICIPATION IN PLAN, \$721,378 PAYMENT FROM PLAN GARA EDELSTEIN \$108,483 PARTICIPATION IN PLAN, \$93,475 PAYMENT FROM PLAN JOEL YOHAI, MD \$128,066 PARTICIPATION IN PLAN, \$16,934 PAYMENT FROM PLAN WILLIAM C ARMSTRONG \$164,635 PARTICIPATION IN PLAN, \$204,388 PAYMENT FROM PLAN AARON GLATT \$190,199 PARTICIPATION IN PLAN
SCHEDULE J, PART II	COMPENSATION	THE AMOUNTS REFLECTED IN COLUMN B(III) AND COLUMN C FOR THE INDIVIDUALS INCLUDES PARTICIPATION IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP") THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2012 FORM W-2 BOX, 5 AS TAXABLE WAGES BECAUSE THEY ARE VESTED, BUT ARE NOT DISTRIBUTED UNTIL RETIREMENT THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE INDIVIDUALS INCLUDES BOTH QUALIFIED AND NONQUALIFIED RETIREMENT PLANS

Software ID:
Software Version:
EIN: 11-3438973
Name: WSNCHS NORTH INC

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Gara Edelstein	(i)	0	0	0	0	0	0
	(ii)	307,568	67,000	105,619	130,808	24,121	635,116
Alan D Guerci MD	(i)	0	0	0	0	0	0
	(ii)	803,701	261,600	36,302	289,984	32,219	1,423,806
Ruth Hennessey	(i)	0	0	0	0	0	0
	(ii)	504,222	72,000	725,622	160,337	25,344	1,487,525
Joel Yohai MD	(i)	0	0	0	0	0	0
	(ii)	650,979	150,000	44,578	150,641	19,017	1,015,215
Drew Pallas	(i)	344,239	40,000	19,227	14,168	31,132	448,766
	(ii)	0	0	0	0	0	0
Lawrence Reduto	(i)	71,267	0	21,021	0	3,893	96,181
	(ii)	0	0	0	0	0	0
Howard Sussman	(i)	191,731	0	490	8,197	18,409	218,827
	(ii)	0	0	0	0	0	0
Bernard Stark	(i)	417,205	3,586	4,754	14,168	21,737	461,450
	(ii)	0	0	0	0	0	0
Margaret Minnick	(i)	162,942	18,500	1,654	9,788	2,026	194,910
	(ii)	0	0	0	0	0	0
Ihab Ibrahim	(i)	161,496	18,500	229	9,788	23,727	213,740
	(ii)	0	0	0	0	0	0
Blake Benz	(i)	169,996	0	140	10,355	23,057	203,548
	(ii)	0	0	0	0	0	0
Peter Chiacchiaro	(i)	145,637	0	1,244	9,462	32,690	189,033
	(ii)	0	0	0	0	0	0
William C Armstrong	(i)	0	0	0	0	0	0
	(ii)	589,761	98,000	219,655	184,585	27,725	1,119,726
AARON GLATT	(i)	0	0	0	0	0	0
	(ii)	511,676	100,000	17,699	207,624	27,263	864,262

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

2012

Open to Public Inspection

Name of the organization
WSNCHS NORTH INC

Employer identification number

11-3438973

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 6	MEMBERS OF THE ORGANIZATION	THE SOLE MEMBER OF ST JOSEPH HOSPITAL IS CATHOLIC HEALTH SYSTEM OF LONG ISLAND (D/B/A/ CATHOLIC HEALTH SERVICES OF LONG ISLAND) (CHS) CHS IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED TO SERVE AS THE COORDINATING BODY OF AN INTEGRATED NETWORK OF PROVIDERS SERVING NASSAU AND SUFFOLK COUNTIES CHS IS SPONSORED BY THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTER (DIOCESE)

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 7A	ELECTION OF THE GOVERNING BODY	CHS IS THE SOLE MEMBER AND ESTABLISHED CO-OPERATOR OF ST JOSEPH HOSPITAL AND AS SUCH, HAS THE RIGHT TO APPOINT THE GOVERNING BODY OF ST JOSEPH HOSPITAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 7B	DECISIONS OF THE GOVERNING BODY	CHS AS THE SOLE MEMBER AND ESTABLISHED CO-OPERATOR OF ST JOSEPH HOSPITAL IS REQUIRED TO APPROVE CERTAIN DECISIONS MADE BY THE GOVERING BODY OF ST JOSEPH HOSPITAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 11A	REVIEW PROCESS FOR FORM 990	THE FORM 990 AND APPROPRIATE SCHEDULES ARE COMPLETED BY OUTSIDE TAX ADVISORS AND REVIEWED INTERNALLY BY MANAGEMENT. THE FINAL DRAFT OF THE FORM 990 IS THEN PRESENTED TO THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE (THE COMMITTEE) OF THE BOARD OF TRUSTEES (THE BOARD), WHICH HAS BEEN DELEGATED THE DETAILED REVIEW FUNCTION BY THE BOARD. UPON APPROVAL OF THE COMMITTEE, THE FORM 990 IS THEN SENT TO ALL VOTING MEMBERS OF THE BOARD. ONCE APPROVED BY THE BOARD (OR THE EXECUTIVE COMMITTEE OF THE BOARD, AS APPROPRIATE), THE ORGANIZATION'S BOARD CHAIR AND CHIEF EXECUTIVE OFFICER COMMUNICATES, IN WRITING TO THE CHS COMPLIANCE AND AUDIT COMMITTEE AND CHS BOARD CHAIR. AFTER REVIEW OF ANY APPLICABLE COMMENTS FROM THE BOARD, THE COMPLIANCE AND AUDIT COMMITTEE WILL THEN RECOMMEND THE APPROVAL OF THE FORM 990 TO THE CHS BOARD OF DIRECTORS WHO WILL THEN REVIEW THE RECOMMENDATIONS AND PROVIDE THE FINAL APPROVAL OF THE FORM 990. THE FORM 990 IS THEN SUBMITTED TO THE INTERNAL REVENUE SERVICE.

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 12C	CONFLICT OF INTEREST POLICY	<p>DISCLOSURE IN ACCORDANCE WITH THE CONFLICT OF INTEREST POLICY (THE POLICY) BY BOARD AND BOARD COMMITTEE MEMBERS, EMPLOYEES AND OTHERS THAT SATISFY THE CRITERIA TO BE CONSIDERED AN INTERESTED PERSON IS SUBMITTED UPON HIRE OR APPOINTMENT AND ANNUALLY THEREAFTER SUCH INDIVIDUALS HAVE A CONTINUING OBLIGATION TO UPDATE THE INFORMATION PROVIDED DURING THE COURSE OF THE YEAR A SUMMARY OF DISCLOSURES IS PROVIDED TO THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE BY THE ORGANIZATION'S COMPLIANCE OFFICER ALL DISCLOSURES ARE INVESTIGATED AND INFORMATION RELATED TO THE DISCLOSURE SHALL BE GATHERED AND SUMMARIZED AND INCLUDED WITH THE SUMMARY OF DISCLOSURES UPON REVIEW OF THE SUMMARY OF DISCLOSURES, THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE SHALL REPORT ITS FINDINGS TO THE BOARD OF TRUSTEES FOR REVIEW THE BOARD SHALL DETERMINE WHETHER A CONFLICT OF INTEREST EXISTS BASED ON THE CRITERIA CONTAINED IN THE POLICY IF THE BOARD COMMITTEE DETERMINES THAT NO CONFLICT EXISTS, THE MATTER SHALL BE REFERRED FOR REVIEW BY THE CHS COMPLIANCE AND AUDIT COMMITTEE BEFORE THE DETERMINATION BECOMES FINAL IF A CONFLICT OF INTEREST IS IDENTIFIED AND A MAJORITY OF THE BOARD OR BOARD COMMITTEE AGREES THAT THE TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF CHS AND WISHES TO GO FORTH WITH IT, THE CHAIR OF THE ORGANIZATION'S BOARD OF TRUSTEES SHALL PROVIDE A WRITTEN REQUEST TO THE CHAIR OF THE CHS COMPLIANCE AND AUDIT COMMITTEE, DELINEATING THE TRANSACTION AND CONFLICT AND PROVIDING REASONS WHY THE BOARD AGREES THAT THE TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF CHS, CERTIFIES THAT CHS CANNOT SECURE SIMILAR SERVICES FROM AN ORGANIZATION WITHOUT A CONFLICT, AND WISHES TO GO FORWARD WITH IT PERSON DETERMINED TO HAVE A CONFLICT OF INTEREST MUST RECUSE HIMSELF FROM ANY DECISION MAKING OR VOTING ON THE INTEREST THAT GAVE RISE TO THE CONFLICT UPON RECEIPT OF THE WRITTEN REQUEST AND ANY SUPPORTING DOCUMENTS, THE CHS COMPLIANCE AND AUDIT COMMITTEE SHALL MAKE THE FINAL DECISION AS TO WHETHER CHS SHALL ENTER INTO THE TRANSACTION OR ARRANGEMENT</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 15	COMPENSATION POLICY	<p>THE CHIEF EXECUTIVE OFFICER SUBMITS FOR APPROVAL TO THE CORPORATE CEO RECOMMENDATIONS FOR BASE SALARY ADJUSTMENTS AND INCENTIVE AWARDS FOR "DISQUALIFIED PERSONS" AS DEFINED IN THE POLICY. THE POLICY DEFINES A "DISQUALIFIED PERSON" AS A PERSON IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF CHS OR AN OPERATING ENTITY, AND IS EITHER A) A VOTING MEMBER OF THE BOARD OF DIRECTORS OR BOARD OF TRUSTEES, B) THE ENTITY'S PRESIDENT, CHIEF EXECUTIVE OFFICER, AND CHIEF OPERATING OFFICERS OR PERSONS HOLDING EQUIVALENT POSITIONS, C) THE ENTITY'S TREASURERS AND CHIEF FINANCIAL OFFICERS, D) THE PERSON'S COMPENSATION IS PRIMARILY BASED ON REVENUES DERIVED FROM ACTIVITIES OF CHS OR AN OPERATING ENTITY, OR OF A PARTICULAR DEPARTMENT OR FUNCTION OF CHS OR AN OPERATING ENTITY, THAT THE PERSON CONTROLS, E) THE PERSON HAS OR SHARES AUTHORITY TO CONTROL OR DETERMINE A SUBSTANTIAL PORTION OF CHS OR AN OPERATING ENTITY'S CAPITAL EXPENDITURES, OPERATING BUDGET, OR COMPENSATION FOR OTHER EMPLOYEES, F) THE PERSON MANAGES A DEPARTMENT OR ACTIVITY OF CHS OR AN OPERATING ENTITY THAT REPRESENTS A SUBSTANTIAL PORTION OF THE ACTIVITIES, ASSETS, INCOME, OR EXPENSES OF CHS OR AN OPERATING ENTITY, COMPARED TO THE ORGANIZATION AS A WHOLE, OR G) FAMILY MEMBERS OF ANY OF THOSE DESCRIBED IN THE PRECEDING D, E, OR F. ONCE APPROVED BY THE CORPORATE CEO, THESE RECOMMENDATIONS ARE SENT TO THE EXECUTIVE COMPENSATION COMMITTEE FOR REVIEW. THE EXECUTIVE COMPENSATION COMMITTEE, WITH AN INDEPENDENT COMPENSATION CONSULTANT ENGAGED BY THE BOARD, WILL REVIEW PROPOSED SALARY ADJUSTMENTS AND INCENTIVE AWARDS TO ENSURE REASONABLENESS BY REVIEWING COMPARABLE TOTAL COMPENSATION DATA (INCLUDING INCENTIVES) PAID TO SIMILARLY SITUATED EXECUTIVES AT THE MEDIAN OF THE DEFINED MARKETPLACE WITH POSSIBLE ADJUSTMENT MADE FOR SPECIAL SKILL, EXPERIENCE, COMPETENCE AND PERFORMANCE, INCLUDING CONTRIBUTION TO THE SYSTEM AS A WHOLE. REVIEWS ARE DONE BY AN INDEPENDENT CONSULTANT ANNUALLY. THE COMPENSATION COMMITTEE SETS STANDARDS TO ENSURE THAT THE CRITERIA USED TO DETERMINE INCENTIVE COMPENSATION ARE SPECIFIC, OBJECTIVE, MEASUREABLE AND RELATED TO INDICATORS OF PERFORMANCE. BASED ON THE INFORMATION, THE COMMITTEE WILL THEN MAKE ITS RECOMMENDATION TO THE BOARD OF TRUSTEES.</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 19	DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION	GOVERNING DOCUMENTS - CERTIFICATE OF INCORPORATION FILED WITH THE NYS DEPARTMENT OF STATE. CONFLICT OF INTEREST POLICY IS NOT PUBLICLY AVAILABLE, FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
FORM 990, PART VII	SECTION A, LINE 1A - COMPENSATION OF OFFICERS	<p>HOURS FOR TRUSTEES ARE THE ESTIMATED WEEKLY HOURS (2 0) TRUSTEES CONTRIBUTE TO THIS AND ALL OTHER RELATED ORGANIZATIONS, NOT NECESSARILY EQUALLY BUT IN THE PROPORTION NECESSARY , FOR WHICH THEY RECEIVE NO COMPENSATION ALAN GUERCI, DIRECTOR - THE TOTAL HOURS WORKED REPORTED REFLECTS TIME WORKED AS AN OFFICER FOR ALL OF THE FOLLOWING RELATED ENTITIES ST JOSEPHS HOSPITAL (11-3438973) , ST FRANCIS HOSPITAL (11-2050523), ST FRANCIS RESEARCH & EDUCATIONAL (11-3090867), ST FRANCIS HOSPITAL FOUNDATION (11-2916033), MERCY MEDICAL CENTER (11-1635088), ST FRANCIS CARDIOVASCULAR PHYSICIANS PC (11-3613997) DREW PALLAS, EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER - THE TOTAL HOURS WORKED REPORTED REFLECTS TIME WORKED AS AN OFFICER FOR ALL OF THE FOLLOWING RELATED ENTITIES ST JOSEPHS HOSPITAL (11-3438973) WILLIAM ARMSTRONG, VICE PRESIDENT & CHIEF FINANCIAL OFFICER - THE TOTAL HOURS WORKED REPORTED REFLECTS TIME WORKED AS AN OFFICER FOR ALL OF THE FOLLOWING RELATED ENTITIES ST JOSEPHS HOSPITAL (11-3438973), ST FRANCIS HOSPITAL (11-2050523), ST FRANCIS RESEARCH & EDUCATIONAL (11-3090867), ST FRANCIS HOSPITAL FOUNDATION (11-2916033), MERCY MEDICAL CENTER (11-1635088), ST JOSEPHS HOSPITAL (11-3613997)</p>

Identifier	Return Reference	Explanation
OTHER EXPENSES	FORM 990 PART IX	DESCRIPTION MEDICAL SUPPLIES TOTAL EXPENSES 12010693 PROGRAM SERVICES 12010693 MANAGEMENT AND GENERAL FUNDRAISING

Identifier	Return Reference	Explanation
OTHER EXPENSES	FORM 990 PART IX	DESCRIPTION OTHER TOTAL EXPENSES 2088213 PROGRAM SERVICES 45374 MANAGEMENT AND GENERAL 2042839 FUNDRAISING

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

**Open to Public
Inspection**

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
WSNCHS NORTH INC

Employer identification number

11-3438973

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

(a) Name, address, and EIN (if applicable) 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" to 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 entity?	
						Yes	No
See Additional Data Table							

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

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

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
See Additional Data Table									

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

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

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

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		No
b Gift, grant, or capital contribution to related organization(s)		No
c Gift, grant, or capital contribution from related organization(s)		No
d Loans or loan guarantees to or for related organization(s)		No
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		No
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)		No
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)		No
k Lease of facilities, equipment, or other assets from related organization(s)		No
l Performance of services or membership or fundraising solicitations for related organization(s)		No
m Performance of services or membership or fundraising solicitations by related organization(s)		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		No
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses	Yes	
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)		No
s Other transfer of cash or property from related organization(s)		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-s)	(c) Amount involved	(d) Method of determining amount involved

