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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)	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

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 REGIONAL WEST MEDICAL CNTR		D Employer identification number 47-0385129
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 4021 AVENUE B	Room/suite	E Telephone number (308) 635-3711
	City or town, state or country, and ZIP + 4 SCOTTSBLUFF, NE 693614602		G Gross receipts \$ 208,590,610
	F Name and address of principal officer		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 ▶
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.RWHS.ORG			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities PROVIDING MEDICAL CARE		
	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	18
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,615
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	15,494,603
7b Net unrelated business taxable income from Form 990-T, line 34	7b	-1,656,261	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	42,601	116,066
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	164,717,785	163,370,656
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-1,292,808	4,835,296
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	24,037,791	25,160,117
		187,505,369	193,482,135
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	12,099,996	16,199,994
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	80,476,812	85,380,479
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) \rightarrow 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	89,572,755	94,029,262
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	182,149,563	195,609,735
	19 Revenue less expenses Subtract line 18 from line 12	5,355,806	-2,127,600
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	159,786,467	152,667,143
	21 Total liabilities (Part X, line 26)	87,219,015	80,977,922
	22 Net assets or fund balances Subtract line 21 from line 20	72,567,452	71,689,221

Part II Signature Block

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

Sign Here	*****				2013-11-15	
	Signature of officer				Date	
Paid Preparer Use Only	DAVID GRIFFITHS CFO & VP OF FINANCE					
	Type or print name and title					
	Print/Type preparer's name DAN W CHARRON CPA CMA		Preparer's signature		Date 2013-11-15	Check <input type="checkbox"/> if self-employed
	Firm's name  CONTRYMAN ASSOCIATES PC CPA'S				Firm's EIN 	
	Firm's address  PO BOX 2246 SCOTTSBLUFF, NE 69363				Phone no (308) 635-7705	

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

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

PROVIDING MEDICAL CARE

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 \$ 154,855,958 including grants of \$ 16,199,994) (Revenue \$)

REGIONAL WEST MEDICAL CENTER PROVIDED 32,363 DAYS OF INPATIENT CARE TO 7,648 PATIENTS AND REGISTERED APPROXIMATELY 52,046 OUTPATIENTS REGIONAL WEST MEDICAL CENTER PROVIDED 20,648,459 IN BENEFITS TO THE COMMUNITY, EXCLUDING MEDICARE SHORTFALL, AND 47,056,6406 OF COMMUNITY BENEFITS INCLUDING THE MEDICARE SHORTFALL

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 ▶ 154,855,958

Form 990 (2012)

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 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? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b 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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, 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	Yes	
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	Yes	
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		
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.	99	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
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.	1,615	
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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		No
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		No
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
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.		
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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	18	
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			
b	Enter the number of voting members included in line 1a, above, who are independent	14	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 DAVID GRIFFITHS 4021 AVENUE B SCOTTSBLUFF, NE (308) 630-1111

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) TODD S SORENSEN CEO	1 00	X		X				1,422	535,289	86,585
(2) TOM HOLYOKE	1 00	X						35,954	0	0
(3) MARK HARTMAN MD	1 00	X						33,000	0	0
(4) GLEN FORNEY MD	1 00	X						2,312	0	0
(5) MARK GILLAM	1 00	X						2,041	0	0
(6) H HOD KOSMAN CHAIRMAN	1 00	X		X				1,184	0	0
(7) JANE HUNTER	1 00	X						0	0	0
(8) JIM TRUMBULL	1 00	X						0	0	0
(9) JEFFREY HOLLOWAY MD	1 00	X						0	0	0
(10) REV LAUREN EKDAHL	1 00	X						0	0	0
(11) DORA OLIVARES	1 00	X						0	0	0
(12) JIM DARNELL	1 00	X						0	0	0
(13) JON MORGAN MD	1 00	X						0	0	0
(14) JULIE MARSHALL	1 00	X						0	0	0
(15) DONALD GENTRY MD	1 00	X						0	0	0
(16) DENNIS HADDEN	1 00	X						0	0	0
(17) LEE GLENN	1 00	X						0	0	0

Part VII

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

(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			
(18) DAVID GRIFFITHS TREASURER	1 00			X				0	259,340	44,081
(19) JENNIFER BROOKER SECRETARY	1 00			X				0	45,100	29,960
(20) MANUEL COLON VP OF MEDICI	55 00				X			248,906	0	37,053
(21) SHIRLEY KNODEL CHIEF OF NUR	55 00				X			188,711	0	36,198
(22) JAN TAYLOR VP OF ANCILL	55 00				X			181,981	0	32,028
(23) THOMAS DREDLA IV CRNA	40 00					X		214,173	0	28,765
(24) CINDY BRAMAN CRNA	40 00					X		199,700	0	29,789
(25) JANET HANSON CRNA	40 00					X		198,573	0	27,821
(26) RALPH PHELPS CRNA	40 00					X		193,020	0	29,546
(27) THOMAS DREDLA III CRNA	40 00					X		192,930	0	27,124
(28) STUART FULKS							X	0	251,834	28,427
(29) LISA BEWLEY							X	0	186,904	33,465
(30) STEVE HODGES							X	0	178,703	41,518
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,693,907	1,457,170	512,360

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶9

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
(A) Name and business address		(B) Description of services	(C) Compensation
MCKESSON INFORMATION SYSTEMS PO BOX 98347 CHICAGO IL 606938347		SVC MTN & EQUIP	2,659,082
FOCUSONE SOLUTIONS LLC PO BOX 3037 OMAHA NE 68103		AGENCY STAFFING	2,492,086
MAGNET SOLUTIONS PO BOX 1826 SCOTTSBLUFF NE 69361		A/R COLLECTIONS	782,214
PHILIPS MEDICAL SYSTEMS PO BOX 406629 ATLANTA GA 303843262		SVC CONTRACTS	743,039
WESTERN PATHOLOGY CONSULTANTS PC		LABORATORY	711,795
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶112		

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					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	116,066				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		116,066				
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	Business Code	163,370,656	163,370,656			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		163,370,656				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,264,371			1,264,371
4		Income from investment of tax-exempt bond proceeds . . .						
5		Royalties						
6a		(i) Real		(ii) Personal				
b		Less rental expenses						
c		Rental income or (loss)						
d		Net rental income or (loss)						
7a		(i) Securities		(ii) Other				
		18,679,400						
		15,108,475						
		3,570,925						
b		Less cost or other basis and sales expenses						
c		Gain or (loss)						
d		Net gain or (loss)		3,570,925	3,570,925			
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
a								
b		Less direct expenses						
c		Net income or (loss) from fundraising events . . .						
9a		Gross income from gaming activities See Part IV, line 19						
a								
b	Less direct expenses							
c	Net income or (loss) from gaming activities . . .							
10a	Gross sales of inventory, less returns and allowances							
a								
b	Less cost of goods sold							
c	Net income or (loss) from sales of inventory . . .							
Miscellaneous Revenue		Business Code						
11a	REFERENCE LABORATORY	621500	10,927,409		10,927,409			
b	ADMINISTRATIVE & MISC		4,698,594			4,698,594		
c	PHARMACY SALES	446110	4,567,194		4,567,194			
d	All other revenue		4,966,920	1,439,323		3,527,597		
e	Total. Add lines 11a-11d		25,160,117					
12	Total revenue. See Instructions		193,482,135	168,380,904	15,494,603	9,490,562		