Software ID:
Software Version:
EIN: 11-3438973
Name: WSNCHS NORTH INC

Part VII Supplemental Information

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

Identifier		Return Reference		Explanation						
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	(i) Section 512(b)(13) controlled entity?		
								Yes	No	
RADIOLOGY CONSULTING OF LONG ISLAND PLLC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 42-1646134	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
SAMARITAN EMERGENCY MEDICAL SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8243412	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
SAMARITAN PEDIATRIC SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8180263	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
SAMARITAN MEDICAL SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8088453	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
SOUTHWEST SUFFOLK MEDICAL PC 580 UNION BOULEVARD WEST ISLIP, NY 11795 06-1603195	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
CARDIAC EKG INTERPRETATION PC 992 N VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-2924518	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
LI REGIONAL ARTHRITIS & OSTEOPOROSIS CAR 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8964140	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No	
SAMARITAN MANAGEMENT SERVICES 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-2838185	HEALTHCARE SVC	NY	CHSLI	C-CORP					No	
FAIRVIEW HILL MANAGEMENT CO INC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-2798383	HOLDING CO	NY	CHSLI	C-CORP					No	
ADVANCED REHABILITATION MEDICINE PLLC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-3640709	HEALTHCARE SVC	NY	STCHARLES HOSP	C-CORP					No	
ST FRANCIS CARDIAC PREVENTION SERVICES 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3224885	HEALTHCARE SVC	NY	STFRANCIS HOSP	C-CORP					No	
SOUTH SHORE PRACTICE MANAGEMENT 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-3307977	HEALTHCARE SVC	NY	SAMARITAN MGMT	C-CORP					No	
SAMARITAN HOME CARE AMERICA 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-3319259	HEALTHCARE SVC	NY	SAMARITAN MGMT	C-CORP					No	
HEALTH CARE TEMP SERVICES INC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-2801136	EMPLOYMENT AGENCY	NY	FAIRVIEW HILL	C-CORP					No	
MERCY INTERNAL MEDICINE PC 992 N VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 51-0639649	HEALTHCARE SVC	NY	MERCY MED CTR	C-CORP					No	

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	(i) Section 512(b)(13) controlled entity?	
								Yes	No
LONG ISLAND EMERGENCY CARE PC 1000 N VILLAGE AVE ROCKVILLE CENTRE, NY 115719024 11-3633515	PHYSICIAN SVC	NY	MERCY MED CTR	S-CORP					No



CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Financial Statements and
Consolidating Schedules

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

CATHOLIC HEALTH SERVICES OF LONG ISLAND

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KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Directors
Catholic Health Services of Long Island

We have audited the accompanying consolidated financial statements of Catholic Health Services of Long Island (CHS), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Catholic Health Services of Long Island as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended, in accordance with U S generally accepted accounting principles.



Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information included in schedules 1 through 4 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations, of the individual companies. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

New York, New York
April 2, 2013

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Balance Sheets

December 31, 2012 and 2011

(In thousands)

Assets	<u>2012</u>	<u>2011</u>
Current assets		
Cash and cash equivalents	\$ 127,154	132,478
Investments	308,344	294,160
Assets limited or restricted as to use	13,010	7,182
Patient accounts receivable, less allowance for uncollectible accounts of \$37,142 in 2012 and \$29,728 in 2011	233,044	219,808
Contributions receivable, net	2,125	2,865
Other receivables	33,642	30,230
Inventories	23,572	19,764
Prepaid expenses and other	17,195	14,533
Total current assets	<u>758,086</u>	<u>721,020</u>
Assets limited or restricted as to use		
Board-designated and other	120,624	110,273
Donor restricted funds	27,935	33,870
Funded depreciation	194,502	172,063
Trustee held and other agreements	132,658	159,863
Bond indenture agreements	14,610	15,182
Regulated assets	41,373	40,986
Total assets limited or restricted as to use	<u>531,702</u>	<u>532,237</u>
Less assets limited or restricted as to use and required for current liabilities	<u>13,010</u>	<u>7,182</u>
	518,692	525,055
Contributions receivable, net of current portion	3,222	4,593
Long-term investments	551	1,336
Other assets, net	21,945	22,879
Insurance claims receivable	128,829	126,966
Deferred financing costs, net	7,684	8,878
Property and equipment, net	841,804	814,754
Total assets	<u>\$ 2,280,813</u>	<u>2,225,481</u>

Liabilities and Net Assets	2012	2011
Current liabilities		
Short-term debt	\$ —	23,021
Current portion of long-term debt	30,412	19,534
Accounts payable and accrued expenses	141,898	135,720
Accrued salaries, related withholdings, and benefits	125,791	114,838
Current portion of other self-insured liabilities	30,046	32,142
Current portion of estimated third-party payor and other liabilities, net	67,553	67,423
Current portion of estimated malpractice liabilities	9,453	9,108
Other liabilities	9,237	7,570
Total current liabilities	<u>414,390</u>	<u>409,356</u>
Long-term debt, net of current portion	517,011	531,341
Estimated third-party payor and other liabilities, net of current portion	51,678	54,849
Other self-insured liabilities, net of current portion	104,841	106,295
Estimated malpractice liabilities, net of current portion	178,940	173,839
Other long-term liabilities	49,311	43,673
Total liabilities	<u>1,316,171</u>	<u>1,319,353</u>
Net assets		
Unrestricted	930,833	863,961
Temporarily restricted	29,754	38,109
Permanently restricted	4,055	4,058
Total net assets	<u>964,642</u>	<u>906,128</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ <u>2,280,813</u></u>	<u>2,225,481</u>

See accompanying notes to consolidated financial statements

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Operations

Years ended December 31, 2012 and 2011

(In thousands)

	2012	2011
Unrestricted revenues, gains, and other support		
Net patient services revenue before bad debts	\$ 1,896,860	1,885,133
Provision for bad debts, net	(30,630)	(29,203)
Net patient services revenue	1,866,230	1,855,930
Investment income, net	43,653	38,430
Contributions, net	6,195	3,953
Other revenue	137,806	124,825
Net assets released from restrictions used for operations	1,836	1,415
Total revenues, gains, and other support	2,055,720	2,024,553
Expenses		
Salaries	1,005,237	967,876
Employee benefits	321,501	302,831
Supplies and other expenses	525,348	526,329
Insurance	44,969	32,088
Depreciation and amortization	85,170	76,506
Interest	20,781	22,732
Total expenses	2,003,006	1,928,362
Operating income	52,714	96,191
Nonoperating gains (losses)		
Change in unrealized gains (losses) on trading investments, net	3,894	(28,409)
Loss on debt extinguishment	(303)	(6,100)
Other nonoperating losses	(3,039)	(3,059)
Excess of revenues, gains, and other support over expenses	53,266	58,623
Other changes in unrestricted net assets		
Postretirement benefit plan changes other than net periodic benefit cost	(1,546)	(1,228)
Net assets released from restrictions used for purchases of property and equipment	12,038	3,131
Net assets assumed	597	—
Recovery of related-party reserves	—	961
Contributions for purchases of property and equipment	80	563
Grant income for purchases of property and equipment	3,659	13,401
Other changes	(1,222)	—
Increase in unrestricted net assets	\$ 66,872	75,451

See accompanying notes to consolidated financial statements

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2012 and 2011

(In thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Net assets, December 31, 2010	\$ 788,510	37,227	4,052	829,789
Excess of revenues, gains, and other support over expenses	58,623	—	—	58,623
Investment (loss) income, net	—	(442)	6	(436)
Restricted contributions, net	—	5,869	1	5,870
Net assets released from restrictions used for operations and reclassifications	—	(1,414)	(1)	(1,415)
Postretirement benefit plan changes other than net periodic benefit cost	(1,228)	—	—	(1,228)
Net assets released from restrictions for purchases of property and equipment	3,131	(3,131)	—	—
Recovery of related-party reserves	961	—	—	961
Contributions for purchases of property and equipment	563	—	—	563
Grant income for purchases of property and equipment	13,401	—	—	13,401
Increase in net assets	<u>75,451</u>	<u>882</u>	<u>6</u>	<u>76,339</u>
Net assets, December 31, 2011	<u>863,961</u>	<u>38,109</u>	<u>4,058</u>	<u>906,128</u>
Excess of revenues, gains, and other support over expenses	53,266	—	—	53,266
Investment income, net	—	2,404	3	2,407
Restricted contributions, net	—	3,106	3	3,109
Net assets released from restrictions used for operations and reclassifications	—	(1,827)	(9)	(1,836)
Postretirement benefit plan changes other than net periodic benefit cost	(1,546)	—	—	(1,546)
Net assets released from restrictions for purchases of property and equipment	12,038	(12,038)	—	—
Net assets assumed	597	—	—	597
Contributions for purchases of property and equipment	80	—	—	80
Grant income for purchases of property and equipment	3,659	—	—	3,659
Other changes	(1,222)	—	—	(1,222)
Increase (decrease) in net assets	<u>66,872</u>	<u>(8,355)</u>	<u>(3)</u>	<u>58,514</u>
Net assets, December 31, 2012	\$ <u>930,833</u>	<u>29,754</u>	<u>4,055</u>	<u>964,642</u>

See accompanying notes to consolidated financial statements

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Cash Flows
 Years ended December 31, 2012 and 2011
 (In thousands)

	2012	2011
Cash flows from operating activities		
Increase in net assets	\$ 58,514	76,339
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	84,016	75,353
Other changes in net assets	1,222	—
Amortization of deferred financing costs	891	644
Amortization of intangible assets	1,154	1,153
Provision for bad debts, net	30,630	29,203
Net realized and unrealized (gains) losses on trading investments	(35,206)	6,825
Loss on debt extinguishment	303	6,100
Investment income on restricted assets, net	(1,351)	(1,206)
Postretirement benefit plan changes other than net periodic benefit cost	1,546	1,228
Grant income for purchases of property and equipment	(3,659)	(13,401)
Restricted contributions, net	(1,392)	(5,706)
Changes in asset and liability accounts		
Patient accounts receivable, net	(43,866)	(38,242)
Insurance claims receivable	(1,693)	(137,051)
Other receivables	(2,156)	2,613
Inventories	(3,808)	75
Prepaid expenses and other	(2,662)	(525)
Contributions receivable, net	593	(207)
Other assets, net	(220)	109
Accounts payable and accrued expenses	6,772	(5,587)
Accrued salaries, related withholdings, and benefits	10,953	11,888
Estimated third-party payor settlements and other liabilities	(3,041)	2,582
Other liabilities	5,759	3,074
Other self-insured liabilities	(4,976)	23,552
Estimated malpractice liabilities	5,446	101,911
Net cash provided by operating activities	103,769	140,724
Cash flows from investing activities		
Purchases of property and equipment	(112,288)	(123,490)
(Decrease) increase in accounts payable due to capital purchases	(594)	9,511
Proceeds from sale of investments and assets limited or restricted as to use	717,602	1,959,607
Purchases of investments and assets limited or restricted as to use	(695,260)	(2,049,449)
Net cash used in investing activities	(90,540)	(203,821)

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Cash Flows
 Years ended December 31, 2012 and 2011
 (In thousands)

	<u>2012</u>	<u>2011</u>
Cash flows from financing activities		
Payments on short-term debt	\$ —	(5,419)
Principal payments on long-term debt	(20,135)	(33,505)
Proceeds from the issuance of long-term debt	—	351,293
Extinguishment of long-term debt	(6,338)	(253,463)
Deferred financing costs incurred	—	(5,719)
Restricted contributions, net	1,392	5,706
Contributions receivable, net	1,518	2,439
Grant income for purchases of property, plant, and equipment	3,659	13,401
Investment income on restricted assets, net	<u>1,351</u>	<u>1,206</u>
Net cash (used in) provided by financing activities	<u>(18,553)</u>	<u>75,939</u>
Net (decrease) increase in cash and cash equivalents	(5,324)	12,842
Cash and cash equivalents at beginning of year	<u>132,478</u>	<u>119,636</u>
Cash and cash equivalents at end of year	\$ <u><u>127,154</u></u>	\$ <u><u>132,478</u></u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 18,524	27,107

See accompanying notes to consolidated financial statements

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

(1) Organization and Business

Catholic Health System of Long Island, Inc. (d/b/a Catholic Health Services of Long Island) (CHS) is a New York not-for-profit corporation organized to serve as the coordinating body of an integrated network of providers serving Nassau and Suffolk counties. CHS, as a ministry of the Catholic Church, continues Christ's healing mission, promotes excellence in care, and commits itself to those in need. CHS affirms the sanctity of life, advocates for the poor and underserved, and serves the common good. CHS conducts its healthcare practice, business, education, and innovation with justice, integrity, and respect for the dignity of each person. CHS is sponsored by the Roman Catholic Diocese of Rockville Centre (Diocese).

CHS Hospitals

- Good Samaritan Hospital Medical Center (Good Samaritan)
- Mercy Medical Center (Mercy)
- St. Catherine of Siena Medical Center (St. Catherine)
- St. Charles Hospital (St. Charles)
- St. Francis Hospital (St. Francis)
- St. Joseph Hospital (St. Joseph)

CHS Organizations

Nursing Homes

- Good Samaritan Nursing Home
- Our Lady of Consolation Geriatric Care Center (Consolation)
- St. Catherine of Siena Nursing Home (the Nursing Home)

Insurance

- Good Samaritan Self Insurance Against Malpractice
- RVC Insurance Company, Inc. (the Captive)

Continuing Care Entities

- Catholic Home Care
- CHS Home Support Services (CHS Home Support)
- Good Shepherd Hospice
- Maryhaven Center of Hope (Maryhaven)
- Maryhaven School Corporation
- Maryhaven Transportation Services
- Riverhead Hostel Holding Corporation
- Wisdom Gardens Housing Development Fund, Inc.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

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(Dollars in thousands)

Foundations

- The Center of Hope Foundation
- Good Samaritan Hospital Foundation
- Good Shepherd Hospice Foundation
- Our Lady of Consolation Foundation
- St Charles Hospital Foundation
- St Francis Hospital Foundation

Professional Corporations

- Advanced Rehabilitation Medicine, PLLC
- Cardiac EKG Interpretations, P C
- Long Island Emergency Medical Care, P C
- Long Island Regional Arthritis & Osteoporosis Care, P C
- Mercy Internal Medicine P C
- Radiology Consultants of Long Island, PLLC
- Samaritan Emergency Medical Services, P C
- Samaritan Medical Services, P C
- Samaritan Pediatric Services, P C
- Southwest Suffolk Medical, P C
- St Francis Cardiac Prevention Services, P C (d/b/a St Francis Surgical Associates)
- St Francis Cardiovascular Physicians, P C

Inactive Corporations

- CHS Ambulance Services, Inc
- CHS Homecare Foundation
- Fairview Management Company
- Healthcare Temp Services, Inc
- Mercy Medical Center Foundation
- RVC Support
- Samaritan at Home Services, Inc
- The Samaritan Corporation
- Samaritan Home Infusion Services
- Samaritan Home Care America
- Samaritan Respiratory In Home Services, Inc
- St Catherine of Siena Medical Center Foundation
- St Charles Corporation
- St Francis-Mercy Corporation

Other

- CHS Physician Hospital Organization, LLC
- CHS Services, Inc
- Samaritan Management Services, Inc
- Siena Village, Inc
- Siena Medical Realty, LLC
- Siena Retirement Realty, LLC
- South Shore Practice Management Services
- St Francis Research and Educational Corporation

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

CHS is the sole member and established co-operator of Good Samaritan, Mercy, St Catherine, St Charles, St Francis, and St Joseph (collectively, the CHS Hospitals). As the sole member of the CHS Hospitals, Catholic Home Care, CHS Home Support, Good Shepherd Hospice, Maryhaven, and Consolation, CHS has the right to appoint the governing body of these and other related entities.