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.	16,199,994	16,199,994		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	864,342	821,429	42,913	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	62,272,331	50,900,139	11,372,192	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,236,349	1,863,608	372,741	
9	Other employee benefits.	15,597,881	12,265,233	3,332,648	
10	Payroll taxes.	4,409,576	3,627,742	781,834	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	97,070		97,070	
c	Accounting.	66,418		66,418	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	6,821,532	6,730,200	91,332	
12	Advertising and promotion.				
13	Office expenses.	1,222,037	872,320	349,717	
14	Information technology.				
15	Royalties.				
16	Occupancy.	1,869,652	1,336,925	532,727	
17	Travel.	706,642	344,736	361,906	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	409,106	326,273	82,833	
20	Interest.	2,792,194	2,298,695	493,499	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	11,412,559	7,720,163	3,692,396	
23	Insurance.	1,028,698	727,887	300,811	
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	SUPPLIES	32,061,668	31,558,569	503,099	
b	OTHER PURCHASED SERVICES	22,171,576	9,840,787	12,330,789	
c	EQUIPMENT RENTAL & MAINT	7,197,764	4,173,688	3,024,076	
d	MISCELLANEOUS	2,628,372	823,566	1,804,806	
e	All other expenses	3,543,974	2,424,004	1,119,970	
25	Total functional expenses. Add lines 1 through 24e.	195,609,735	154,855,958	40,753,777	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 checked="" 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		7,794	1	-2,844
	2	Savings and temporary cash investments		5,435,248	2	4,102,346
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		31,190,022	4	30,022,692
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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			6	
	7	Notes and loans receivable, net		374,029	7	614,592
	8	Inventories for sale or use		4,730,958	8	4,857,035
	9	Prepaid expenses and deferred charges		3,799,187	9	5,158,154
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a189,408,774			
	b	Less accumulated depreciation	10b131,559,891	62,756,104	10c	57,848,883
	11	Investments—publicly traded securities		50,290,123	11	48,482,389
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,203,002	15	1,583,896
	16	Total assets. Add lines 1 through 15 (must equal line 34)		159,786,467	16	152,667,143
Liabilities	17	Accounts payable and accrued expenses		21,603,283	17	18,268,369
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		56,018,554	20	54,447,052
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		2,939,465	23	1,721,190
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		6,657,713	25	6,541,311
	26	Total liabilities. Add lines 17 through 25		87,219,015	26	80,977,922
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		72,567,452	27	71,689,221
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	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		72,567,452	33	71,689,221
	34	Total liabilities and net assets/fund balances		159,786,467	34	152,667,143

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	193,482,135
2	Total expenses (must equal Part IX, column (A), line 25)	2	195,609,735
3	Revenue less expenses Subtract line 2 from line 1	3	-2,127,600
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	72,567,452
5	Net unrealized gains (losses) on investments	5	145,175
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	1,104,194
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	71,689,221

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	2a	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	2b	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	2c	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?	3a	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	3b	

Additional Data

Software ID:

Software Version:

EIN: 47-0385129

Name: REGIONAL WEST MEDICAL CNTR

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

(A) Name and Title	(B) Average hours per week (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			
TODD S SORENSEN CEO	1 00	X		X				1,422	535,289	86,585
TOM HOLYOKE	1 00	X						35,954	0	0
MARK HARTMAN MD	1 00	X						33,000	0	0
GLEN FORNEY MD	1 00	X						2,312	0	0
MARK GILLAM	1 00	X						2,041	0	0
H HOD KOSMAN CHAIRMAN	1 00	X		X				1,184	0	0
JANE HUNTER	1 00	X						0	0	0
JIM TRUMBULL	1 00	X						0	0	0
JEFFREY HOLLOWAY MD	1 00	X						0	0	0
REV LAUREN EKDAHL	1 00	X						0	0	0
DORA OLIVARES	1 00	X						0	0	0
JIM DARNELL	1 00	X						0	0	0
JON MORGAN MD	1 00	X						0	0	0
JULIE MARSHALL	1 00	X						0	0	0
DONALD GENTRY MD	1 00	X						0	0	0
DENNIS HADDEN	1 00	X						0	0	0
LEE GLENN	1 00	X						0	0	0
DAVID GRIFFITHS TREASURER	1 00			X				0	259,340	44,081
JENNIFER BROOKER SECRETARY	1 00			X				0	45,100	29,960
MANUEL COLON VP OF MEDICI	55 00				X			248,906	0	37,053
SHIRLEY KNODEL CHIEF OF NUR	55 00				X			188,711	0	36,198
JAN TAYLOR VP OF ANCILL	55 00				X			181,981	0	32,028
THOMAS DREDLA IV CRNA	40 00					X		214,173	0	28,765
CINDY BRAMAN CRNA	40 00					X		199,700	0	29,789
JANET HANSON CRNA	40 00					X		198,573	0	27,821

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (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			
RALPH PHELPS CRNA	40 00					X		193,020	0	29,546
THOMAS DREDLA III CRNA	40 00					X		192,930	0	27,124
STUART FULKS							X	0	251,834	28,427
LISA BEWLEY							X	0	186,904	33,465
STEVE HODGES							X	0	178,703	41,518

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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 33¹/₃% 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 33¹/₃% 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 IIISupport 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 ▶						

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 D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

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

a Total number of conservation easements

b Total acreage restricted by conservation easements

c Number of conservation easements on a certified historic structure included in (a)

d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

	Held at the End of the Year
2a	
2b	
2c	
2d	

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? ☐ Yes ☐ No

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

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

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

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

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

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b

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

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		3,476,200		3,476,200
b Buildings				
c Leasehold improvements				
d Equipment		184,388,469	131,559,891	52,828,578
e Other		1,544,105		1,544,105
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				57,848,883

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	194,941,533
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	145,175
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	1,328,985
e	Add lines 2a through 2d	2e	1,474,160
3	Subtract line 2e from line 1	3	193,467,373
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	14,762
c	Add lines 4a and 4b	4c	14,762
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	193,482,135

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

1	Total expenses and losses per audited financial statements	1	195,544,764
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	195,544,764
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	64,971
c	Add lines 4a and 4b	4c	64,971
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	195,609,735

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
REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 2D	CHANGE IN FMV OF INT RATE SWAP 116,402 CHANGE IN NET PERIODIC PENSION COST 1,277,554 BANK CHARGES RECLASSIFIED ON RETURN -64,971
REVENUE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 4B	FRIENDS OF REGIONAL WEST 14,762
EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 4B	BANK CHARGES RECLASSIFIED ON RETURN 64,971

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
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care	3a	Yes	
		3b	Yes	
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			5,650,234		5,650,234	2 890 %
b Medicaid (from Worksheet 3, column a)			9,043,804		9,043,804	4 620 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			14,694,038		14,694,038	7 510 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			366,047	21,407	344,640	0 180 %
f Health professions education (from Worksheet 5)			1,463,633	45,939	1,417,694	0 720 %
g Subsidized health services (from Worksheet 6)			815,000		815,000	0 420 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			16,629,581		16,629,581	8 500 %
j Total Other Benefits			19,274,261	67,346	19,206,915	9 820 %
k Total. Add lines 7d and 7j			33,968,299	67,346	33,900,953	17 330 %

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					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development		1,309,088		1,309,088	0 670 %
9	Other					
10	Total		1,309,088		1,309,088	0 670 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?

1

Yes

2

Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount

2

4,458,643

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

43,575,651

6

Enter Medicare allowable costs of care relating to payments on line 5

6

69,983,832

7

Subtract line 6 from line 5 This is the surplus (or shortfall)

7

-26,408,181

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(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	REGIONAL WEST MEDICAL CENTER 4021 AVENUE B SCOTTSBLUFF, NE 69361	X	X		X			X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

REGIONAL WEST MEDICAL CENTER

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	No
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>100 0%</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>250 0%</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 checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input checked="" type="checkbox"/> Uninsured discount			
f <input checked="" 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 checked="" 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 checked="" 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

		Yes	No
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	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> 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		No
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		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
COMMUNITY BUILDING ACTIVITIES	PART II	RWMCS MAJOR COMMUNITY BUILDING ACTIVITIES INCLUDE DISASTER READINESS SUPPORT SYSTEM ENHANCEMENT FOR THE IMMEDIATE COMMUNITY AND SCOTTS BLUFF COUNTY AND PHYSICIAN RECRUITMENT THE DISASTER READINESS SUPPORT INCLUDES COMMUNITY WIDE DRILLS COMMUNITY DISEASE AWARENESS MEETINGS COUNTY LEVEL DISASTER MEETINGS AND COOPERATION WITH THE LOCAL POLICE DEPARTMENT TO PROVIDE DISASTER SUPPORT FOR THE COMMUNITY RWMC REPRESENTATIVES ALSO VISIT LOCAL BUSINESSES AND SCHOOLS TO PROVIDE INFORMATION ON ANY VIRUS OUTBREAKS OR ALERTS SUCH AS THE H1N1 CRISIS IN 2009 RWMC IS INVOLVED WITH THE VARIOUS COMMUNITYWIDE SCHOOL PROGRAMS THEREBY PROVIDING SUPPORT TO A LOCAL SCHOOLS THROUGH PROMOTING ACTIVITIES RAISING FUNDS AND HELPING TO SERVE LUNCHES ETC RWMC AS A HOSPITAL THAT PROVIDES SERVICE TO A MEDICALLY UNDERSERVED AREA IS ACTIVELY INVOLVED IN RECRUITING QUALITY PHYSICIANS AND MEDICAL SPECIALISTS TO THE AREA TO PROVIDE NEEDED MEDICAL SERVICES THIS ONGOING RECRUITMENT ACTIVITY IS ESSENTIAL TO THE COMMUNITY AND REGION IN ORDER TO ENSURE THAT RESIDENTS HAVE REGIONAL ACCESSIBILITY TO NEEDED MEDICAL SERVICES
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	THE PORTION OF THE NOTES TO THE FINANCIAL STATEMENTS OF THE AUDIT REPORT THAT ADDRESSES BAD DEBT IS UNDER THE PATIENT RECEIVABLES NET PARAGRAPH IN NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN THIS SECTION THE NOTES STATE ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT IT IS IMPORTANT TO NOTE THAT THE BAD DEBT EXPENSE ON THE FINANCIAL STATEMENTS IS STATED IN TERMS OF UNREALIZABLE REVENUE RATHER THAN AT THE ACTUAL COSTS ASSOCIATED WITH THE BAD DEBT RWMC HAS COST ACCOUNTING SOFTWARE FROM WHICH THE ACTUAL COSTS OF THE BAD DEBT AS REPORTED ABOVE WERE OBTAINED THE COST OF BAD DEBT EXPENSE USING THIS SOFTWARE IS CALCULATED BY ADDING THE DIRECT COSTS OF THE MEDICAL SERVICES PROVIDED ALONG WITH A COMBINATION OF AN ALLOCATION OF OVERHEAD BASED ON COST ACCOUNTING METHODOLGY AND COST TO RATIO CHARGES FOR NEW SERVICE CODES RWMC USES A METHOD SIMILAR TO THE METHOD OF CALCULATING CHARITY CARE COST TO CALCULATE BAD DEBT AT COST THE TOTAL COST OF THE BAD DEBT OBTAINED FROM THE COST ACCOUNTING SYSTEM IS REDUCED BY PAYMENTS THAT WERE MADE AND ANY RECOVERIES THAT WERE REALIZED ON THE ACCOUNTS AFTER ELIMINATING ANY CREDIT BALANCES THE REMAINING COST IS DETERMINED TO BE A REASONABLE ESTIMATE OF THE COST OF BAD DEBT AT THIS TIME THE COMMUNITY BENEFIT DOES NOT INCLUDE ANY BAD DEBT AMOUNTS
MEDICARE EXPLANATION	PART III LINE 8	APPROXIMATED 47 OF THE NET PATIENT SERVICES REVENUE IS FROM PATIENTS PARTICIPATING IN THE MEDICARE PROGRAM THUS PROVIDING SERVICES TO MEDICARE PATIENTS IS A PROMOTION OF HEALTHCARE SERVICES TO A SIGNIFICANT PORTION OF THE POPULATION OF THE COMMUNITY AND REGION THAT RWMC SERVES MEDICARE COST IS THE ALLOWABLE COSTS AS REPORTED ON THE REGIONAL WEST MEDICAL CENTER COST REPORT FOR 2011
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	THE COLLECTION POLICY OF RWMC AND THE RELATED CHARITY CARE POLICY STATES THAT SINCE A PATIENTS ABILITY TO PAY FOR HEALTHCARE SERVICES CAN CHANGE A CHARITY DETERMINATION CAN BE MADE PRIOR TO DURING OR FOLLOWING TREATMENT AT RWMC ONCE A PATIENT HAS DEMONSTRATED OR COMMUNICATED A NEED THROUGH NONPAYMENT OR THROUGH A COMPLETED FINANCIAL ASSISTANCE APPLICATION THE FINANCIAL ASSISTANCE TEAM OF RWMC WILL REVIEW THE ACCOUNT AND BASED ON FEDERAL POVERTY GUIDELINES WILL MAKE A DETERMINATION OF WHETHER THE ACCOUNT QUALIFIES FOR CHARITY CARE TREATMENT SOME ITEMS CONSIDERED IN THE DETERMINATION ACCORDING TO RWMC POLICY ARE ABILITY TO PAY EXHAUSTION OF MEDICARE OR MEDICAID BENEFITS COMBINED WITH INABILITY TO PAY DISCOUNTED CARE FOR THOSE UNABLE TO PAYALL OTHER POSSIBLE SOURCES OF COLLECTION USING SOUND BUSINESS PRACTICES HAVE BEEN MADE TO ENABLE THE PATIENT TO PAY CARE PROVIDED TO A DECEASED PATIENT WITH NO ESTATE OR CARE PROVIDED TO PATIENT AFTER WHICH A NEGOTIATED SETTLEMENT WAS MADE FOR THE PATIENTS ACCOUNT