The accompanying consolidated financial statements include the accounts of all of the CHS Hospitals and the CHS Organizations. All significant intercompany accounts and transactions have been eliminated in consolidation.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results will differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less at the date of purchase, excluding amounts limited or restricted as to use by board designation, under trust or other arrangements, indenture agreements, for funded depreciation, regulated assets, or that have donor-imposed restrictions that limit their use to certain long-term purposes.

Investments and Assets Limited or Restricted as to Use

Investments in equity securities with readily determinable fair values and all investments in debt securities are classified as trading securities, and are measured at fair value in the accompanying consolidated balance sheets.

Assets limited or restricted as to use include assets set aside by CHS for future long-term purposes, such as capital improvements, funded depreciation, board-designated funds, assets held by trustees under indenture and other agreements, donor-restricted funds, and regulated assets. Amounts required to meet current liabilities and funding requirements of CHS have been classified as current assets in the accompanying consolidated balance sheets.

Net investment income (including realized and unrealized gains (losses) on trading investments, interest, and dividends) is included in excess of revenues, gains, and other support over expenses unless the income or loss is restricted by donor or law.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

Net Patient Accounts Receivable and Net Patient Services Revenues

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors. Such receivables do not bear interest.

The allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in healthcare coverage, and other collection indicators. Management periodically assesses the adequacy of this allowance based upon historical collection and write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHS follows established guidelines for placing certain patient balances with collection agencies, subject to certain restrictions on collection efforts as determined by each facility. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. CHS does not have any off-balance-sheet credit exposure related to its patient accounts receivable.

CHS records net patient services revenue in the period in which services are performed. CHS has agreements with third-party payors that provide for payments at amounts different from its established rates. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement, and negotiated discounts from established rates and per diem payments.

Net patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations, and excluding estimated amounts considered uncollectible. The differences between the estimated and actual adjustments are recorded as a part of net patient services revenue in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews, and investigations.

Charity Care

As an integral part of its mission, CHS provides care to all patients regardless of their ability to pay. CHS records as charity care the care provided to patients who meet certain criteria, under its charity care policy, without charge or at amounts less than CHS' established rates. Because CHS does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Inventories

Inventories are stated at the lower of cost (determined on a first-in, first-out method) or market.

Related-Party Transactions

Certain CHS entities provide services and advances to other CHS entities. Most of these receivables and advances are noninterest-bearing and due on demand. Certain advances accrue interest and have stated repayment periods. The receivables and payables and related interest expense and income are eliminated in consolidation, as are any reserves created after evaluation of the related party's ability to repay.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

Other Assets, Net

Other assets in the accompanying consolidated balance sheets consist primarily of goodwill of \$15.976 and other intangible assets of \$8.073 in both 2012 and 2011, respectively, which represent acquisition costs of physician practices. Other intangible assets are amortized on a straight-line basis not to exceed seven years. Goodwill is measured for impairment in accordance with the Accounting Standards Codification (the Codification) Topic 350. Accumulated amortization of other intangible assets was \$6.283 and \$5.129, respectively, as of December 31, 2012 and 2011.

Contributions

Unconditional promises to give cash and other assets to CHS are reported at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Deferred Financing Costs

Financing costs incurred in connection with the issuance of long-term debt have been capitalized and included in deferred financing costs, net. These costs are being amortized using the effective-interest method over the term of the related obligations. Accumulated amortization amounted to \$5.314 and \$4.423 at December 31, 2012 and 2011, respectively. Additionally, as a result of the Series 2011 bond offering (note 8(a)), \$4.516 of net deferred financing costs are included in the loss on debt extinguishment of \$6.100 on the accompanying 2011 consolidated statements of operations.

Property and Equipment

Property and equipment are recorded at cost when purchased and at estimated fair value when donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets (ranging from 3 to 60 years). Equipment under capital lease obligations is amortized utilizing the straight-line basis over the lesser of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying consolidated statements of operations.

Leases are classified as capital leases or operating leases in accordance with the terms of the underlying lease agreements. Equipment under capital leases is recorded as assets and the related obligations as liabilities at the present value of future minimum lease payments. Lease payments under operating leases are charged directly to rental expense, and are included in supplies and other expenses in the accompanying consolidated statements of operations.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

Estimated Malpractice Costs

The provision for estimated malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. It is primarily the policy of the CHS Hospitals to record estimated malpractice liabilities on a discounted basis. The Captive records estimated malpractice on an undiscounted basis. Due to the current economic and interest rate environment, the liabilities shown as of December 31, 2012 and 2011 are effectively undiscounted.

Estimated Self-Insured Workers' Compensation and Health Insurance Costs

The CHS Hospitals are self-insured for certain claims, including workers' compensation, through the Protective Self-Insurance Program (PSIP) of the Diocese for outstanding claims through years ended December 31, 2011. During 2012, the CHS Hospitals entered into an arrangement with a commercial carrier in which a \$500 per-claim stop-loss coverage is provided. Additionally, under the CHS health insurance program, all CHS entities are self-insured for employee medical and related costs. The provisions for estimated self-insured claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported (note 15).

It is the policy of CHS to record estimated workers' compensation self-insured liabilities on a discounted basis. Due to the current economic and interest rate environment, the liabilities shown as of December 31, 2012 and 2011 are effectively undiscounted.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Generally, the donors of these assets restrict the income earned on related investments for a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Accounting for Joint Ventures

St. Charles and John T. Mather Memorial Hospital (Mather) entered into an integrated joint venture agreement known as the Mather – St. Charles Alliance (the Alliance). The integrated joint venture commenced in 1996 and enabled both hospitals to engage in joint healthcare programs. The joint venture arrangement required St. Charles and Mather to ensure that the market share percentages, as defined, of each hospital remain constant relative to the 1995 base year. The arrangement provided for a financial integration formula (the Fairness Formula), to ensure that future combined net patient services revenues, less corresponding variable expenses, as defined, were shared in the same proportion as that which existed between the two hospitals in the 1995 base year. Computations have been performed for the years 1996 through 2003, however, management of St. Charles and Mather continue to negotiate these computations. Computations have not been performed for the years 2004 through 2012. No amounts related to the computations provided by the Fairness Formula are reflected in the accompanying consolidated financial statements. Management of CHS believes that such calculations and negotiation will not have an adverse impact on CHS' consolidated financial position, results of operations, or cash flows.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

Performance Indicator

The consolidated statements of operations include excess of revenues, gains, and other support over expenses as the performance indicator. Other changes in unrestricted net assets, which are excluded from excess of revenues, gains, and other support over expenses, consistent with industry practice include grant income for purchases of property and equipment, postretirement benefit plan changes other than net periodic benefit cost, net assets assumed, recovery of related-party reserves, contributions for purchases of property and equipment, net assets released from restriction used for purchases of property and equipment, and other changes.

Operating and Nonoperating Activities

CHS' primary mission is to meet the healthcare needs in its market area through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, long-term care, home healthcare, hospice, and other healthcare services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities, which are peripheral to CHS' primary mission, are considered to be nonoperating. Nonoperating activities include changes in unrealized gains (losses) on trading investments, net loss on debt extinguishment, and other nonoperating activities.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, goodwill, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charges have been recognized for the years ended December 31, 2012 and 2011.

Income Taxes

CHS and most of its subsidiaries are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 (the Code), as amended. CHS accounts for uncertain tax positions in accordance with Accounting Standards Codification (the Codification) topic 740. Income tax expense of CHS' for-profit subsidiaries in the amount of \$303 and \$2,567 have been recorded as supply and other expense in the accompanying consolidated financial statements as of December 31, 2012 and 2011, respectively. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements, using a threshold of more likely than not of being sustained. There are certain transactions that could be deemed "unrelated business income." It is management's estimate that no material tax liabilities need to be recorded.

During 2011, St. Francis Cardiovascular Physicians, P.C. filed the application for tax-exempt status, which was approved by the Internal Revenue Service. Tax-exempt status for St. Francis Cardiovascular Physicians, P.C. was granted retroactive to its formation as of July 2008 under Section 501(c)(3) of the Code.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

Other Revenue

Other revenue includes income from Maryhaven, and other program and contracted services revenues, rental activities, grant revenues (including Meaningful Use-Health Information Technology for Economic and Clinical Health Act (HITECH) Stimulus Grants), and other miscellaneous operating activities

Maryhaven revenue relates to program services that are principally cost-based or fee-for-service and is recognized as services are performed. Revenues from such services are recorded at rates established by governmental payors (principally, New York State Education Department, New York Department of Social Services, and Medicaid). For the years ended December 31, 2012 and 2011, Maryhaven program service revenues are \$78,565 and \$75,952, respectively.

On July 13, 2010, CMS issued rules to implement the Medicare and Medicaid electronic health record (EHR) incentive program established under the Health Information Technology for Economic and Clinical Health Act. Certain hospitals and eligible healthcare professions (EPs) that demonstrate "meaningful use" of certified EHR technology can qualify for Medicare payments beginning in 2011. Medicaid requires that hospitals and EPs "adopt, implement, or upgrade" certified EHR, which includes purchasing the technology, in order to receive incentive payments in 2012. During 2012, CHS Hospitals', using the grant model for Meaningful Use incentive payments, recorded \$2,920 of revenues related to Medicaid's incentive payments for certain entities meeting the criteria for Medicaid meaningful use. In 2013, CHS will continue to implement EHR technology and begin demonstration of meaningful use.

New Accounting Pronouncements and Adoption of New Accounting Standards

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*. This guidance prohibits the netting of estimated insurance recoveries against a related claim liability and requires the claim liability to be calculated without consideration of insurance recoveries and the recognition of an insurance receivable, subject to the need for a valuation allowance for uncollectible amounts. This guidance was effective for fiscal years beginning after December 15, 2010. The adoption of this guidance had no impact on CHS' consolidated operations or cash flows.

In July 2011, the FASB issued ASU No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU No. 2011-07 is intended to provide financial statement users with greater transparency about a healthcare entity's net patient service revenue and related allowance for doubtful accounts. The guidance provides information to assist financial statement users in assessing an entity's sources of patient service revenue and related changes in its allowance for doubtful accounts. The guidance requires certain healthcare entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those healthcare entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. The guidance also requires disclosures of patient services revenue (net of contractual allowances and discounts), as well as qualitative information about changes in the allowance for doubtful accounts. For the year ended December 31, 2012, CHS adopted ASU No. 2011-07 and reclassified the provision for bad debt

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

expense, net, totaling \$30,630 and \$29,203 for the years ended December 31, 2012 and 2011, respectively, from operating expenses to a reduction of patient services revenue in the consolidated statements of operations. See note 4 for the required disclosures related to CHS' sources of patient service revenue and changes in the allowance for doubtful accounts.

In September 2011, the FASB issued ASU 2011-09, *Disclosures about an Employer's Participation in a Multiemployer Plan*. The guidance is intended to provide financial statement users with greater transparency about an employer's participation in a multiemployer pension plan. The guidance requires additional qualitative and quantitative information disclosures to assist users of the financial statements in understanding the commitments and risks involved in participating in multiemployer pension plans, including the financial health of all of the significant plans in which the employer participates. This ASU does not change the current recognition and measurement guidance for an employer's participation in a multiemployer pension plan. Adoption of this guidance required additional disclosures and did not have an impact on the financial position of CHS.

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles – Goodwill and Other (Topic 350), Testing Goodwill for Impairment*, which permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The more-likely than-not threshold is defined as having a likelihood of more than 50%. CHS adopted ASU No. 2011-08 as of December 31, 2011 and determined that it was not more likely than not that the fair value of its reporting unit was less than its carrying amount. Accordingly, CHS concluded that goodwill was not impaired as of December 31, 2012 without having to perform the two-step impairment test.

Reclassifications

Certain reclassifications have been made to the 2011 consolidated financial statements in order to conform to the 2012 presentation.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

(3) Community Benefit and Uncompensated Care

In accordance with its mission and philosophy, the CHS Hospitals commit substantial resources to both the indigent and the broader community. The CHS Hospitals' policy regarding charity care is to provide care without regard to the patient's ability to pay for services rendered. To the extent that patients do not have the ability to pay, they are reported as charity care. The CHS Hospitals also provide other uncompensated care through a broad range of community service programs and charitable activities. The amount of community benefits and other uncompensated care, at cost, provided to the indigent and broader community for the years ended December 31 is as follows:

	2012	2011
Cost of community benefit		
Net cost of charity care provided	\$ 18,876	17,314
Unpaid cost of public programs, Medicaid, and other means tested programs	14,018	13,168
Cash donations	1,617	1,418
Education and research	14,759	13,393
Other community benefit programs	24,790	21,722
Total cost of community benefit from continuing operations	\$ 74,060	67,015
Provision for bad debts (at cost)	\$ 6,034	5,407

New York State regulations provide for the distribution of funds from an indigent care pool, which is intended to partially offset the cost of services provided to the uninsured. The funds are distributed to the CHS Hospitals based on their level of bad debt, charity care, and uninsured units of service in relation to all other New York State hospitals. For the years ended December 31, 2012 and 2011, the CHS Hospitals received distributions of \$17,132 and \$16,097, respectively, from the indigent care pool while contributing \$10,919 in 2012 and \$10,440 in 2011. The net shortfall of contributions to the indigent care pool over distributions received has been applied against amounts reported above as net cost of charity care provided and net uncompensated care reported as provision for bad debts.

The CHS Hospitals utilize a cost-to-charge ratio methodology to convert charity care to cost. The cost-to-charge ratio is calculated utilizing the methodology employed on the Medicare cost report.

(4) Patient Accounts Receivable and Patient Service Revenue

(a) Patient Accounts Receivable

CHS has contractual agreements with third-party payors that provide for payment at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

For patient accounts receivable associated with self-pay patients, which includes those patients without insurance coverage and patients with deductibles and copayment balances for which third-party coverage exists for a portion of the bill. CHS records a significant provision for bad debts for patients that are unable or unwilling to pay for the portion of the bill representing their financial responsibility

The following table sets forth the components of the change in the allowance for doubtful accounts for the year ended December 31, 2012

<u>Primary payor</u>	<u>Balance at the beginning of the year</u>	<u>Provision for bad debts</u>	<u>Write-offs, net of recoveries</u>	<u>Balance at the end of the year</u>
Medicare (including managed Medicare)	\$ 3,754	3,094	(1,542)	5,306
Medicaid (including managed Medicaid and Medicaid pending)	4,088	3,889	(2,332)	5,645
Commercial and managed care	6,044	7,604	(6,092)	7,556
Self-pay and other fee for service	<u>15,842</u>	<u>16,043</u>	<u>(13,250)</u>	<u>18,635</u>
Grand total	\$ <u>29,728</u>	<u>30,630</u>	<u>(23,216)</u>	<u>37,142</u>

(b) Patient Service Revenue

The estimated percentages of patient service revenue by inpatient and outpatient services for the years ended December 31 are as follows

	<u>2012</u>	<u>2011</u>
Inpatient services	62%	64%
Outpatient services	38	36

The following table reflects the estimated percentages of patient service revenue, net of provision for bad debts, for the years ended December 31

	<u>2012</u>	<u>2011</u>
Medicare (including managed Medicare)	41%	41%
Medicaid (including managed Medicaid and Medicaid pending)	11	11
Commercial and managed care	43	44
Self-pay and other fee for service	<u>5</u>	<u>4</u>
	<u>100%</u>	<u>100%</u>

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

(5) Concentration of Credit Risk

CHS provides healthcare and other services through its inpatient and outpatient care facilities located throughout Long Island, New York. CHS grants credit without collateral to patients, most of whom are local residents, and routinely obtains assignment of or is otherwise entitled to receive patients' benefits payable under their health insurance program. The composition of accounts receivable from patients and third-party payors at December 31 is:

	<u>2012</u>	<u>2011</u>
Medicare (including managed Medicare)	43%	38%
Medicaid (including managed Medicaid and Medicaid pending)	16	16
Commercial and managed care	27	29
Self-pay and other	14	17
	<u>100%</u>	<u>100%</u>

At December 31, 2012 and 2011, CHS has cash balances in financial institutions that exceed federal depository insurance limits. CHS routinely invests its surplus operating funds in money market 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.

(6) Contributions Receivable

Contributions receivable consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>
Total contributions receivable	\$ 6,189	8,686
Less imputed interest ranging from 4.25% to 0.76%	(502)	(766)
	5,687	7,920
Less allowance for uncollectible contributions receivable	(340)	(462)
	\$ <u>5,347</u>	<u>7,458</u>

Contributions receivable are scheduled to be collected as follows at December 31:

	<u>2012</u>	<u>2011</u>
Less than one year	\$ 2,465	3,327
One year to five years	2,950	3,578
Thereafter	774	1,781
	\$ <u>6,189</u>	<u>8,686</u>

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

(7) Property and Equipment

The components of property and equipment, including assets under capitalized lease obligations, and accumulated depreciation and amortization are as follows at December 31

	2012	2011
Land	\$ 39,984	39,984
Land improvements	53,218	47,744
Buildings (including building service equipment)	962,907	899,598
Furniture and equipment	767,498	673,105
Leasehold improvements	23,362	15,372
Construction in progress	24,968	86,910
	1,871,937	1,762,713
Less accumulated depreciation and amortization	1,030,133	947,959
Net property and equipment	\$ 841,804	814,754

Construction in progress includes the costs associated with the implementation of an EHR system, and various expansion and renovation projects, primarily at St. Catherine and Good Samaritan

(8) Long-Term Debt

Long-term debt consists of the following at December 31

	2012	2011
Long-term debt		
DASNY mortgage loans – Obligated Group (a)	\$ 125,178	128,861
Series 2011 Fixed-rate bonds (a)	256,739	257,968
Term loan – variable rate CHS (b)	13,530	14,674
Term loans – variable rate SJH (c)	17,179	18,143
TELP Loan – fixed rate (d)	88,849	88,849
Irrevocable line of credit – CHSLI (e)	23,021	—
Other	22,927	42,380
	547,423	550,875
Less current portion	30,412	19,534
Total long-term debt, net of current portion	\$ 517,011	531,341

(a) In September 1999, Good Samaritan, Mercy, St. Francis, and St. Charles formed an “Obligated Group” pursuant to a Master Trust Indenture (MTI). On December 14, 2011, in conjunction with the issuance of \$245,230 of tax-exempt revenue bonds, \$184,680 through the Suffolk County Economic Development Corporation (Series 2011 Suffolk Bonds) and \$60,550 through the Nassau County Local Economic Assistance and Financing Corporation (Series 2011 Nassau Bonds) (together, the

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

Series 2011 Bonds), the Master Trust Indenture dated September 1, 1999 was amended by and among the CHS Hospitals (with the exception of St Joseph), adding St Catherine to the Obligated Group and naming Deutsche Bank as Master Trustee. The Series 2011 Bonds were issued on behalf of the Obligated Group and pursuant to the MTI, each member of the Obligated Group is jointly and severally liable for outstanding obligations under the MTI. The Series 2011 Bonds are secured by the mortgaged property and by a security interest in all revenues of the Obligated Group. The original issue premium of \$12,738 will be amortized over the life of the bonds. The Series 2011 Bonds do not require the establishment of a debt service reserve fund. The Series 2011 Bonds bear interest at combined effective yields ranging from 1.5% to 4.85%.

Proceeds of the Series 2011 Bonds were used to defease the Dormitory Authority of the State of New York (DASNY) 1999A revenue bonds issued on behalf of the Obligated Group (with the exception of St Catherine), the DASNY Series 2000A and 2000B revenue bonds on behalf of St Catherine, and Siena Village, Inc., and commercially held debt of Consolation.

Approximately \$79,474 was deposited within a trustee held account to reimburse the CHS Hospitals (with the exception of St Joseph) for previously purchased and future routine capital expenditures, of which \$43,229 and \$61,092 remained within trustee held and other agreements on the accompanying consolidated financial statements as of December 31, 2012 and 2011, respectively. The remaining bond funds were used to pay for the cost of issuance and related interest payable.

Simultaneously, with the issuance of the DASNY 2000A and 2000B series bonds, St Catherine issued Taxable Revenue Bonds Series 2000 (Taxable Bonds), the proceeds of the bonds were used to refinance the short-term indebtedness incurred in connection with the acquisition of a medical office building and an undeveloped parcel of land adjacent to the St Catherine campus, finance certain renovations and improvements and the acquisition of equipment, provide working capital, fund a debt service reserve fund, and pay the costs of the bond issue. In December 2011, St Catherine used trustee held funds to extinguish a portion of the Taxable Bonds, and CHS extinguished the remaining balance.

CHS recorded a loss on debt extinguishment of \$6,100 relating to the write-off of deferred financing costs and original issue discounts, and a prepayment penalty for the early retirement of Consolation's mortgage in the amount of \$836 as of December 31, 2011.

The DASNY 1999B revenue bonds consist of term bonds of serial Periodic Auction Rate Securities (PARS) bonds with interest payable at variable rates ranging from 0.01% to 0.06% during 2012, of which \$36,750 and \$38,225 was outstanding at December 31, 2012 and 2011, respectively. The PARS are subject to a weekly auction, should the weekly auction not produce sufficient purchasers of the PARS, the underwriter is obligated to purchase the unpurchased PARS and is entitled to an annual interest rate of the lesser of (a) 14% or (b) the product of the seven-day AA composite commercial paper rate and a sliding scale of 125% to 200%, depending on the rating of the PARS bond guarantor, currently rated BB+/B3. Since the first quarter of 2008, there have been failed auctions. The PARS bonds do not provide for any put feature for the benefit of the holders.

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In November 2004, DASNY issued \$99.645 of revenue bonds on behalf of the Obligated Group for construction at St Francis Hospital (DASNY Construction loan). The revenue bonds are secured by the joint and several obligations of the Obligated Group issued under the Master Trust Indenture and are subject to certain financial covenants of the Obligated Group. There was \$88.428 and \$90.636 outstanding on the 2004 DASNY mortgage at December 31, 2012 and 2011, respectively. The effective interest rate including bond issuance costs is 5.28% and is payable semiannually.

- (b) In June 2006, CHS entered into a term loan agreement with a bank to finance the defeasance of the New Island DASNY 1999B bonds, which were defeased on June 20, 2006. The loan of \$19.057 bears interest at a variable rate based on LIBOR plus 0.50%, and is payable in 40 quarterly installments. During 2012, the interest rate ranged from 0.71% to 0.93%. The first 20 payments are for \$191 plus interest and the next 19 payments are for \$286 plus interest with a balloon payment due in June 2016 of \$9.814.
- (c) On December 30, 2010, St. Joseph entered into two term loan agreements with a bank. The first for \$12.500 was to refinance St. Joseph's existing debt and to provide working capital, and the second for \$6.500 for information technology upgrades, facility renovations, and the acquisition of related equipment. The term loans are payable in annual installments of \$625 and \$325, respectively, beginning February 2011, with a balloon payment due in December 2020 for the then remaining balance of the loans. Interest is payable at a rate of LIBOR plus 1.10%. The term loans are guaranteed by the Obligated Group and are subject to certain financial covenants of the Obligated Group.
- (d) In December 2011, CHS entered into an agreement under the New York State tax-exempt leasing program (TELP) in the amount of \$88.849 to finance the implementation of EHR. The agreement calls for an interest rate of 1.89%, and expires in December 2018. Approximately \$81.176 was deposited within a trustee held account to reimburse the CHS for future expenditures relating to the implementation of EHR, of which approximately \$55.918 and \$77.336 remained in trustee held accounts as of December 31, 2012 and 2011, respectively. The TELP loan is guaranteed by the Obligated Group and is subject to certain financial covenants of the Obligated Group.
- (e) CHS had a \$28.000 line of credit with a commercial bank for working capital purposes, guaranteed by the Obligated Group, which was set to expire on July 27, 2012, which was included in short-term debt on the consolidated balance sheet. CHS executed a new arrangement in which a \$30.000 revolving line of credit is available, which is not callable until July 2014, at which time CHS has the option to convert the line of credit into a three-year fully amortizing term loan. The line bears interest at LIBOR plus 0.5%. The outstanding balance under this line was \$23.021 at December 31, 2012 and 2011, respectively.

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(Dollars in thousands)

At December 31, 2012, aggregate annual maturities of long-term debt, including obligations under capital leases are as follows

	<u>Long-term debt</u>	<u>Other debt obligations</u>	<u>Total</u>
2013	\$ 10.468	20.025	30.493
2014	9.727	18.358	28.085
2015	9.282	17.124	26.406
2016	22.874	15.299	38.173
2017	16.225	38.246	54.471
Thereafter	354.376	15.515	369.891
	<u>422.952</u>	<u>124.567</u>	<u>547.519</u>
Less interest	—	96	96
Total long-term debt	<u>\$ 422.952</u>	<u>124.471</u>	<u>547.423</u>

(9) Lines of Credit and Short-Term Debt

At December 31, 2012, Maryhaven had two lines of credit, for operations and equipment, with a bank totaling approximately \$9,000, which both expire on March 31, 2013, and management intends to renew the lines of credit. At December 31, 2012 and 2011, Maryhaven had nothing drawn on the operating line of credit. The equipment line of credit, in the amount of \$2,000, is utilized for the purchase of equipment and vehicles. Advances against the line are converted to four to seven-year term notes. At December 31, 2012, Maryhaven had notes payable of \$377 drawn against the equipment line of credit, which is included within current portion of long-term debt in the consolidated balance sheets.

(10) Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principle or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. With the exception of long-term debt, the carrying amounts of CHS' financial instruments, including other debt obligations, approximate their fair value. The carrying amounts and fair values of long-term debt are \$422.952 and \$431.952, respectively, at December 31, 2012 and \$442.245 and \$444.962, respectively, at December 31, 2011. The fair value of the debt was determined by comparing market prices of similar debt. At December 31, 2012 and 2011, the carrying amount of other debt obligations approximated fair value.

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The FASB Fair Value Measurements and Disclosure Topic also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include cash and cash equivalents, debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities, and corporate debt securities.

Level 3: Unobservable inputs supported by little or no market activity that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

The following discussion describes the valuation methodologies used for financial assets measured at fair value. The techniques utilized in estimating the fair values are affected by assumptions used, including discount rates and estimates of the amount and timing of future cash flows. Care should be exercised in deriving conclusions about CHS' business, its value, or financial position based on the fair value of financial assets presented.

Fair values for CHS' fixed-maturity and equity securities are based on prices provided by its investment managers and its custodian banks. Both the investment managers and the custodian banks use a variety of pricing sources to determine market valuations. Each designates specific pricing services or indexes for each sector of the market based upon the provider's expertise. CHS' fixed-maturity securities portfolio is highly liquid, which allows for a high percentage of the portfolio to be priced through pricing services.

Fair value of alternative investments is estimated based on net asset value per share, as provided by external investment managers or in audited financial statements when available. Valuations provided by external investment managers include estimates, appraisals, assumptions, and methods that are reviewed by management. Management believes that differences that may exist between fair value and net asset value are not material to the overall consolidated financial statements.

There were no significant transfers into or out of Level 1 for the year ended December 31, 2012 and 2011. CHS recognizes transfers between the levels of the fair value hierarchy at the beginning of the reporting period in which the date of the event or change in circumstances that caused the transfer occurs.

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CHS has two alternative investments classified as Level 2 as of December 31, 2012, one can be redeemed at the option of CHS upon 45 days' prior written notice, on a quarterly basis, and the other can be redeemed on a monthly basis. CHS has two alternative investments classified as Level 3 as of December 31, 2012 and 2011. The external investment manager of each investment has the right to waive both the notice period and any one-year wait period.

All other investments and assets limited or restricted as to use may be redeemed daily with one days' notice.

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The following table presents CHS' fair value measurements for assets measured at fair value on a recurring basis as of

	December 31, 2012			
	Fair value	Level 1	Level 2	Level 3
Assets limited or restricted as to use				
Cash and cash equivalents	\$ 186.092	186.092	—	—
U S Treasury obligations	79.441	79.441	—	—
U S government agencies obligations	33.959	—	33.959	—
Marketable equity securities – domestic	8.864	8.864	—	—
Corporate debt securities – domestic	50.529	—	50.529	—
Corporate debt securities – foreign	3.339	—	3.339	—
Foreign corporate obligations	284	—	284	—
Municipal debt obligations	80.969	—	80.969	—
Equity mutual funds – domestic	33.310	33.310	—	—
Equity mutual funds – foreign	18.959	18.959	—	—
Fund of funds	725	—	725	—
Equity pooled capital funds	33.863	—	33.636	227
Accrued interest receivable	1.368	1.368	—	—
	<u>531.702</u>	<u>328.034</u>	<u>203.441</u>	<u>227</u>
Investments				
Cash and cash equivalents	37.796	37.796	—	—
U S Treasury obligations	40.682	40.682	—	—
U S government agencies obligations	22.103	—	22.103	—
Marketable equity securities – domestic	31.606	31.606	—	—
Corporate debt securities – domestic	42.910	—	42.910	—
Corporate debt securities – foreign	2.749	—	2.749	—
Municipal debt obligations	46.486	—	46.486	—
Equity mutual funds – domestic	18.584	18.584	—	—
Equity mutual funds – foreign	17.158	17.158	—	—
Fund of funds	2.611	—	2.611	—
Equity pooled capital funds	45.271	—	44.337	934
Accrued interest receivable	939	939	—	—
	<u>308.895</u>	<u>146.765</u>	<u>161.196</u>	<u>934</u>
Total investments and assets limited or restricted as to use	<u>\$ 840.597</u>	<u>474.799</u>	<u>364.637</u>	<u>1.161</u>

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(Dollars in thousands)

The following table presents CHS' fair value measurements for assets measured at fair value on a recurring basis as of

	December 31, 2011			
	Fair value	Level 1	Level 2	Level 3
Assets limited or restricted as to use				
Cash and cash equivalents	\$ 222.044	222.044	—	—
U S Treasury obligations	66.613	66.613	—	—
U S government agencies obligations	35.210	—	35.210	—
Marketable equity securities – domestic	10.644	10.644	—	—
Corporate debt securities – domestic	41.298	—	41.298	—
Corporate debt securities – foreign	2.493	—	2.493	—
Foreign corporate obligations	283	—	283	—
Municipal debt obligations	78.250	—	78.250	—
Equity mutual funds – domestic	32.567	32.567	—	—
Equity mutual funds – foreign	13.356	13.356	—	—
Fund of funds	766	—	766	—
Equity pooled capital funds	27.285	—	26.925	360
Accrued interest receivable	1.428	1.428	—	—
	<u>532.237</u>	<u>346.652</u>	<u>185.225</u>	<u>360</u>
Investments				
Cash and cash equivalents	2.786	2.786	—	—
U S Treasury obligations	40.604	40.604	—	—
U S government agencies obligations	31.777	—	31.777	—
Marketable equity securities – domestic	31.276	31.276	—	—
Corporate debt securities – domestic	39.048	—	39.048	—
Corporate debt securities – foreign	2.655	—	2.655	—
Municipal debt obligations	41.241	—	41.241	—
Mutual funds – domestic	41.686	41.686	—	—
Mutual funds – foreign	16.524	16.524	—	—
Fund of funds	2.277	—	2.277	—
Equity pooled capital funds	44.513	—	43.444	1.069
Accrued interest receivable	1.109	1.109	—	—
	<u>295.496</u>	<u>133.985</u>	<u>160.442</u>	<u>1.069</u>
Total investments and assets limited or restricted as to use	<u>\$ 827.733</u>	<u>480.637</u>	<u>345.667</u>	<u>1.429</u>

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The current portion of assets limited or restricted as to use of \$13.010 in 2012 and \$7.182 in 2011 represents amounts that will be used to repay certain current installments of long-term debt and related accrued interest

The table below summarizes the change in carrying values associated with Level 3 investments for the years ended December 31, 2012 and 2011

	Investments	Assets limited or restricted as to use
Beginning balance – January 1, 2012	\$ 1,069	360
Net depreciation on fair value of investment	(135)	(133)
Ending balance – December 31, 2012	\$ 934	227

	Investments	Assets limited or restricted as to use
Beginning balance – January 1, 2011	\$ 3,644	964
Transfers to Level 2	(2,558)	(677)
Net (depreciation) appreciation on fair value of investment	(17)	73
Ending balance – December 31, 2011	\$ 1,069	360

Total investment gains are reported as follows in the accompanying consolidated statements of operations and changes in net assets for the years ended December 31

	2012	2011
Interest income	\$ 14,748	16,389
Net realized gains on sales of securities	30,256	23,788
Investment income, net	45,004	40,177
Unrealized gains (losses) on trading investments	4,950	(30,613)
Total investment gains	\$ 49,954	9,564

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Total investment gains are classified as follows for the years ended December 31

	2012	2011
Unrestricted net assets	\$ 47,547	10,000
Temporarily restricted net assets	2,404	(442)
Permanently restricted net assets	3	6
Investment income, net	\$ 49,954	9,564

(11) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of December 31

	2012	2011
Capital expenditures	\$ 14,809	22,083
Indigent and charity care	1,037	1,288
Health education	2,053	2,039
Research	2,282	1,980
Pediatric cardiology	744	663
Preadmission testing	145	130
Healthcare services	3,111	2,243
Other	5,573	7,683
	\$ 29,754	38,109

Included in other is contributions receivable of approximately \$4,770 and \$6,288 at December 31, 2012 and 2011, respectively, for capital expenditures

Net assets were released from donor restriction by incurring expenses satisfying the following restrictions

	2012	2011
For operations		
Health education	\$ 381	603
Indigent care	152	172
Research	6	210
Healthcare services	1,297	430
Total for operations	1,836	1,415
For capital expenditures	12,038	3,131
Total net assets released from restrictions	\$ 13,874	4,546

CHS has adopted investment and spending policies for permanently restricted net assets that attempt to provide a predictable stream of funding to programs supported by its permanently restricted net assets

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while seeking to maintain the purchasing power of these assets. CHS' permanently restricted net assets include donor-restricted funds. As required by GAAP, permanently restricted net assets are classified and reported based on the existence of donor-imposed restrictions.