NEEDS ASSESSMENT	PART VI	COMMUNITY NEEDS ARE ASSESSED BY USING UNRELATED DATA COLLECTION SOURCES AND THROUGH THE ACTIVE OBSERVATION AND INVOLVEMENT OF THE ENTITIES EMPLOYEES THROUGHOUT THE COMMUNITIES AND REGION SERVED ONE OF THE MAIN DATA COLLECTION SOURCES USED IS THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM BFRSS THIS ANNUAL SURVEY COLLECTS DATA ON THE PREVALENCE OF MAJOR HEALTH RISK FACTORS AMONG ADULTS RESIDING THE THE STATE THIS INFORMATION IS USED TO TARGET HEALTH EDUCATION AND RISK REDUCTION ACTIVITIES THROUGHOUT THE STATE AND GIVES RWMC A STARTING POINT FOR PROGRAM IDEAS RWMC IS ALSO INVOLVED WITH THE MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIPS MAPP PROCESS WITH PANHANDLE PUBLIC HEALTH DISTRICT THIS IS A COMMUNITY WIDE STRATEGIC PLANNING TOOL FOR IMPROVING COMMUNITY HEALTH WHICH IS FACILITATED BY PUBLIC HEALTH LEADERSHIP AND HELPS COMMUNITIES PRIORITIZE PUBLIC HEALTH ISSUES AND IDENTIFY RESOURCES FOR ADDRESSING THEM THE NEBRASKA STATE DEPARTMENT OF HEALTH IS A MAJOR RESOURCE FOR DATA USED IN NEEDS ASSESSMENT AN ASSESSMENT IS DONE OF THE GRANTS OFFERED BY THE STATE TO DETERMINE IF THE GRANT COULD BE USED TO ADDRESS A NEED IN THE COMMUNITIES SERVED AND IF THE PROGRAM WOULD BE SUSTAINABLE ONCE STARTED COMMUNICATION WITH OTHER GROUPS IN THE REGION IS ONGOING SO THAT SERVICES ARE NOT DUPLICATED THE STATE DEPARTMENT OF HEALTH PROVIDES RWMC WITH MONTHLY CALLS ON REPORTABLE DISEASE SURVEILLANCE WHICH HELPS RWMC DIRECT EDUCATION PROGRAMS AND RESOURCES TOWARDS AREAS OF CONCERN
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	PATIENTS ARE NOTIFIED AT ONE OR MORE TIMES THROUGHOUT THE PROCESS OF SCHEDULING INHOUSE THROUGH STATEMENTS LETTERSAT THE POINT OF DISCHARGE IN THE ADMISSIONS PACKET AND OCCASIONALLY BY THIER PHYSICIAN ABOUT THE FINANCIAL ASSISTANCE AND THE PAYMENT POLICIES OF RWMC RWMC HAS A TIME OF SERVICE TOSCLECTION POLICY THAT IS COMMUNICATED TO THE PATIENT OR THE PATIENTS FAMILY PRIOR TO OR FOLLOWING TREATMENT AT THE FACILITY DURING THIS CONFERENCE THE PATIENT IS ALSO GIVEN MATERIALS EXPLAINING THE FINANCIAL ASSISTANCE AVAILABLE THE VERBAL COMMUNICATION OF THIS POLICY PROVIDES RWMC AN OPPORTUNITY TO ASSESS IF PATIENTS HAVE A FINANCIAL NEED SO THAT THE FINANCIAL LIASIONS OF RWMC WILL BE ABLE TO PROACTIVELY WORK WITH THE PATIENTS TO DETERMINE IF THEY QUALIFY FOR FINANCIAL ASSISTANCE AT THIS TIME PAYMENT OPTIONS ARE COMMUNICATED AND DISCUSSED WITH THE PATIENTPATIENTS FAMILY A FINANCIAL ASSISTANCE APPLICATION IF APPLICABLE IS PROVIDED FOR THE PATIENT TO FILL OUT THAT IS THEN EVALUATED TO DETERMINE THE PATIENTS ABILITY OR INABILITY TO PAY USING A MEASUREMENT OF INCOME BASED ON THE MOST RECENTLY PUBLISHED POVERTY GUIDELINES FROM THE FEDERAL REGISTER DECISIONS REGARDING FINANCIAL ASSISTANCE ARE THEN COMMUNICATED TO THE PATIENT IN A LETTER
COMMUNITY INFORMATION	PART VI	RWMC SERVES THE REGIONAL AREA INCLUDING THE PANHANDLE OF NEBRASKA EASTERN WYOMING SOUTHWESTERN SOUTH DAKOTA AND NORTHERN COLORADO THIS AREA IS MAINLY RURAL WITH AGRICULTURE BEING THE BIGGEST INDUSTRY THE AVERAGE ANNUAL INCOME FOR THE IMMEDIATE SCOTTS BLUFF COUNTY AREA IS APPROXIMATELY 50295 FOR A FAMILY OF 3 THE 2010 CENSUS PROJECTED THE POPULATION OF THE AREA TO BE 37000 IN 2011 OF THIS POPUATION 30 IS ESTIMATED TO BE OVER THE AGE OF 65 IN THE REGION THERE ARE 5 OTHER SMALLER HOSPITALS BUT RWMC IS THE ONLY HOSPITAL IN THE PANHANDLE OF NEBRASKA TO BE DESIGNATED A TRAUMA CENTER AND AS THE LARGEST FACILITY PROVIDES SUPPORT SERVICES TO THE SMALLER HOSPITALS IN THE REGION RWMC ESTIMATES THAT 47 OF ITS REVENUE IS DERIVED FROM MEDICAL TREATMENT OF PATIENTS COVERED BY MEDICARE 13 OF REVENUE IS DERIVED FROM PATIENTS COVERED BY MEDICAID
REGIONAL WEST MEDICAL CENTER LINE NUMBER 1 PART V LINE 20D	PART V LINE 20D	UNINSURED DISCOUNT POLICY THIS POLICY APPLIES TO ANY PATIENT WHO DOES NOT HAVE HEALTH INSURANCE OR THIRD PARTY PAYER COVERAGE TO ASSIST IN THE PAYMENT FOR HEALTHCARE SERVICES THE UNINSURED DISCOUNT APPLIES ONLY TO MEDICALLY NECESSARY SERVICES IT IS NOT AVAILABLE FOR COSMETIC SERVICES SERVICES DEEMED NOT MEDICALLY NECESSARY OR FOR PATIENT RESPONSIBILITY THAT REMAINS AFTER INSURANCE PROCESSING IF IT IS DETERMINED THAT A PATIENT HAS INSURANCE COVERAGE AFTER THE UNINSURED DISCOUNT HAS BEEN PROVIDED THE DISCOUNT WILL BE REVERSED AND INSURANCE WILL BE BILLED AT FULL CHARGE THE UNINSURED DISCOUNT RATE APPLIED TO ALL ACCOUNTS UPON TIME OF FINAL BILL IS 45 PATIENTS MAY QUALIFY FOR AN ADDITIONAL 5 REDUCTION IF THE ACCOUNT IS PAID IN FULL WITHIN 30 DAYS PATIENTS WHO QUALIFY FOR THE UNINSURED DISCOUNT AND ARE ALSO ELIGIBLE FOR ADDITIONAL FINANCIAL ASSISTANCE DISCOUNTS WILL RECEIVE THE HIGHEST DISCOUNT FOR WHICH THEY ARE QUALIFIED BUT NOT BOTH