Income earned on permanently restricted net assets is available for the following purposes as of December 31:

	<u>2012</u>	<u>2011</u>
Pediatric and geriatric cardiology care and research	\$ 3.130	3.133
Healthcare services	776	776
Other	149	149
	<u>\$ 4.055</u>	<u>4.058</u>

(12) Retirement Plan and Other Postretirement Benefits

(a) Retirement Plan

Diocese Pension Plan

CHS participates in a pension plan of the Diocese, a multi-employer plan, which covers substantially all lay employees with one year of continuous service. CHS' combined retirement plan expense is equal to the required annual contributions to the plan, which are calculated based on actuarially determined methods. Amounts charged to pension expense in 2012 and 2011 totaled \$62,042 and \$56,026, respectively, and are included in employee benefits in the accompanying consolidated statements of operations. CHS' contribution to the plan is in excess of 5% of total plan contributions. The following table discloses the name and funded status of the pension plan as of January 1, 2012 (the date of the last actuarial valuation):

<u>Legal name and plan number</u>	<u>EIN</u>	<u>Accumulated benefit obligation</u>	<u>Market value of plan assets</u>
Diocese of Rockville Center Pension Plan, Number 002	27-1715985	\$ 958,279	858,745

The accumulated benefit obligation and market value of plan assets are not reflected in the accompanying balance sheets of CHS.

St. Joseph participates in two multi-employer union pension plans, covering substantially all employees not eligible for the Hospital's plan.

1199 SEIU HealthCare Employees Pension Fund

The Employee Identification Number/three-digit Pension Plan number is 13-3604862/001. The most recent Pension Protection Act (PPA) zone status is yellow and green at December 31, 2012 and

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2011, respectively, which is for the plan years ended December 31, 2011 and 2010, respectively. The zone status is based on information that St. Joseph received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

The financial improvement plan (FIP) or a rehabilitation plan (RP), as required by PPA, has been implemented by the plan's sponsor. The expiration date of the collective-bargaining agreement requiring contributions to the plan is April 30, 2015. The contributions by St. Joseph to the union pension fund were \$1,473 and \$1,318 for the years ended December 31, 2012 and 2011, respectively, which is included in employee benefits within the statements of operations. There have been no significant changes that affect the comparability of 2012, 2011, and 2010 contributions.

New York State Nurses Association

The Employee Identification Number/three-digit Pension Plan number is 13-6604799/001. The most recent PPA zone status is green at December 31, 2012 and 2011, which is for the plan years ended December 31, 2011 and 2010, respectively. The zone status is based on information that St. Joseph received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

The FIP or a RP, as required by PPA, has been implemented by the plan's sponsor. The expiration date of the collective-bargaining agreement requiring contributions to the plan is March 31, 2015. The contributions by St. Joseph to the union pension fund were \$1,356, and \$1,226 for the years ended December 31, 2012 and 2011, respectively, which is included in employee benefits within the statements of operations. There have been no significant changes that affect the comparability of 2012, 2011, and 2010 contributions.

(b) Postretirement Benefit Plans

The CHS Hospitals have postretirement benefit plans that provide benefits for eligible employees at varying ages of retirement. The postretirement benefit plans primarily reimburse employees for unused sick pay dollars an employee accumulated during employment, or provide a set payment for certain eligible benefits for up to a maximum of \$5 per year for a fixed number of years.

CHS complies with provisions in the Codification, which require an employer to recognize an asset or liability for the overfunded or underfunded status, respectively, of its postretirement benefit plans in its financial statements. When recognizing a postretirement benefit plan's funded status, certain gains, losses, and transition amounts will be recognized with the offset to a separate line item outside (below) the performance indicator. These amounts will subsequently be reclassified out of unrestricted net assets into the performance indicator through net periodic benefit expense based on the amortization and recognition requirements.

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The net periodic cost for postretirement benefits, which is included in employee benefits expense in the accompanying consolidated financial statements, for 2012 and 2011 includes the following components

	<u>2012</u>	<u>2011</u>
Service cost	\$ 1,395	1,237
Interest cost	856	833
Actuarial loss	19	13
Amortization of prior service cost	31	31
Amortization of net loss	<u>204</u>	<u>163</u>
Net periodic benefit cost	\$ <u>2,505</u>	<u>2,277</u>

Total benefits paid under the plan were \$337 and \$231 in 2012 and 2011, respectively

The following table sets forth the unfunded status for CHS' postretirement benefit plan at December 31

	<u>2012</u>	<u>2011</u>
Accumulated postretirement benefit obligation		
Retirees and beneficiaries	\$ 2,114	2,092
Fully eligible active plan participants	<u>22,082</u>	<u>18,390</u>
Total accumulated postretirement benefit obligation	24,196	20,482
Plan assets, at fair value	<u>—</u>	<u>—</u>
Accumulated postretirement benefit obligation in excess of plan assets	\$ <u>24,196</u>	<u>20,482</u>

The postretirement benefit obligation is predominantly included within the caption other long-term liabilities in the accompanying consolidated balance sheets

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(Dollars in thousands)

The following table represents the changes in accumulated postretirement benefit obligation for the years ended December 31

	2012	2011
Accumulated postretirement benefit obligation – January 1	\$ 20.482	17.242
Service cost	1.395	1.237
Interest cost	856	833
Plan amendments and adjustments	224	34
Benefits paid	(337)	(231)
Actuarial loss	1.576	1.367
Accumulated postretirement benefit obligation – December 31	\$ 24.196	20.482

Assumptions used in accounting for postretirement benefits as of December 31, 2012 and 2011 were predominantly as follows

	2012	2011
Assumed discount rate ranging from	3.01% – 3.27%	4.16% – 4.32%
Assumed rates of increase in compensation levels	4.00	4.00

Expected benefit payments for the next five years and thereafter are as follows

2013	\$ 2.169
2014	755
2015	1,029
2016	1,223
2017	978
2018 – 2022	7,168
	\$ 13,322

Amounts not yet reflected in net periodic benefit costs and included in unrestricted net assets a loss of \$7.127 and \$5.581 in 2012 and 2011, respectively

Changes in the assumed healthcare cost trend would not materially affect the accumulated postretirement benefit obligation, as the benefit is limited to the amount of the employees' unused sick pay, or a stated maximum eligible benefit

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(Dollars in thousands)

(13) Functional Expenses

CHS provides healthcare and other services to residents within its geographical location. Expenses related to providing these services are as follows:

	2012	2011
Healthcare services	\$ 1,811,203	1,750,079
Administrative and general	191,803	178,283
Total expenses	\$ 2,003,006	1,928,362

(14) Commitments

Operating Leases

CHS has entered into various operating leases for equipment and facilities, expiring at various dates. Total rental expense at December 31, 2012 and 2011 for such operating leases was approximately \$13,904 and \$13,217, respectively, and is included in supplies and other expenses in the accompanying consolidated statements of operations.

The following is a schedule of future minimum lease payments under significant operating leases that have initial or remaining lease terms in excess of one year:

Year ending December 31		
2013	\$	11,809
2014		9,285
2015		7,926
2016		7,203
2017		6,729
2018 and thereafter		37,527
	\$	80,479

(15) Contingencies

(a) General

The CHS entities have been named as defendants in a number of legal actions involving alleged professional liability claims and other claims arising from the normal conduct of its affairs, certain of which seek damages in unstated amounts. It is the opinion of CHS's management, based on a review of the aforementioned claims by defense attorneys and CHS' in-house legal counsel, that insurance coverage and self-insurance reserves are adequate and the final disposition of such claims will not have any material adverse effect on CHS' consolidated financial position, results of operations, or liquidity. In addition, there are known, and possibly unknown, incidents that occurred through December 31, 2012 that may result in the assertion of additional claims. In management's opinion, any liability that may arise from settlement of such claims will be settled within either insurance

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coverage limits or self-insured liability estimates or otherwise will not have any material adverse effect on CHS' consolidated financial position, results of operations, or liquidity

(b) Workers' Compensation and Other Self-Insured Liabilities

The PSIP covers CHS for workers' compensation, directors' and officers' liability, auto liability, physical damage, and property insurance. Beginning January 1, 2012, workers' compensation is covered through a commercial carrier. The covered areas either are self-insured with excess insurance policies or maintain substantial self-insured retention limits and deductibles.

In connection with these self-insured liabilities, CHS recorded insurance expense for the years ended December 31, 2012 and 2011 of \$16,242 and \$3,827, respectively, which is included in employee benefit expense within the consolidated statements of operations. The current portion of the PSIP and workers' compensation self-insurance liability of \$16,650 and \$13,663 at December 31, 2012 and 2011, respectively, is included within the caption current portion of other self-insured liabilities in the accompanying consolidated balance sheets.

Beginning January 1, 2012, workers' compensation coverage will no longer be provided through the PSIP. Due to this change, New York State provided the PSIP assessment relief for future claim payments, which resulted in a reduction of \$14,707 in employee benefits expense and the PSIP liability for the year ended December 31, 2011.

As of December 31, 2012 and 2011, CHS has recorded a liability and a related insurance receivable as follows:

	2012	2011
Other self-insured liabilities	\$ 121,490	119,958
Insurance claims receivable	(32,461)	(30,292)
	\$ 89,029	89,666

The current portion of insurance claims receivable related to other self-insured liabilities of \$4,645 and \$4,099 is included within other receivables in the consolidated balance sheet as of December 31, 2012 and 2011, respectively.

(c) Malpractice

CHS provides for potential medical malpractice losses through a combination of purchased primary insurance, self-insurance, and layers of commercial excess insurance.

Effective November 1, 2002, through October 31, 2006, the CHS Hospitals purchased a shared claims-made commercial policy for primary coverage with varying limits per claim and in the aggregate, which were augmented by a shared claims-made commercial excess policy, with varying layers of self-insurance. Effective November 1, 2006, the CHS Hospitals (excluding St. Joseph) each purchased an individual claims-made malpractice policy for primary first dollar coverage with limits

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

of \$1,000 per claim and an aggregate of \$6,000. Excess coverage is provided by the Captive with coverage limits shared with the other participants of the Captive of \$59,000 per claim and \$59,000 in the aggregate.

For the period November 1, 2002 through October 31, 2006, defense costs are outside the stated policy limits and are provided by the primary carrier for the life of the claim. For the period beginning November 1, 2006 to the present, defense costs are outside of the stated policy limits. However, if the aggregate of the primary policy is exhausted, the primary carrier will cease to pay defense costs and the Captive will assume responsibility for these costs.

Beginning in August 2003 through July 31, 2010, St. Joseph increased the limits of its primary policy to \$2,000 per claim, with an aggregate of \$6,000 for each policy period. The limits of the excess coverage varied during this time period. From August 2003 through July 2006, St. Joseph purchased an excess policy with limits of \$4,000 per claim and in the aggregate. From August 2006 through July 2008, St. Joseph purchased excess coverage with limits of \$10,000 per claim and in the aggregate. For the period of August 2008 through July 2009, the excess policy limits were \$8,000 per claim and in the aggregate. For the period of August 2009 – July 2010, the excess policy limits were \$10,000 per claim and in the aggregate.

In August 1, 2010, St. Joseph purchased a commercial claims-made policy with limits of \$1,000 per claim and \$6,000 in the aggregate. St. Joseph also purchased an excess policy with limits of \$10,000 per claim, and in the aggregate. Effective November 1, 2012, St. Joseph excess coverage is provided by the Captive with coverage limits shared with other participants.

Each CHS Hospital and St. Joseph has obtained an actuarial valuation of the estimated liability, which includes self-insured periods prior to November 1, 2002, self-insured buffer layers, and incidents that have occurred but for which a claim has not been reported.

As of December 31, 2012 and 2011, CHS has recorded a liability and a related insurance receivable as follows:

	2012	2011
Estimated malpractice liability	\$ 188,393	182,947
Insurance claims receivable	(107,709)	(106,759)
	\$ 80,684	76,188

The current portion of insurance claims receivable related to estimated malpractice liabilities of \$6,696 and \$5,987 is included within other receivables in the consolidated balance sheet as of December 31, 2012 and 2011, respectively.

(d) Reimbursement Contingencies

CHS has agreements with third-party payors that provide for payments to CHS at amounts that are different from their established rates. Net patient services revenue for the years ended December 31,

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

2012 and 2011 increased by \$21,994 and \$12,885, respectively, for settlements related to prior years and changes in estimates to reflect the most recent information available. A summary of the payments arrangement with major third-party payors is as follows:

Medicare

Inpatient acute and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. These rates vary according to patient classification systems based on clinical, diagnostic, and other factors. Certain items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.

Medicaid

The New York Health Care Reform Act of 1996 (the Act), as amended, governs payments to hospitals in New York State, and Medicaid, workers' compensation, and no-fault payors. Rates are promulgated by the New York State Department of Health. Reimbursement for services to Medicaid program beneficiaries includes prospectively determined rates per discharge and per visit amounts.

Other Third-Party Payors

CHS has entered into payment arrangements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, discounts from established charges, and per diem payment rates. If such rates are not negotiated, then the payors are billed at CHS' established charges.

Healthcare Regulatory Environment

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the U.S. healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers, and the legal obligation of health insurers, providers, and employers. These provisions are currently slated to take effect at specific times over approximately the next decade.

The healthcare industry is subject to extensive governmental regulation through numerous and complex laws, some of which are ambiguous and subject to varying interpretation. The federal government and many states, including the State of New York, have aggressively increased enforcement under a number of such laws that are often referred to as Medicare and Medicaid "antifraud and abuse" legislation. For many years, CHS has maintained a corporate compliance program to monitor the organization's compliance with applicable laws, including the so-called "antifraud and abuse" rules. Noncompliance with such rules could result in repayments of amounts improperly reimbursed, substantial monetary fines, civil and criminal penalties, and exclusion from the Medicare and Medicaid programs.