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

Open to Public Inspection

Employer identification number

47-0385129

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
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16.199.994

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 J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use		
	<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence		
	<input type="checkbox"/> Tax idemnification and gross-up payments	<input checked="" 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	1b	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
3	Indicate which, if any, of the following the 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 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?	4a	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		No
b	Any related organization?	6b		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		No
8	Were any amounts reported in Form 990, Part VII, paid or 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	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use 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
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	TODD S SORENSEN 0 159,162 0 DAVID GRIFFITHS 0 25,367 0 MANUEL COLON 0 15,897 0 SHIRLEY KNODEL 0 23,381 0 JAN TAYLOR 0 23,194 0 STUART FULKS 8,892 16,218 0 LISA BEWLEY 0 19,483 0 STEVE HODGES 0 20,017 0

Software ID:
Software Version:
EIN: 47-0385129
Name: REGIONAL WEST MEDICAL CNTR

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				
TODD S SORENSEN	(i) (ii)	462,110		1,422 73,179	85,702	883	1,422 621,874	59,250
DAVID GRIFFITHS	(i) (ii)	249,059		10,281	43,248	833	303,421	
MANUEL COLON	(i) (ii)	239,862		9,044	36,382	671	285,959	
SHIRLEY KNODEL	(i) (ii)	177,966		10,745	35,425	773	224,909	
JAN TAYLOR	(i) (ii)	169,184		12,797	31,261	767	214,009	
THOMAS DREDLA IV	(i) (ii)	213,023		1,150	27,985	780	242,938	
CINDY BRAMAN	(i) (ii)	199,546		154	29,019	770	229,489	
JANET HANSON	(i) (ii)	197,911		662	27,051	770	226,394	
RALPH PHELPS	(i) (ii)	192,016		1,004	28,840	706	222,566	
THOMAS DREDLA III	(i) (ii)	191,924		1,006	26,355	769	220,054	
STUART FULKS	(i) (ii)	137,086		114,748	27,731	696	280,261	102,489
LISA BEWLEY	(i) (ii)	177,056		9,848	32,698	767	220,369	
STEVE HODGES	(i) (ii)	168,666		10,037	40,767	751	220,221	

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
REGIONAL WEST MEDICAL CNTR

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Employer identification number
47-0385129

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A HOSPITAL AUTHORITY NO 1 OF SB CO NE SERIES 2012 A REVENUE BONDS			02-23-2012	23,161,032			X		X		X
B HOSPITAL AUTHORITY NO 1 SB CO NE SERIES 2012B REVENUE BOND			04-25-2012	32,544,735			X		X		X

Part II Proceeds

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

Part III Private Business Use

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X				
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X				

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?		X		X				
c	No rebate due?		X		X				
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X	X					
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X				

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X						

Part VI

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

Identifier	Return Reference	Explanation
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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number

47-0385129

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

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

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CHALOUPKA HOLYOKE HOFMEISTER	DIRECTOR	35,954	LEGAL SERVICES		No
(2) REGIONAL RADIATION ONCOLOGY CARE	DIRECTOR	30,000	MEDICAL DIRECTOR		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization REGIONAL WEST MEDICAL CNTR	Employer identification number 47-0385129
--	--

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	FORM IS PRESENTED TO AND REVIEWED BY THE BOARD IN THE MONTH PRIOR TO THE FILING DEADLINE
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ANNUAL DISCLOSURE BY BOARD MEMBERS OF ANY CONFLICT OF INTEREST, AS SET FORTH IN THE POLICIES, IS REQUIRED FOR ANY POSSIBLE CONFLICT OF INTEREST IDENTIFIED, THE REMAINING BOARD DETERMINES IF IT ACTUALLY CONSTITUTES A CONFLICT OF INTEREST WITHOUT THE CONFLICTED BOARD MEMBER PRESENT IF A CONFLICT OF INTEREST IS DETERMINED TO EXIST, THE BOARD, LESS THE CONFLICTED MEMBER, WILL THEN DECIDE THE LEVEL OF INVOLVEMENT OF THE MEMBER IN DECISION MAKING FOR THE ENTITY, IF THERE IS AN ALTERNATIVE ARRANGEMENT THAT WILL ELIMINATE THE CONFLICT OF INTEREST, AND THE APPROPRIATENESS OF THE CONFLICTED MEMBER CONTINUING AS A BOARD MEMBER FAILURE TO DISCLOSE A CONFLICT OF INTEREST CAN RESULT IN DISCIPLINARY AND CORRECTIVE ACTION FOR THE CONFLICTED MEMBER
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	COMPENSATION IS DETERMINED BY THE COMPENSATION COMMITTEE OF THE RWHS BOARD FOR THE CEO AND EXECUTIVE TEAM BASED ON MARKET DATA AND RECOMMENDATIONS FROM AN INDEPENDENT CONSULTING FIRM WHO COLLECTS THAT DATA FOR COMPARISON PURPOSES MINUTES ARE KEPT OF THESE MEETINGS
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SEE COMPENSATION PROCESS FOR CEO
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	GOVERNING DOCUMENTS AND POLICIES ARE MADE AVAILABLE TO THE PUBLIC THROUGH POSTING ON THE ORGANIZATION'S WEBSITE
RECONCILIATION OF CHANGES - OTHER	FORM 990, PART XI, LINE 9	CHANGE IN FMV OF INT RATE SWAP 116,402 CHANGE IN NET PERIODIC PENSION COST 1,277,554 BANK CHARGES RECLASSIFIED ON RETURN -64,971 FRIENDS OF REGIONAL WEST -14,762 BANK CHARGES RECLASSIFIED ON RETURN 64,971
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 9	TRANSFER FROM AFFILIATES 500,000 TRANSFER TO AFFILIATES 775,000

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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
(1) REGIONAL WEST HEALTH SERVICES 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314157	HEALTH SVC	NE	501C3	11A	N/A		No
(2) REGIONAL WEST FOUNDATIONS 4021 AVENUE B SCOTTSBLUFF, NE 69361 23-7171022	SUPPORT	NE	501C3	11A	N/A		No
(3) REGIONAL WEST VILLAGE 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314162	ASSIS LIV	NE	501C3	9	N/A		No
(4) PANHANDLE HEALTH PROPERTIES 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314161	MED RENTAL	NE	501C2		N/A		No
(5) REGIONAL WEST HEALTH SERVICES EMPLO 4021 AVENUE B SCOTTSBLUFF, NE 69361 47-0658690	HEALTH PLA	NE	501C9		N/A		No

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

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?

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

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

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 47-0385129
Name: REGIONAL WEST MEDICAL CNTR

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Regional West Medical Center
Scottsbluff, Nebraska

Financial Statements
December 31, 2012 and 2011

Together with Independent Auditor's Report

Regional West Medical Center

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SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors of
Regional West Medical Center
Scottsbluff, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of Regional West Medical Center which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations and changes in net assets and cash flows for the years then ended and related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of Regional West Medical Center as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

SEIM JOHNSON, LLP.

Omaha, Nebraska,
April 24, 2013

Regional West Medical Center

Balance Sheets

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,099,501	5,443,038
Assets limited as to use - current	--	39,764
Patient accounts receivable, net of allowance of \$14,451,266 in 2012 and \$12,650,466 in 2011	30,022,812	31,190,142
Inventory	4,857,035	4,730,958
Prepaid expenses and other	5,158,035	3,799,070
Estimated amounts due from Medicare and Medicaid	20,460	--
Total current assets	<u>44,157,843</u>	<u>45,202,972</u>
Assets limited as to use, net of current portion	<u>48,482,389</u>	<u>50,250,359</u>
Notes and contributions receivable, affiliates	<u>279,742</u>	<u>124,874</u>
Property and equipment, net	<u>57,848,883</u>	<u>62,756,104</u>
Other assets		
Deferred financing costs, net	413,367	287,201
Notes receivable, net	334,850	249,155
Other	1,150,069	915,801
Total other assets	<u>1,898,286</u>	<u>1,452,157</u>
Total assets	<u>\$ 152,667,143</u>	<u>159,786,466</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 2,851,942	4,604,496
Accounts payable and other current liabilities	6,999,100	6,328,759
Accrued salaries, wages, and benefits	7,463,011	6,837,502
Accrued interest payable	217,421	205,304
Estimated amounts due to Medicare and Medicaid	--	2,547,379
Total current liabilities	17,531,474	20,523,440
Liability for pension benefits	1,688,837	4,589,338
Long-term debt, net of current portion	53,316,301	54,353,523
Interest rate swap agreement	6,541,311	6,657,713
Other	1,900,000	1,095,000
Total liabilities	80,977,923	87,219,014
Unrestricted net assets	<u>71,689,220</u>	<u>72,567,452</u>
Total liabilities and net assets	<u>\$ 152,667,143</u>	<u>159,786,466</u>

See notes to financial statements

Regional West Medical Center

Statements of Operations and Changes in Net Assets For the Years Ended December 31, 2012 and 2011

	2012	2011
UNRESTRICTED REVENUE		
Net patient service revenue	\$ 182,566,537	184,618,873
Provision for bad debts	(11,432,419)	(11,975,331)
Net patient service revenue less provision for bad debts	171,134,118	172,643,542
Other revenue	16,983,045	15,813,604
Total unrestricted revenue	188,117,163	188,457,146
EXPENSES		
Salaries and wages	63,090,759	60,519,134
Employee benefits	22,243,805	19,957,678
Supplies and other	49,410,010	48,553,518
Purchased services	22,351,747	21,924,908
Professional fees	6,817,036	5,487,766
Depreciation and amortization	11,484,106	10,609,754
Interest and other financing costs	2,792,194	2,925,698
Total expenses	178,189,657	169,978,456
OPERATING INCOME	9,927,506	18,478,690
NONOPERATING GAINS (LOSSES)		
Investment income, net	4,819,501	1,375,151
Change in fair value of interest rate swap agreement	116,402	(2,790,378)
Loss on advance refunding	(1,155,110)	—
Other, net	465,736	305,391
Nonoperating gains (losses), net	4,246,529	(1,109,836)
EXCESS OF REVENUE OVER EXPENSES	14,174,035	17,368,854
EXTRAORDINARY LOSS (NOTE 16)	—	(2,712,450)
CHANGE IN UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	145,175	76,898
TRANSFERS TO AFFILIATES, NET	(16,474,996)	(14,486,544)
PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	1,277,554	(3,072,701)
DECREASE IN UNRESTRICTED NET ASSETS	(878,232)	(2,825,943)
NET ASSETS, beginning of year	72,567,452	75,393,395
NET ASSETS, end of year	\$ 71,689,220	72,567,452

See notes to financial statements

Regional West Medical Center

Statements of Cash Flows

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (878,232)	(2,825,943)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	11,484,106	10,609,754
Loss on advance refunding	1,155,110	--
Extraordinary loss	--	2,712,450
Change in net unrealized gains and losses on other than trading securities	(145,175)	(76,898)
Transfers to affiliates, net	16,474,996	14,486,544
Loss on sale of property and equipment	38,581	26,616
Change in fair value of interest rate swap agreement	(116,402)	2,790,378
Change in liability for pension benefits	(2,900,501)	1,549,755
Increase in other assets	(234,268)	(237,186)
(Increase) decrease in current assets -		
Patient accounts receivable	1,167,330	(609,785)
Inventory	(126,077)	(28,112)
Prepaid expenses and other	(553,965)	(638,734)
Estimated amounts due from Medicare and Medicaid	(20,460)	--
Increase (decrease) in current liabilities -		
Accounts payable and other current liabilities	1,134,562	302,562
Accrued salaries, wages, and benefits	625,509	229,836
Accrued interest payable	12,117	(388)
Estimated amounts due to Medicare and Medicaid	(2,547,379)	1,411,063
Net cash provided by operating activities	<u>24,569,852</u>	<u>29,701,912</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment, net	(7,008,140)	(18,153,395)
Withdrawals from (deposits to) assets limited as to use, net	1,952,909	(3,242,605)
Increase in notes receivable, net	<u>(85,695)</u>	<u>(80,630)</u>
Net cash used in investing activities	<u>(5,140,926)</u>	<u>(21,476,630)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfers to affiliates, net	(16,474,996)	(14,486,544)
Proceeds from issuance of long-term debt	55,705,766	2,126,940
Principal payments on long-term debt	(58,495,542)	(4,040,812)
Change in notes receivable, affiliates	(154,868)	1,405,079
Payment of deferred and other financing costs	<u>(1,352,823)</u>	<u>(12,500)</u>
Net cash used in financing activities	<u>(20,772,463)</u>	<u>(15,007,837)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,343,537)	(6,782,555)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>5,443,038</u>	<u>12,225,593</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 4,099,501</u>	<u>5,443,038</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOWS INFORMATION		
Cash paid during the year for interest	\$ 1,610,478	1,703,092
Equipment acquired under capital lease obligation	\$ --	1,568,280

See notes to financial statements

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

(1) Description of Organization and Summary of Significant Accounting Policies

The following is a description of the organization and significant accounting policies of Regional West Medical Center. These policies are in accordance with accounting principles generally accepted in the United States of America.

A Organization

Regional West Medical Center (Medical Center) primarily earns revenue by providing a wide range of general and specialized healthcare services, including inpatient, outpatient and emergency care services, to patients in Scottsbluff, Nebraska. The Medical Center is an affiliate of Regional West Health Services (RWHS), a not-for-profit corporation, which was formed as the parent company for the Medical Center and other related entities.

B Industry Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Medical Center is in compliance with government laws and regulations as they apply to areas of fraud and abuse. While no regulatory inquiries have been made which are expected to have a material effect on the Medical Center's financial statements, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States 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 obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over approximately the next decade.

C Use of Estimates

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

D Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or other arrangements under indenture agreements.

E Patient Receivables, Net

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. Accounts receivable are reduced by an allowance for doubtful accounts. The Medical Center records a monthly provision for bad debts based on a percentage of charges from certain major payers. The resulting allowance for doubtful accounts is then evaluated. In evaluating the collectibility of accounts receivable, the Medical

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and considers an allowance for doubtful accounts and a provision for bad debts based on a percentage of historical write offs and for those accounts over a certain age based on discharge that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Patient receivables are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

F Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method.

G Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Changes in unrealized gains and losses on investments are excluded from excess of revenue over expenses unless the investments are trading securities. During 2012 and 2011 there was \$14,664 and \$-0-, respectively, in unrealized losses that were deemed to be other than temporary and is included in investment income, net in the statements of operations and changes in net assets.

H Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture and designated assets set aside by the Board of Directors for future capital improvements, over which the board retains control and may at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Medical Center have been reclassified in the balance sheets at December 31, 2012 and 2011.

I Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets. Equipment under capital lease obligations is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. The Medical Center maintains a capitalization policy of \$2,500.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

J Deferred Financing Costs, Net

Deferred financing costs are amortized over the term of the related indebtedness using the interest method. Amortization expense of \$71,547 in 2012 and \$172,799 in 2011 is included in the accompanying statements of operations and changes in net assets.

K Notes Receivable

The Medical Center has entered into several agreements to recruit and relocate employees to the community of Scottsbluff, Nebraska. Notes receivable represents amounts advanced to employees net of an allowance for uncollectible accounts. All monies advanced under these agreements will be forgiven over a one to three year period. Advances must be repaid with interest if employees fail to fulfill their contract responsibilities.

L Excess of Revenue Over Expenses

The statements of operations and changes in net assets include excess of revenue over expenses as a performance indicator. Changes in unrestricted net assets that are excluded from excess of revenue over expenses, consistent with industry practice, include extraordinary items, change in unrealized gains and losses on investments other than trading securities, permanent transfers to and from affiliates for other than goods and services, pension related changes other than net periodic pension cost, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

M Net Patient Service Revenue

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

N Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the statements of operations and changes in net assets. Management's disclosure of charity care costs is described in Note 3.

O Group Health Insurance Costs

The Medical Center is partially self-insured under its employee group health program, up to certain limits. Included in the accompanying statements of operations and changes in net assets is a provision for premiums for excess coverage insurance and payments for claims, including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

P Income Taxes

The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Internal Revenue Service has established standards to be met to maintain tax exempt status. The Medical Center is no longer subject to income tax examinations for the years ended prior to December 31, 2009.