An emphasis has been placed on the obligation of Medicare and Medicaid providers to self-disclose the receipt of "overpayments." As a result of monitoring and review conducted under the CHS'

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

corporate compliance program. CHS has made self-disclosures of such "overpayments" resulting in two sets of settlement agreements with the Office of Inspector General (OIG), one set executed during 2011 in the amount of \$2.651, and a second set executed and paid during 2012 in the amount of \$2.358. CHS is awaiting final settlement discussions on the balance of its disclosures, outcomes of these self-disclosures are unknown as of the opinion date. Based on current information, the outcomes of these disclosures are not expected to have a significant impact on the operations of CHS.

(e) Superstorm Sandy

On October 29, 2012, the northeastern portion of the United States, including New York, was impacted by Superstorm Sandy. Certain of the CHS facilities were located in an area impacted by the storm, and sustained some physical damage, and incurred expenses relating to preparedness, recovery, as well as lost revenue related to lack of patient access to certain CHS facilities. CHS has business interruption, property casualty, and other insurance coverage with respect to the incurred losses in effect at the time of the losses. Discussions with the insurance carriers and the Federal Emergency Management Association are ongoing as is the investigation into and measurement of the losses. The ultimate losses and any insurance associated recoveries cannot be determined at this time. However, the impact of Superstorm Sandy did not have a material impact on the financial position, results of operations, or cash flows of the consolidated financial statements as of and for the year ended December 31, 2012.

(f) Healthcare Efficiency and Affordability Law (HEAL) Grants

In 2009, Good Samaritan was notified of a HEAL grant award in the amount of \$17,999 for the certification of an additional fourteen critical care and intensive care beds to be offset by the decertification of fourteen medical/surgical beds. Good Samaritan has recorded \$3,211 and \$12,809 of grant income related to amounts expended during the years ended December 31, 2012 and 2011, respectively.

(g) HUD Subsidy

Siena Village, Inc. receives Housing Assistance Payments (HAP Payments) under Section 8 of the United States Housing Act of 1937, as amended (Section 8), in accordance with a Housing Assistance Payment Contract (HAP Contract). The HAP Contract with respect to Siena Village, Inc. provides for the payment of the Section 8 rent subsidy for each of the 298 units. The current HAP Contract subsidy received by Siena Village, Inc. consists of debt service and operating subsidies. The HAP Contract provides that for the term of the HAP Contract, HAP Payments will be provided only with respect to units leased to low-income families and very-low-income families, as defined under Section 8. Eligible tenants include families whose head of household, spouse, or sole member is aged 62 years or over, or, if permanently disabled, aged 18 years or over. The HAP Contract was renewed during 2012 for two years through March 31, 2014. Siena Village, Inc. received HAP Payments of \$2,513 and \$2,417, during the years ended December 31, 2012 and 2011, respectively, which is reflected in other revenue in the consolidated statements of operations.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(Dollars in thousands)

(h) Letters of Credit

CHS maintains a letter of credit with a bank for workers' compensation claims in the amount of \$9,200, which secures CHS deductible provision of its workers' compensation policy. Separately, Maryhaven maintains a letter of credit with a bank for workers' compensation claims in the amount of \$3,968, which secures Maryhaven's deductible provision of its workers' compensation policy.

(16) Subsequent Events

CHS has evaluated subsequent events from the consolidated balance sheet date through April 2, 2013, the date at which the consolidated financial statements were issued, and determined that there are no other items to disclose.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule - Balance Sheet

December 31, 2012

(In thousands)

Assets	Good Samaritan Hospital	St. Francis Hospital	Meres Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group subtotal	St. Joseph Hospital	CHSLI	CHS Services	CHS Ambulance Services	RVC Insurance Company, Inc	Samaritan Corp
Current assets:														
Cash and cash equivalents	\$ 30,221	23,221	13,157	15,719	8,140	90,458	—	90,458	8,661	16,200	—	—	11,224	2
Investments	—	210,654	—	878	2,056	213,588	—	213,588	—	—	—	—	30,149	—
Assets limited or restricted as to use	—	3,392	778	—	—	4,170	—	4,170	—	8,840	—	—	—	—
Patient accounts receivable, net	67,186	62,836	21,373	19,729	30,181	201,305	—	201,305	11,073	—	—	—	—	—
Contributions receivable, net	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other receivables	8,324	5,962	1,527	3,213	1,036	20,062	—	20,062	557	—	191	—	—	—
Inventory	6,241	6,893	2,402	2,525	3,265	21,326	—	21,326	1,562	—	—	—	—	—
Prepaid expenses and other	2,953	1,989	2,050	703	891	8,586	—	8,586	415	102	335	—	3,938	—
Due from related parties	8,406	17,540	—	331	161	26,438	(10,731)	15,707	—	29,467	40,090	—	15,037	—
Total current assets	123,331	332,487	41,287	43,098	45,730	585,933	(10,731)	575,202	22,268	54,609	43,596	—	60,348	2
Assets limited or restricted as to use:														
Board designated and other	80,209	4,433	15,204	—	5,180	105,026	—	105,026	4,796	—	—	—	—	—
Donor restricted funds	4,216	2,831	1,948	1,997	751	11,743	—	11,743	523	—	—	—	—	—
Funded depreciation	736	185,208	—	—	7,123	193,067	—	193,067	—	—	—	—	—	—
Trustee held and other agreements	3,963	1,773	378	—	—	6,114	—	6,114	148	67,877	56,571	—	—	—
Board indenture agreements	—	10,138	4,472	—	—	14,610	—	14,610	—	—	—	—	—	—
Regulated assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total assets limited or restricted as to use	89,124	204,383	22,002	1,997	13,054	330,560	—	330,560	5,467	67,877	56,571	—	—	—
Less assets limited or restricted as to use and required for current liabilities	—	3,392	778	—	—	4,170	—	4,170	—	8,840	—	—	—	—
	89,124	200,991	21,224	1,997	13,054	326,390	—	326,390	5,467	59,037	56,571	—	—	—
Due from related parties - net of current portion	4,388	672	—	—	—	5,060	(4,081)	979	—	27,919	24,738	—	—	—
Contributions receivable - net of current portion	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Long term investments	367	—	—	184	—	551	—	551	—	—	—	—	—	—
Other investments - at cost	—	—	—	—	—	—	—	—	—	2,250	—	—	—	—
Other assets - net	—	18,454	—	110	629	19,193	—	19,193	445	832	—	—	—	—
Insurance claims receivable	47,208	19,451	28,876	30,740	23,001	149,276	—	149,276	8,724	—	—	—	5,476	—
Deferred insurance costs - net	160	2,423	709	769	1,547	5,608	—	5,608	—	1,523	265	—	—	—
Property and equipment - net	160,593	259,469	102,989	63,797	102,487	689,335	—	689,335	30,542	140	77,040	—	—	—
Total assets	\$ 425,171	833,947	195,085	140,695	186,448	1,781,346	(14,812)	1,766,534	67,446	146,310	202,210	—	65,824	2

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule - Balance Sheet

December 31, 2012

(In thousands)

Assets	Samarian	St. Francis	St. Francis	St. Charles	Fairview	Healthcare	Catholic		Our Lady of	CHS	Subtotal	Consolidating and eliminating entries	CHS consolidated total
	Management Services	Hospital Foundation	Research and Educational Corporation	Corp.	Management Co.	Temp Services	Home Care & Hospice	Maryhaven	Consolation	Hospital Organization			
Current assets													
Cash and cash equivalents	\$ 225	782	216	—	82	2	6,918	3,054	230	—	13,804	(10,900)	127,154
Investments	—	90,746	—	—	—	—	27	1,593	2,390	—	338,493	(30,149)	308,344
Assets limited or restricted as to use	—	—	—	—	—	—	—	—	—	—	13,010	—	13,010
Patient accounts receivable - net	—	—	—	—	—	—	10,467	—	10,199	—	233,044	—	233,044
Contributions receivable - net	—	2,125	—	—	—	—	—	—	—	—	2,125	—	2,125
Other receivables	145	—	5,55	—	—	—	—	12,126	26	—	33,642	—	33,642
Inventories	—	—	—	—	—	—	310	344	30	—	23,572	—	23,572
Prepaid expenses and other	—	—	—	—	—	—	152	864	237	840	18,449	(1,254)	17,195
Due from related parties	28	—	5,453	—	—	—	197	—	—	—	105,986	(105,986)	—
Total current assets	398	93,633	6,204	—	82	9	18,071	17,981	13,112	840	906,375	(148,289)	758,086
Assets limited or restricted as to use													
Bond-deposited and other	—	10,712	—	—	—	—	—	90	—	—	120,624	—	120,624
Donor-restricted funds	—	14,927	—	—	—	—	329	—	413	—	27,935	—	27,935
Funded depreciation	—	—	—	—	—	—	—	435	1,000	—	194,502	—	194,502
Trustee held and other agreements	—	—	—	—	—	—	—	1,946	2	—	132,658	—	132,658
Bond indenture agreements	—	—	—	—	—	—	—	—	—	—	14,610	—	14,610
Regulated assets	—	—	—	—	—	—	—	—	—	—	—	41,373	41,373
Total assets limited or restricted as to use	—	25,639	—	—	—	—	329	2,471	1,415	—	490,329	41,373	531,702
Less: assets limited or restricted as to use and required for current liabilities	—	—	—	—	—	—	—	—	—	—	13,010	—	13,010
	—	25,639	—	—	—	—	329	2,471	1,415	—	477,319	41,373	518,692
Due from related parties - net of current portion	—	—	—	—	—	—	—	—	—	—	53,636	(53,636)	—
Contributions receivable - net of current portion	—	3,205	—	—	—	—	—	—	17	—	3,222	—	3,222
Long-term investments	—	—	—	—	—	—	—	—	—	—	551	—	551
Other assets - net	—	—	—	—	—	—	—	—	—	—	3,250	(2,250)	—
Insurance claims receivable	—	—	—	—	—	—	15	1,417	43	—	21,915	—	21,915
Deferred financing costs - net	—	—	—	—	—	—	968	—	1,426	—	165,870	(37,041)	128,829
Property and equipment - net	—	—	6,498	1	—	—	773	9	279	—	7,684	—	7,684
Total assets	\$ 398	122,497	12,802	1	82	9	26,158	24,688	24,855	840	2,480,656	(199,843)	2,280,813

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2012

(In thousands)

Liabilities and Net Assets	Good Samaritan Hospital	St. Francis Hospital	Meres Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	CHS Ambulance Services	RVC Insurance Company, Inc.	Samaritan Corp.
Current liabilities:														
Current portion of long term debt	\$ 94	4,540	4,609	898	—	10,150	—	10,150	1,761	1,243	16,935	—	—	—
Accounts payable and accrued expenses	29,112	30,122	11,344	9,922	14,472	94,972	—	94,972	7,183	9,192	16,355	—	164	—
Accrued salaries, related withholdings, and benefits	37,312	27,317	8,829	10,459	13,014	96,931	—	96,931	4,877	4,887	8,389	—	—	—
Current portion of other self-insured liabilities	9,777	7,492	2,949	3,171	4,892	28,281	—	28,281	68	—	1,145	—	—	—
Current portion of estimated third party payor and other liabilities, net	17,115	22,768	7,141	8,118	9,602	64,744	—	64,744	3,170	—	—	—	—	—
Current portion of estimated malpractice liabilities	5,984	—	—	3,469	—	9,453	—	9,453	—	—	—	—	—	—
Due to related parties	6,869	—	5,050	2,783	5,484	20,186	(10,731)	9,455	4,585	—	11,267	—	14,898	—
Other liabilities	—	—	—	—	499	499	—	499	3,005	—	126	—	—	—
Total current liabilities	106,263	92,248	39,922	38,820	47,963	325,216	(10,731)	314,485	24,649	15,322	54,217	—	15,062	—
Long term debt, net of current portion	7,407	117,029	37,189	44,635	82,894	289,154	—	289,154	16,348	116,284	78,954	—	—	—
Estimated third party payor and other liabilities, net of current portion	12,790	11,566	6,208	3,016	16,819	50,399	—	50,399	1,279	—	—	—	—	—
Other self-insured liabilities, net of current portion	35,497	16,583	10,802	14,379	20,513	97,774	—	97,774	—	—	—	—	—	—
Estimated malpractice liabilities, net of current portion	52,655	18,240	30,740	41,711	24,456	167,802	—	167,802	11,138	—	—	—	37,041	—
Other long term liabilities	4,790	17,209	2,406	1,236	2,621	28,262	—	28,262	—	14,293	3,012	—	—	—
Due to related parties, net of current portion	—	—	21,235	14,052	42,183	77,470	(68,822)	68,648	14,705	—	—	—	—	—
Total liabilities	219,402	272,875	148,902	157,849	237,449	1,036,077	(19,553)	1,016,524	68,119	145,899	136,183	—	52,103	—
Net assets (deficit):														
Unrestricted	201,553	558,241	44,264	(19,151)	(51,752)	733,155	4,741	737,896	(1,196)	238	66,027	—	11,471	2
Temporarily restricted	4,216	2,831	2,319	1,221	751	11,338	—	11,338	523	173	—	—	—	—
Permanently restricted	—	—	—	776	—	776	—	776	—	—	—	—	—	—
Capital stock and paid in capital	—	—	—	—	—	—	—	—	—	—	—	—	2,250	—
Total net assets (deficit)	205,769	561,072	46,583	(17,154)	(51,001)	745,269	4,741	750,010	(673)	411	66,027	—	13,721	2
Commitments and contingencies														
Total liabilities and net assets (deficit)	\$ 425,171	\$ 833,947	\$ 195,085	\$ 140,695	\$ 186,448	\$ 1,781,346	\$ (14,812)	\$ 1,766,534	\$ 67,446	\$ 146,310	\$ 202,210	\$ —	\$ 65,824	\$ 2

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule - Balance Sheet

December 31, 2012

(In thousands)

Liabilities and Net Assets	Samaritan Management Services	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	St. Charles Corp.	Fairview Management Co.	Healthcare Temp Services	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Current liabilities:													
Current portion of long-term debt	\$ —	—	—	—	—	—	—	325	—	—	30,412	—	30,412
Accounts payable and accrued expenses	10	213	12	3	5	100	6,244	4,605	4,115	—	143,173	(12,754)	141,898
Accrued salaries-related withholdings and benefits	—	—	—	—	—	—	3,726	3,599	3,382	—	125,791	—	125,791
Current portion of other self-insured liabilities	—	—	—	—	—	—	—	—	552	—	30,046	—	30,046
Current portion of estimated third-party payor and other liabilities-net	—	—	—	—	—	—	51	(1,867)	1,455	—	6,553	—	6,553
Current portion of estimated malpractice liabilities	—	—	—	—	—	—	—	—	—	—	9,453	—	9,453
Due to related parties	1,004	5,958	2,191	10	50	—	1,853	1,796	153	840	54,060	(54,060)	—
Other liabilities	—	168	716	—	—	—	—	4,588	135	—	9,237	—	9,237
Total current liabilities	1,014	6,339	2,919	13	55	100	11,874	13,044	9,792	840	469,735	(55,335)	414,390
Long-term debt, net of current portion	—	—	—	—	—	—	—	1,160	15,111	—	517,011	—	517,011
Estimated third-party payor and other liabilities-net of current portion	—	—	—	—	—	—	—	—	—	—	51,678	—	51,678
Other self-insured liabilities-net of current portion	—	—	—	—	—	—	—	3,388	3,679	—	104,841	—	104,841
Estimated malpractice liabilities-net of current portion	—	—	—	—	—	—	—	—	—	—	215,981	(37,041)	178,940
Other long-term liabilities	—	—	—	—	—	—	268	3,476	—	—	49,311	—	49,311
Due to related parties-net of current portion	—	—	—	—	—	—	22,479	4,368	1,422	—	111,622	(111,622)	—
Total liabilities	1,014	6,339	2,919	13	55	100	34,621	25,436	30,004	840	1,520,169	(205,998)	1,316,171
Net assets (deficit):													
Unrestricted	(17,966)	95,901	9,883	(12)	27	(91)	(8,792)	9,252	4,438	—	923,248	7,585	930,833
Temporarily restricted	—	17,132	—	—	—	—	180	—	413	—	29,754	—	29,754
Permanently restricted	—	3,130	—	—	—	—	149	—	—	—	4,055	—	4,055
Capital stock and paid in capital	1,180	—	—	—	—	—	—	—	—	—	3,430	(3,430)	—
Total net assets (deficit)	(616)	116,158	9,883	(12)	27	(91)	(8,463)	9,252	4,851	—	960,487	4,155	964,642
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—
Total liabilities and net assets (deficit)	\$ 398	122,497	12,802	1	82	9	26,158	34,688	34,855	840	2,480,656	(199,843)	2,280,813

See accompanying independent auditors' report.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Statement of Operations

Year ended December 31, 2012

(In thousands)

	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	CHS Ambulance Services	RV-C Insurance Company, Inc	Samaritan Corp
Unrestricted revenues, gains, and other support														
Net patient services revenue - before bad debts	\$ 664,264	468,874	202,811	178,470	247,609	1,662,028	—	1,662,028	96,305	—	—	—	—	—
Provision for bad debts - net	(11,454)	(2,630)	(5,318)	(2,829)	(4,698)	(26,929)	—	(26,929)	(848)	—	—	—	—	—
Net patient services revenue	652,810	466,244	197,493	175,641	242,911	1,635,099	—	1,635,099	95,457	—	—	—	—	—
Investment income - net	2,104	31,156	748	92	343	34,443	—	34,443	23	832	—	—	968	—
Contributions - net	127	—	139	584	22	2,017	—	2,017	17	—	—	—	—	—
Other revenue	22,249	20,794	4,812	5,585	8,341	61,771	(4,916)	56,855	3,020	21,561	103,315	—	14,772	—
Net assets released from restrictions used for operations	1,033	222	82	215	49	1,601	—	1,601	—	45	—	—	—	—
Total revenues, gains, and other support	679,468	518,416	203,274	182,117	251,656	1,734,931	(4,916)	1,730,015	98,607	22,438	103,315	—	15,740	—
Expenses														
Salaries	275,079	216,274	94,179	77,230	116,910	779,672	—	779,672	45,078	5,455	67,142	—	—	—
Employee benefits	86,769	61,797	25,084	25,066	40,103	238,819	—	238,819	17,597	1,282	16,873	—	—	—
Supplies and other expenses	136,245	131,734	43,196	42,056	64,547	417,778	(4,916)	412,862	30,450	8,542	8,815	—	713	1
Insurance	15,840	9,687	5,731	5,849	4,311	41,418	—	41,418	3,297	34	181	—	13,599	—
Depreciation and amortization	16,367	26,657	8,309	6,117	8,922	66,372	—	66,372	2,962	116	10,061	—	—	—
Interest	533	6,141	742	2,068	5,400	14,884	—	14,884	700	3,922	584	—	—	—
CHS Services - Inc	28,351	25,909	15,446	12,671	12,745	95,122	—	95,122	4,663	—	—	—	—	—
CHS corporate office allocation	5,258	4,585	1,830	1,383	2,112	15,168	—	15,168	1,363	—	—	—	—	—
Total expenses	664,442	482,784	194,517	172,440	255,050	1,669,233	(4,916)	1,664,317	106,110	19,353	112,656	—	14,312	1
Operating income (loss)	15,026	35,632	8,757	9,677	(3,394)	65,698	—	65,698	(7,503)	3,085	(9,341)	—	1,428	(1)
Nonoperating gains (losses)														
Change in unrealized gains (losses) on trading investments - net	968	(814)	32	16	53	255	—	255	—	—	—	—	(488)	—
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other nonoperating losses	—	—	—	—	—	—	—	—	—	(2,320)	(719)	—	—	—
Excess (deficiency) of revenues, gains, and other support over expenses	15,994	34,818	8,789	9,693	(3,341)	65,953	—	65,953	(7,503)	765	(10,060)	—	940	(1)
Other changes in benefit plan unrestricted net assets														
Post-retirement changes - other than net periodic benefit cost	(303)	(843)	(104)	(44)	(252)	(1,546)	—	(1,546)	—	—	—	—	—	—
Net assets released from restrictions for purchase of property and equipment	725	22	270	140	—	1,357	—	1,357	238	—	—	—	—	—
Net assets assumed	—	—	597	—	—	597	—	597	—	—	—	—	—	—
Recovery of related party reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributions for purchases of property and equipment	80	—	—	—	80	80	—	80	—	—	—	—	—	—
Grant income for purchases of property and equipment	3,339	—	—	38	282	3,659	—	3,659	—	—	—	—	—	—
Other changes	—	—	—	—	(1,222)	(1,222)	—	(1,222)	—	—	—	—	—	—
Transfer (to) from Catholic Health Services of Long Island	(1,520)	(1,269)	(533)	(404)	(617)	(4,343)	—	(4,343)	(397)	901	—	—	—	—
Transfer (to) from CHS Services - Inc	(6,960)	(4,073)	(2,424)	(2,028)	(1,024)	(16,509)	—	(16,509)	(1,193)	—	17,797	—	—	—
Transfers (to) from related parties	(3,000)	10,025	2,348	—	3,000	12,373	—	12,373	—	—	—	—	—	—
Increase (decrease) in unrestricted net assets	\$ 8,355	38,680	8,943	7,395	(3,174)	60,199	—	60,199	(8,855)	1,756	7,737	—	940	(1)

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Statement of Operations

Year ended December 31, 2012

(In thousands)

	Samaritan Management Services	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	St. Charles Corp.	Fairview Management Co.	Healthcare Temp Services	Catholic Home Care & Hospice	Marshall Marshall	Our Lady of Consolation	CHS Physician Hospital Organization	Sub total	Consolidating and eliminating entries	CHS consolidated total
Unrestricted revenues, gains, and other support													
Net patient services revenues, before bad debts	\$ —	—	—	—	—	—	78,287	—	61,500	—	1,898,210	(1,350)	1,896,860
Provision for bad debts, net	(82)	—	—	—	—	—	(1,029)	—	(1,742)	—	(30,630)	—	(30,630)
Net patient services revenue	(82)	—	—	—	—	—	77,258	—	59,758	—	1,867,580	(1,350)	1,866,230
Investment income, net	—	195	—	—	—	—	—	102	90	—	43,653	—	43,653
Contributions, net	—	3,621	—	—	—	—	326	186	28	—	6,195	—	6,195
Other revenue	436	—	2,779	—	—	—	103	79,218	240	—	282,299	(144,403)	137,896
Net assets released from restrictions used for operations	—	190	—	—	—	—	—	—	—	—	1,836	—	1,836
Total revenues, gains, and other support	354	11,006	2,779	—	—	—	77,687	79,406	60,116	—	2,201,563	(145,843)	2,055,720
Expenses													
Salaries	398	753	3,853	—	—	—	39,656	42,246	30,984	—	1,005,337	—	1,005,337
Employee benefits	99	182	740	—	—	—	12,307	21,880	11,632	—	321,501	—	321,501
Supplies and other expenses	46	518	1,572	3	4	—	22,766	13,036	13,022	—	532,030	(6,682)	525,348
Insurance	—	—	41	—	—	—	—	527	644	—	59,741	(14,772)	44,969
Depreciation and amortization	—	—	946	—	—	—	1,597	1,691	1,425	—	85,170	—	85,170
Interest	—	—	—	—	—	—	—	413	292	—	20,795	(14)	20,781
CHS Services, Inc.	—	—	—	—	—	—	1,620	784	883	—	103,072	(103,072)	—
CHS corporate office allocation	—	—	—	—	—	—	377	159	221	—	17,288	(17,288)	—
Total expenses	543	1,452	7,151	3	4	—	78,413	80,736	69,783	—	2,144,834	(141,828)	2,003,006
Operating income (loss)	(189)	9,554	(4,372)	(3)	(4)	—	(726)	(1,230)	333	—	56,729	(4,015)	52,714
Nonoperating gains (losses)													
Change in unrealized gains (losses) on trading investments, net	—	4,110	—	—	—	—	1	—	16	—	3,894	—	3,894
Loss on debt extinguishment	—	—	—	—	—	—	—	(303)	—	—	(303)	—	(303)
Other nonoperating losses	—	—	—	—	—	—	—	—	—	—	(3,039)	—	(3,039)
Excess (deficiency) of revenues, gains, and other support over expenses	(189)	13,664	(4,372)	(3)	(4)	—	(725)	(1,533)	349	—	57,281	(4,015)	53,266
Other changes in benefit plan unrestricted net assets													
Post-retirement changes, other than net periodic benefit cost	—	—	—	—	—	—	—	—	—	—	(1,546)	—	(1,546)
Net assets released from restrictions for purchase of property and equipment	—	10,643	—	—	—	—	—	—	—	—	12,038	—	12,038
Net assets assumed	—	—	—	—	—	—	—	—	—	—	597	—	597
Recovery of related party reserves	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributions for purchases of property and equipment	—	—	—	—	—	—	—	—	—	—	80	—	80
Grant income for purchases of property and equipment	—	—	—	—	—	—	—	—	—	—	3,659	—	3,659
Other changes	—	—	—	—	—	—	—	—	—	—	(1,222)	—	(1,222)
Transfer (to) from Catholic Health Services of Long Island	—	—	—	—	—	—	(124)	(66)	(33)	—	(3,973)	3,972	—
Transfer (to) from CHS Services, Inc.	—	—	—	—	—	—	(36)	(27)	(75)	—	(43)	43	—
Transfers (to) from related parties	—	(16,133)	3,760	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in unrestricted net assets	\$ (189)	8,174	(612)	(3)	(4)	—	(885)	(1,626)	211	—	66,872	—	66,872

See accompanying independent auditor's report

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2011

(In thousands)

Assets	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	CHS Ambulance Services	RVC Insurance Company, Inc.
Current assets:													
Cash and cash equivalents	\$ 46,451	22,402	9,623	9,411	15,095	102,982	—	102,982	6,076	4,466	2,996	2	11,391
Investments	514	203,543	—	820	1,987	206,864	—	206,864	—	—	—	—	29,695
Assets limited or restricted as to use	—	4,448	764	—	—	5,212	—	5,212	—	1,970	—	—	—
Patient accounts receivable, net	65,728	54,645	21,632	19,746	29,181	190,932	—	190,932	11,233	—	—	—	—
Contributions receivable, net	—	—	—	—	—	—	—	—	—	—	—	—	—
Other receivables	8,715	4,111	1,623	2,965	832	18,246	—	18,246	—	—	445	—	—
Inventories	4,330	7,048	2,345	642	3,082	17,447	—	17,447	1,492	—	—	—	—
Prepaid expenses and other	2,867	2,699	1,118	898	1,016	8,598	—	8,598	955	320	2,498	—	1,503
Due from related parties	5,754	9,566	—	379	36	15,735	(903)	14,832	—	15,333	45,310	—	11,840
Total current assets	134,350	308,462	37,105	34,861	51,220	566,016	(903)	565,113	19,856	22,080	51,249	2	54,329
Assets limited or restricted as to use:													
Board-designated and other	75,147	4,150	11,767	—	5,180	96,244	—	96,244	6,500	—	—	—	—
Donor-restricted funds	5,040	2,766	1,726	1,708	420	11,660	—	11,660	633	258	—	—	—
Funded depreciation	734	163,951	—	—	6,844	170,629	—	170,629	—	—	—	—	—
Trustee held and other agreements	3,832	1,570	386	—	—	5,788	—	5,788	148	75,752	78,118	—	—
Bond indenture agreements	—	10,163	4,461	—	—	14,624	—	14,624	—	—	—	—	—
Regulated assets	—	—	—	—	—	—	—	—	—	—	—	—	—
Total assets limited or restricted as to use	84,753	181,700	18,340	1,708	12,444	298,945	—	298,945	7,281	76,010	78,118	—	—
Less: assets limited or restricted as to use and required for current liabilities	—	4,448	764	—	—	5,212	—	5,212	—	1,970	—	—	—
	84,753	177,252	17,576	1,708	12,444	293,733	—	293,733	7,281	74,040	78,118	—	—
Due from related parties, net of current portion	3,881	672	—	—	—	4,553	(3,572)	981	—	37,349	—	—	—
Contributions receivable, net of current portion	—	—	—	—	—	—	—	—	—	—	—	—	—
Long-term investments	1,170	—	—	166	—	1,336	—	1,336	—	—	—	—	—
Other investments, at cost	—	—	—	—	—	—	—	—	—	2,250	—	—	—
Other assets, net	—	19,700	408	108	629	20,845	—	20,845	416	—	—	—	—
Insurance claims receivable	41,227	22,420	30,382	29,723	20,679	144,431	—	144,431	9,560	—	—	—	2,618
Deferred financing costs, net	172	2,615	812	851	1,711	6,161	—	6,161	—	1,751	351	—	—
Property and equipment, net	143,947	264,645	105,179	64,304	100,620	678,904	—	678,904	30,478	219	59,034	—	—
Total assets	\$ 409,509	795,766	191,462	131,921	187,321	1,715,979	(4,475)	1,711,504	67,691	137,678	188,752	2	56,947

CATHOLIC HEALTH SERVICES OF LONG ISLAND
 Consolidating Schedule – Balance Sheet
 December 31, 2011
 (In thousands)

Assets	Samaritan Corp	Samaritan Management Services	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	St. Charles Corp	Fairview Management Co	Healthcare Temp Services	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Current assets													
Cash and cash equivalents	\$ 5	275	2,152	41	—	85	2	4,674	6,170	2,548	145,861	(11,585)	152,478
Investments	—	—	85,454	—	—	—	—	17	1,541	2,284	525,755	(29,595)	294,160
Assets limited or restricted as to use	—	—	—	—	—	—	—	—	—	—	7,182	—	7,182
Patient accounts receivable net	—	—	—	—	—	—	—	8,247	—	9,596	219,808	—	219,808
Contributions receivable net	—	—	2,865	—	—	—	—	—	—	—	2,865	—	2,865
Other receivables	—	150	—	516	—	—	—	—	11,020	25	50,250	—	50,250
Inventories	—	—	—	—	—	—	—	285	89	55	19,764	—	19,764
Prepaid expenses and other	—	—	—	—	—	—	—	168	857	908	15,787	(1,254)	14,555
Due from related parties	—	5	—	4,629	—	—	—	226	—	—	92,180	(92,180)	—
Total current assets	5	428	88,471	5,016	—	85	0	15,615	19,957	15,212	855,452	(154,412)	721,020
Assets limited or restricted as to use													
Board-designated and other	—	—	7,445	—	—	—	—	—	86	—	110,275	—	110,275
Donor-restricted funds	—	—	21,029	—	—	—	—	290	—	—	55,870	—	55,870
Funded depreciation	—	—	—	—	—	—	—	—	454	1,000	172,065	—	172,065
Trustee held and other agreements	—	—	—	—	—	—	—	—	—	57	159,865	—	159,865
Bond indenture agreements	—	—	—	—	—	—	—	—	558	—	15,182	—	15,182
Regulated assets	—	—	—	—	—	—	—	—	—	—	—	40,986	40,986
Total assets limited or restricted as to use	—	—	28,472	—	—	—	—	290	1,078	1,057	491,251	40,986	552,257
Less: assets limited or restricted as to use and required for current liabilities	—	—	—	—	—	—	—	—	—	—	7,182	—	7,182
Due from related parties - net of current portion	—	—	28,472	—	—	—	—	290	1,078	1,057	484,069	40,986	525,055
Contributions receivable - net of current portion	—	—	4,584	—	—	—	—	—	—	0	4,585	—	4,585
Long-term investments	—	—	—	—	—	—	—	—	—	—	1,556	—	1,556
Other investments - at cost	—	—	—	—	—	—	—	—	—	—	2,250	(2,250)	—
Other assets - net	—	—	—	—	—	—	—	15	1,425	178	22,870	—	22,870
Insurance claims receivable	—	—	—	—	—	—	—	—	916	1,022	158,547	(51,581)	126,966
Deferred financing costs - net	—	—	—	—	—	—	—	—	526	509	8,878	—	8,878
Property and equipment - net	—	—	—	7,505	—	—	—	7,561	12,251	18,822	81,475	—	81,475
Total assets	\$ 5	428	121,527	12,521	—	85	0	21,481	55,935	56,609	2,591,068	(165,587)	2,225,481