Q Conditional Asset Retirement Obligations

FASB ASC 410, *Asset Retirement and Environmental Obligations*, clarifies that the term condition, as used in the guidance governing the accounting for asset retirement obligations, refers to a legal obligation to perform an asset retirement activity in which the timing or method of settlement, or both, are conditional on a future event that may or may not be within the control of the entity. An entity must recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The Medical Center assessed the impact of the interpretation and determined that it did not have an obligation that required recognition at December 31, 2012.

R Fair Value of Financial Statements

The carrying amounts of all financial instruments approximate estimated fair value. Cash and cash equivalents, receivables and current liabilities are reasonable estimates of their fair values due to their short term nature. Assets limited as to use and interest rate swap agreement are stated at fair value as discussed in Note 4. The carrying value of long-term debt approximates fair value since the rates closely reflect current market rates.

S Recent Accounting Guidance

In July 2011, the FASB issued ASU No. 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (a consensus of the FASB Emerging Issues Task Force)*. The amendments in this update require certain healthcare entities to change the presentation to 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 disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts), as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The amendments in this ASU are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The Medical Center has implemented this ASU and is reflected in the statements of operations and changes in net assets and Notes 1 and 2. The adoption of ASU 2011-07 had no impact on the Medical Center's financial position or results of operations or cash flows.

T Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 reporting format.

U Subsequent Events

The Medical Center considered events occurring through April 24, 2013 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

(2) Net Patient Service Revenue

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. See summary of payment arrangements below. For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the year from these major payer sources, is as follows:

December 31, 2012					
	Medicare (including managed care)	Medicaid	Commercial	Self Pay	Total
Gross patient charges	\$ 186,739,448	46,839,251	148,467,225	38,856,424	420,902,348
Less contractual allowances and discounts	137,043,613	41,592,407	45,467,052	14,232,739	238,335,811
Net patient service revenue	\$ 49,695,835	5,246,844	103,000,173	24,623,685	182,566,537

December 31, 2011					
	Medicare (including managed care)	Medicaid	Commercial	Self Pay	Total
Gross patient charges	\$ 180,387,358	45,274,362	137,230,533	34,561,879	397,454,132
Less contractual allowances and discounts	132,533,449	38,803,077	29,837,710	11,661,023	212,835,259
Net patient service revenue	\$ 47,853,909	6,471,285	107,392,823	22,900,856	184,618,873

The Medical Center has agreements with third-party payers for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient skilled nursing services are reimbursed at prospectively determined rates per day of care. Inpatient non-acute services are paid at prospectively determined rates per day. Outpatient services related to Medicare beneficiaries are paid at prospectively determined rates based on ambulatory payment classifications or fee schedule amounts. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Administrative Contractor. The Medical Center's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2009.

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a percentage rate representing a reduced average ratio of cost to charges. Outpatient lab services related to Medicaid beneficiaries are paid based on fee schedule amounts.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for reimbursement under these agreements primarily includes discounts from established charges.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

Net patient service revenue (before the provision of bad debts), as reflected in the accompanying statements of operations and changes in net assets, consists of the following as of December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Gross patient charges		
Inpatient charges	\$ 222,066,327	210,120,739
Outpatient charges	<u>198,836,021</u>	<u>187,333,393</u>
Total gross patient charges	420,902,348	397,454,132
Less deductions from gross patient charges		
Contractual adjustments and charity care - Medicare, Medicaid and other	<u>238,335,811</u>	<u>212,835,259</u>
Net patient service revenue	<u>\$ 182,566,537</u>	<u>184,618,873</u>

Revenue from the Medicare and Medicaid programs accounted for approximately 27% and 3%, respectively, of the Medical Center's net patient revenue for the year ended December 31, 2012 and approximately 26% and 4%, respectively, of the Medical Center's net patient revenue for the year ended December 31, 2011. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

(3) Charity Care

The Medical Center provides charity care to patients with limited to no ability to pay for the health care services they receive. Patients who qualify for charity care are given a discount from established charges through the completion of the application for financial assistance based on the most recent published poverty guidelines or through a predictive charity scoring model. The Medical Center determines the costs associated with providing charity care by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on the overall cost-to-charge ratio as reported in the internal cost accounting system. The costs of caring for charity care patients for the years ended December 31, 2012 and 2011 were approximately \$5,600,000 and \$4,200,000, respectively.

(4) Fair Value

Fair Value Hierarchy

The Medical Center has adopted ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data.

Level 3 inputs are unobservable for the asset or liability. Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

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Notes to Financial Statements December 31, 2012 and 2011

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value

Cash and cash equivalents and accrued interest – The fair value of cash and cash equivalents, consisting primarily of deposit accounts, money market funds and accrued interest is classified as Level 1 as these funds are valued using quoted market prices

Certificates of deposit – Investments in certificates of deposit are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of U S Treasury bonds and notes, government sponsored debt securities, corporate bonds and notes, and commercial paper U S Treasury bonds and notes are classified as Level 1 if they trade with sufficient frequency and volume to enable the Medical Center to obtain pricing information on an ongoing basis The remaining fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – Mutual funds are classified as Level 1 as the fair value is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers

Interest rate swap – Interest rate swap is classified as Level 2 as the fair value is based on the spread between the exchanged interest rate payments The rate used in determining the interest payment is based on either market data from markets that are not active or from markets that are for the same or similar types of rates

For the fiscal years ended December 31, 2012 and 2011, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following table presents the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2012 and 2011

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Notes to Financial Statements December 31, 2012 and 2011

Fair Value Measurements at December 31, 2012				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,591,281	--	--	1,591,281
Certificates of deposit	--	1,340,055	--	1,340,055
Fixed income securities -				
Government sponsored debt securities	--	256,020	--	256,020
Corporate bonds and notes	--	352,847	--	352,847
U S Treasury bonds and notes	530,127	--	--	530,127
Mutual funds -				
U S stock index	20,910,943	--	--	20,910,943
International stock index	5,046,807	--	--	5,046,807
Bond index	7,492,764	--	--	7,492,764
Inter-term U S Treasury index	4,115,887	--	--	4,115,887
Inflation-protected	2,270,499	--	--	2,270,499
Real estate investment trust index	4,574,602	--	--	4,574,602
Money market	557	--	--	557
	<u>\$ 46,533,467</u>	<u>1,948,922</u>	<u>--</u>	<u>48,482,389</u>
Interest rate swap	\$ --	6,541,311	--	6,541,311

Fair Value Measurements at December 31, 2011				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 135,598	--	--	135,598
Certificates of deposit	--	1,330,051	--	1,330,051
Fixed income securities -				
Government sponsored debt securities	--	270,070	--	270,070
Corporate bonds and notes	--	367,007	--	367,007
Commercial paper	--	196,410	--	196,410
U S Treasury bonds and notes	545,174	--	--	545,174
Mutual funds -				
U S stock index	26,483,652	--	--	26,483,652
International stock index	1,251,913	--	--	1,251,913
Bond index	13,201,712	--	--	13,201,712
Inter-term U S Treasury index	5,812,209	--	--	5,812,209
Money market	696,327	--	--	696,327
	<u>\$ 48,126,585</u>	<u>2,163,538</u>	<u>--</u>	<u>50,290,123</u>
Interest rate swap	\$ --	6,657,713	--	6,657,713

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Notes to Financial Statements December 31, 2012 and 2011

The Medical Center's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 or Level 2 for the years ended December 31, 2012 and 2011.