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2011

(In thousands)

Liabilities and Net Assets	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating Subtotal	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	CHS Ambulance Services	RVC Insurance Company, Inc.
Current liabilities:													
Short-term debt	\$ —	—	—	—	—	—	—	—	—	2,021	—	—	—
Current portion of long-term debt	402	4,444	5,273	867	1,083	11,969	—	11,969	2,101	1,143	2,816	—	—
Accounts payable and accrued expenses	40,217	40,249	11,352	11,383	14,768	97,969	—	97,969	8,590	2,422	13,627	1	502
Accrued salaries, related withholdings, and benefits	35,848	26,409	8,626	8,930	10,529	90,342	—	90,342	4,678	4,746	5,850	—	—
Current portion of other self-insured liabilities	9,786	7,887	3,695	3,789	5,428	30,585	—	30,585	74	—	877	—	—
Current portion of estimated third-party payor and other liabilities, net	21,183	17,030	6,404	7,218	12,628	64,463	—	64,463	2,234	—	—	—	—
Current portion of estimated malpractice liabilities	5,309	—	—	3,304	295	9,108	—	9,108	—	—	—	—	—
Due to related parties	6,571	—	932	447	5,578	13,528	(902)	12,626	4,886	—	8,578	1	11,822
Other liabilities	—	—	—	—	507	507	—	507	—	—	104	—	—
Total current liabilities	109,216	86,019	36,282	36,138	50,816	318,471	(902)	317,569	22,063	31,332	31,861	2	12,324
Long-term debt, net of current portion	7,508	121,947	41,808	45,956	8,151	300,370	—	300,370	18,109	94,994	95,890	—	—
Estimated third-party payor and other liabilities, net of current portion	9,242	14,717	7,514	4,336	17,884	53,693	—	53,693	1,156	—	—	—	—
Other self-insured liabilities, net of current portion	35,198	15,947	11,939	14,920	21,380	99,384	—	99,384	—	—	—	—	—
Estimated malpractice liabilities, net of current portion	45,834	20,331	32,918	40,485	22,049	161,617	—	161,617	11,961	—	—	—	31,842
Other long-term liabilities	4,273	14,478	2,197	1,147	2,253	24,348	—	24,348	3,005	11,762	2,711	—	—
Due to related parties, net of current portion	—	—	21,235	13,777	37,946	72,958	(8,314)	64,644	3,005	850	—	—	—
Total liabilities	211,271	273,439	153,893	156,760	235,470	1,030,811	(9,216)	1,021,625	60,290	138,938	130,462	2	44,166
Net assets (deficit):													
Unrestricted	193,198	319,561	35,321	(26,546)	(48,578)	672,956	4,741	677,697	7,650	(1,518)	58,290	—	10,531
Temporarily restricted	5,040	2,766	2,248	932	420	11,406	—	11,406	633	258	—	—	—
Permanently restricted	—	—	—	776	—	776	—	776	—	—	—	—	—
Capital stock and paid in capital	—	—	—	—	—	—	—	—	—	—	—	—	2,250
Total net assets (deficit)	198,238	322,327	37,569	(24,838)	(48,158)	685,138	4,741	689,879	8,292	(1,260)	58,290	—	12,781
Commitments and contingencies													
Total liabilities and net assets (deficit)	\$ 409,509	595,766	191,462	131,921	187,312	1,715,949	(4,475)	1,711,504	67,591	137,678	188,752	2	56,947

CATHOLIC HEALTH SERVICES OF LONG ISLAND
 Consolidating Schedule – Balance Sheet
 December 31, 2011
 (In thousands)

Liabilities and Net Assets	Samaritan Corp	Samaritan Management Services	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	St. Charles Corp	Fairview Management Co	Healthcare Temp Services	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Current liabilities:													
Short-term debt	\$ —	—	—	—	—	—	—	—	—	—	25,021	—	25,021
Current portion of long-term debt	—	—	—	—	—	—	—	—	1,505	—	19,554	—	19,554
Accounts payable and accrued expenses	—	19	58	12	2	2	100	5,470	5,054	5,066	157,185	(1,465)	155,720
Accrued salaries, related withholdings, and benefits	—	—	—	—	—	—	—	5,126	5,288	2,799	114,858	—	114,858
Current portion of other self-insured liabilities	—	—	—	—	—	—	—	—	—	606	52,142	—	52,142
Current portion of estimated third-party payor and other liabilities, net	—	—	—	—	—	—	—	154	(786)	1,578	67,425	—	67,425
Current portion of estimated malpractice liabilities	—	—	—	—	—	—	—	—	—	—	9,108	—	9,108
Due to related parties	—	856	4,811	1,488	—	50	—	14,597	205	1,465	60,661	(60,661)	—
Other liabilities	—	—	155	526	7	—	—	—	6,126	147	7,570	—	7,570
Total current liabilities	—	855	5,322	2,026	9	52	100	25,156	15,570	11,450	471,480	(62,124)	409,356
Long-term debt, net of current portion	—	—	—	—	—	—	—	—	6,770	15,208	551,541	—	551,541
Estimated third-party payor and other liabilities, net of current portion	—	—	—	—	—	—	—	—	—	—	—	—	—
Other self-insured liabilities, net of current portion	—	—	—	—	—	—	—	—	5,556	5,575	106,295	—	106,295
Estimated malpractice liabilities, net of current portion	—	—	—	—	—	—	—	—	—	—	205,420	(51,581)	175,839
Other long-term liabilities	—	—	—	—	—	—	—	—	268	1,570	45,675	—	45,675
Due to related parties, net of current portion	—	—	—	—	—	—	—	5,694	—	1,844	76,057	(76,057)	—
Total liabilities	—	855	5,322	2,026	9	52	100	29,098	25,055	52,086	1,480,095	(169,742)	1,310,353
Net assets (deficit):													
Unrestricted	5	(1,607)	87,727	10,495	(9)	51	(91)	(7,907)	10,878	4,197	856,576	7,585	865,961
Temporarily restricted	—	—	25,545	—	—	—	—	141	—	526	8,109	—	8,109
Permanently restricted	—	—	5,155	—	—	—	—	149	—	—	4,058	—	4,058
Capital stock and paid in capital	—	1,180	—	—	—	—	—	—	—	—	5,450	(5,450)	—
Total net assets (deficit)	5	(427)	116,205	10,495	(9)	51	(91)	(7,617)	10,878	4,525	901,075	4,155	906,128
Commitments and contingencies													
Total liabilities and net assets (deficit)	\$ 5	428	121,527	12,521	—	83	9	21,481	55,933	56,609	2,391,068	(165,587)	2,225,481

See accompanying independent auditors' report

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Statement of Operations

Year ended December 31, 2011

(In thousands)

	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	CHS Ambulance Services	RVC Insurance Company, Inc.
Unrestricted revenues, gains, and other support													
Net patient service revenues, before bad debts	\$ 565,920	475,215	195,502	165,556	254,756	1,654,857	—	1,654,857	99,195	—	—	—	—
Provision for bad debts, net	(9,524)	(2,600)	(4,518)	(2,072)	(4,480)	(22,994)	—	(22,994)	(4,605)	—	—	—	—
Net patient services revenue	556,396	472,615	190,984	163,484	250,276	1,631,863	—	1,631,863	94,590	—	—	—	—
Investment income, net	2,694	25,242	222	—	660	28,895	—	28,895	21	—	1	—	1,067
Contributions, net	125	—	62	566	48	600	—	600	114	—	—	—	—
Other revenue	18,474	17,515	4,055	4,991	7,582	51,845	(4,762)	47,083	2,916	20,852	77,715	—	15,905
Net assets released from restrictions used for operations	69	155	98	106	62	488	—	488	2	150	—	—	—
Total revenues, gains, and other support	577,956	515,551	195,511	168,224	258,428	1,715,670	(4,762)	1,708,908	97,645	20,982	77,714	—	14,970
Expenses													
Salaries	275,570	214,297	84,916	75,476	112,505	762,364	—	762,364	45,002	9,025	45,015	—	—
Employee benefits	80,064	61,067	25,852	22,720	38,667	226,370	—	226,370	15,590	2,569	15,558	—	—
Supplies and other expenses	157,415	155,694	47,129	59,954	65,755	425,927	(4,762)	421,165	5,000	8,906	21,078	2	845
Insurance	11,450	5,520	4,985	6,178	1,661	29,774	—	29,774	5,100	—	—	—	11,658
Depreciation and amortization	15,642	24,599	8,785	5,870	8,095	62,989	—	62,989	2,902	201	4,817	—	—
Interest	2,541	6,762	1,127	1,127	5,255	19,967	—	19,967	790	285	85	—	—
CHS Services, Inc.	19,558	18,940	15,515	10,169	10,445	72,627	—	72,627	2,292	—	—	—	—
CHS corporate office allocation	4,550	5,885	2,597	2,505	2,708	15,621	—	15,621	—	—	—	—	—
Reserve on amounts due from related parties	1,075	—	—	—	—	1,075	127	1,200	—	—	—	—	—
Total expenses	547,425	470,762	186,706	165,885	245,956	1,616,712	(4,655)	1,612,077	100,476	20,982	82,551	2	12,481
Operating income (loss)	30,531	44,789	8,805	2,539	12,492	96,958	(127)	96,831	(2,831)	—	(4,817)	(2)	2,489
Nonoperating gains (losses)													
Change in unrealized gains (losses) on trading investments, net	659	(20,767)	5	(9)	(109)	(20,241)	—	(20,241)	—	—	—	—	821
Loss on debt extinguishment	(785)	(781)	(592)	(870)	(1,887)	(4,915)	—	(4,915)	—	—	—	—	—
Other nonoperating losses	—	—	—	—	—	—	—	—	—	—	—	—	—
Excess (deficiency) of revenues, gains, and other support over expenses	30,387	21,241	8,218	1,460	10,496	71,802	(127)	71,675	(2,831)	—	(4,817)	(2)	5,510
Other changes in benefit plan unrestricted net assets													
Postretirement changes other than net periodic benefit cost	(24)	(956)	(121)	12	(159)	(1,228)	—	(1,228)	—	—	—	—	—
Net assets released from restrictions for purchase of property and equipment	292	6	565	416	524	1,405	—	1,405	2	—	—	—	—
Recovery of related-party reserves	961	—	—	—	—	961	—	961	—	—	—	—	—
Contributions for purchases of property and equipment	565	—	—	—	—	565	—	565	—	—	—	—	—
Grant income for purchases of property and equipment	12,840	—	210	56	—	13,115	—	13,115	58	—	250	—	—
Transfer (to) from Catholic Health Services of Long Island	(1,598)	(554)	(774)	(744)	(877)	(4,127)	—	(4,127)	—	150	—	—	—
Transfer (to) from CHS Services, Inc.	(5,905)	(5,696)	(2,511)	(2,255)	(2,788)	(19,155)	—	(19,155)	(600)	—	19,850	—	—
Transfers (to) from related parties	(1,241)	(2,658)	6,425	1,241	—	5,765	—	5,765	—	—	—	—	—
Increase (decrease) in unrestricted net assets	\$ 56,475	11,695	11,810	206	7,025	67,117	(127)	66,990	(5,595)	150	15,265	(2)	5,510

CATHOLIC HEALTH SERVICES OF LONG ISLAND
 Consolidating Schedule – Statement of Operations
 Year ended December 31, 2011
 (In thousands)

	Samaritan Corp	Samaritan Management Services	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	St. Charles Corp	Fairview Management Co	Healthcare Temp Services	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Unrestricted revenues, gains, and other support													
Net patient service revenues before bad debts	\$ —	—	—	—	—	—	—	70,818	—	60,561	1,885,400	(276)	1,885,133
Provision for bad debts, net	—	(61)	—	—	—	—	—	(940)	—	(605)	(29,203)	—	(29,203)
Net patient services revenue	—	(61)	—	—	—	—	—	69,878	—	59,956	1,856,206	(276)	1,855,930
Investment income net	—	—	8,254	—	—	—	—	—	74	118	8,430	—	8,430
Contributions net	—	—	2,749	—	—	—	—	147	—	122	3,055	—	3,055
Other revenue	—	494	—	2,507	—	—	—	40	76,255	205	241,986	(117,161)	124,825
Net assets released from restrictions used for operations	—	—	795	—	—	—	—	—	—	—	1,415	—	1,415
Total revenues, gains, and other support	—	434	11,798	2,507	—	—	—	70,084	76,549	60,401	2,141,090	(117,457)	2,024,553
Expenses													
Salaries	—	582	748	5,958	—	—	—	56,512	40,555	29,079	970,438	(2,562)	967,876
Employee benefits	—	95	180	760	—	—	—	12,850	20,171	11,405	503,328	(497)	502,831
Supplies and other expenses	1	50	722	1,870	1	5	—	22,147	11,743	13,166	532,677	(6,348)	526,329
Insurance	—	—	—	—	—	—	—	—	440	1,039	45,991	(13,903)	32,088
Depreciation and amortization	—	—	—	952	—	—	—	1,421	1,921	1,303	76,506	—	76,506
Interest	—	—	—	—	—	—	—	—	731	878	22,752	—	22,752
CHS Services, Inc	—	—	—	—	—	—	—	1,625	418	712	22,674	(77,674)	—
CHS corporate office allocation	—	—	—	—	—	—	—	547	225	204	16,397	(16,397)	—
Reserve on amounts due from related parties	—	—	—	—	—	—	—	—	—	—	1,200	(1,200)	—
Total expenses	1	507	1,650	7,540	1	5	—	74,702	76,204	57,786	2,046,943	(118,581)	1,928,362
Operating income (loss)	(1)	(73)	10,148	(5,033)	(1)	(5)	—	(4,618)	825	2,615	95,047	1,144	96,191
Nonoperating gains (losses)													
Change in unrealized gains (losses) on trading investments, net	—	—	(9,022)	—	—	—	—	5	57	(7)	(28,409)	—	(28,409)
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	(6,100)	—	(6,100)
Other nonoperating losses	—	—	—	—	—	—	—	—	—	—	—	(3,059)	(3,059)
Excess (deficiency) of revenues, gains, and other support over expenses	(1)	(73)	1,126	(5,033)	(1)	(5)	—	(4,615)	882	1,423	60,538	(1,915)	58,623
Other changes in benefit plan unrestricted net assets													
Postretirement changes other than net periodic benefit cost	—	—	—	—	—	—	—	—	—	—	(1,228)	—	(1,228)
Net assets released from restrictions for purchase of property and equipment	—	—	1,726	—	—	—	—	—	—	—	3,131	—	3,131
Recovery of related-party reserves	—	—	—	—	—	—	—	—	—	—	961	—	961
Contributions for purchases of property and equipment	—	—	—	—	—	—	—	—	—	—	563	—	563
Grant income for purchases of property and equipment	—	—	—	—	—	—	—	—	—	—	13,401	—	13,401
Transfer (to) from Catholic Health Services of Long Island	—	—	—	—	—	—	—	(131)	(90)	(82)	(4,300)	4,300	—
Transfer (to) from CHS Services, Inc	—	—	—	—	—	—	—	(57)	(29)	(24)	5	(5)	—
Transfer (to) from related parties	—	—	(8,120)	4,355	—	—	—	—	—	—	—	—	—
Increase (decrease) in unrestricted net assets	\$ (1)	(73)	(5,268)	(678)	(1)	(5)	—	(4,783)	263	1,317	73,071	2,380	75,451

See accompanying independent auditors' report