(5) Assets Limited as to Use

In connection with the issuance of the Series 2010B, 2009A, 2009, and 1998 Bonds and related trust indenture agreements, prior to being refunded through the issuance of new debt as described in Note 7, the Medical Center is required to maintain the following:

Bond Fund – Established for the monthly deposit by the Medical Center of 1/12 of the next annual principal payment and 1/6 of the next semiannual interest payment for Series 1998 Bonds. The bond fund for the Series 2009A and 2010B Bonds was established for the deposit of proceeds from the sale of the bonds to be used for payment of bond service charges as they fell due. Assets held in the bond fund were released in 2012 due to refunding the debt that required the bond fund.

Debt Service Reserve Fund – Established to reserve funds equal to the maximum annual principal and interest requirements on the Series 1998 Bonds. If the amount in the fund exceeds the maximum annual debt service requirement, the excess was to be transferred to the bond fund and credited against the next principal payment due. Assets held in the debt service reserve fund were released in 2012 due to refunding the debt that required the debt service revenue fund.

Project Fund – Established for the deposit of the proceeds from the sale of the Series 2009 Bonds to be used for payment of the cost of the Series 2009 project and related issuance costs. Any amounts remaining on the completion date or a date three years after issuance were to be used to prepay the bonds. Assets held in the project fund were utilized in 2012 as part of refunding the Series 2009 Bonds.

In addition, the Medical Center's Board of Directors has set aside assets for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

Assets limited as to use are recorded at fair value and the amounts as of December 31, 2012 and 2011 are as follows:

	2012	2011
By Board for future capital improvements	\$ 48,482,389	49,428,407
By Trustee under indenture agreements		
Bond fund	--	39,764
Debt service reserve fund	--	625,542
Project fund	--	196,410
Total at fair value	48,482,389	50,290,123
Less current portion	--	39,764
	<u>\$ 48,482,389</u>	<u>50,250,359</u>

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

Investment return for the years ended December 31, 2012 and 2011 is summarized as follows

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 1,209,995	1,375,151
Realized gains, net	3,609,506	--
Change in unrealized gains	<u>145,175</u>	<u>76,898</u>
Total investment return	<u>\$ 4,964,676</u>	<u>1,452,049</u>
Included in nonoperating gains, net	\$ 4,819,501	1,375,151
Reported separately as a change in unrestricted net assets	<u>145,175</u>	<u>76,898</u>
Total investment return	<u>\$ 4,964,676</u>	<u>1,452,049</u>

(6) Property and Equipment

Property and equipment as of December 31, 2012 and 2011 is summarized as follows

	<u>2012</u>	<u>2011</u>
Land and land improvements	\$ 3,476,200	3,209,597
Buildings and building service equipment	102,472,118	91,404,693
Equipment and furnishings	81,916,351	78,011,971
Construction in process	<u>1,544,106</u>	<u>11,712,208</u>
	189,408,775	184,338,469
Less accumulated depreciation	<u>131,559,892</u>	<u>121,582,365</u>
	<u>\$ 57,848,883</u>	<u>62,756,104</u>

Depreciation expense of \$11,412,559 and \$10,436,955 as of December 31, 2012 and 2011, respectively, is included in the accompanying statements of operations and changes in net assets

Construction in progress primarily consists of multiple building addition and renovation projects and related equipment purchases with an estimated completion through various dates in 2013. These projects are being funded through existing funded depreciation reserves.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

(7) Long-Term Debt

A summary of long-term debt and capital lease obligations at December 31, 2012 and 2011 follows

	<u>2012</u>	<u>2011</u>
Hospital Authority No 1, of Scotts Bluff County, Nebraska, Revenue Bond, Series 2012A, maturing February 1, 2027, subject to monthly principal and interest payments of \$170,558 at a fixed rate of 3.97%, collateralized by a security interest in accounts receivable	\$ 22,149,701	--
Hospital Authority No 1, of Scotts Bluff County, Nebraska, Revenue Bond, Series 2012B, maturing December 1, 2028 (subject to bondholder tender rights on April 1, 2019), subject to annual principal payments of varying installments, monthly interest payments at variable rates of one-month LIBOR plus a LIBOR margin rate of 1.75% less a tax-exempt factor of 73.53% as determined monthly (1.47% on December 31, 2012), collateralized by a security interest in accounts receivable	32,297,351	--
Note payable, monthly payments of \$61,312 through August 31, 2014, including interest, at a fixed rate of 2.42%, collateralized by equipment	1,200,458	1,897,968
Capital lease obligation for IT equipment, principal and interest payments due in three installments of \$533,333 at 2.20% through February 2013, collateralized by equipment and software	520,733	1,041,497
Hospital Authority No 1, of Scotts Bluff County, Nebraska, Variable Rate Revenue Bonds, Series 2010B, maturing December 1, 2028, subject to mandatory redemption of varying annual installments, monthly interest payments at variable rates of one-month LIBOR plus a LIBOR margin rate of 2.50% less a tax-exempt factor of 67.02% as determined monthly, collateralized by a security interest in accounts receivable. These bonds were refunded through the issuance of the Series 2012A Bond	--	4,500,000
Hospital Authority No 1 of Scotts Bluff County, Nebraska, Healthcare Revenue Bonds, Series 2010, maturing annually at varying annual amounts through March 1, 2016 with a final payment of \$4,430,000 due March 1, 2017, quarterly interest payments at the prime rate less a tax-exempt factor of 69.00% adjusted annually, collateralized by a security interest in accounts receivable. These bonds were refunded through the issuance of the Series 2012B Bond	--	9,520,000
Balance forward	56,168,243	16,959,465

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Balance carryforward	56,168,243	16,959,465
Hospital Authority No 1 of Scotts Bluff County, Nebraska, Variable Rate Revenue Bonds, Series 2009A, maturing December 1, 2028, subject to mandatory redemption of varying annual amounts, monthly interest payments at variable rates of one-month LIBOR plus a LIBOR margin rate of 2 50% less a tax-exempt factor of 67 33% as determined monthly, collateralized by a security interest in accounts receivable These bonds were refunded through the issuance of the Series 2012A Bond	--	18,475,000
Hospital Authority No 1 of Scotts Bluff County, Nebraska, Hospital Revenue Bonds, Series 2009, monthly payments of \$72,512 through December 25, 2013 with a final payment of \$7,335,893 on January 25, 2014, including interest, at a fixed rate of 3 65%, collateralized by a security interest in accounts receivable These bonds were refunded through the issuance of the Series 2012B Bond	--	8,466,116
Hospital Authority No 1 of Scotts Bluff County, Nebraska, Hospital Revenue Bonds, Series 2008, monthly payments of \$72,990 through November 23, 2013 with a final payment of \$7,348,961 on December 23, 2013, including interest, at a fixed rate of 3 75%, collateralized by a security interest in accounts receivable These bonds were refunded through the issuance of the Series 2012B Bond	--	8,427,438
Hospital Authority No 1 of Scotts Bluff County, Nebraska, Hospital Revenue Bonds, Series 1998, maturing annually at varying amounts through November 15, 2028, semi annual interest payments at rates varying from 5 13% to 5 25%, collateralized by a security interest in accounts receivable These bonds were refunded through the issuance of the Series 2012B Bond	--	6,630,000
	56,168,243	58,958,019
Less current maturities	<u>2,851,942</u>	<u>4,604,496</u>
	<u>\$ 53,316,301</u>	<u>54,353,523</u>

Pursuant to a Master Trust Indenture, as amended and supplemented (the Master Trust), the Medical Center (the Obligated Group) is obligated to pay debt service on the Series 2012A and 2012B Bonds

The Master Trust for the Series 2012A and 2012B Bonds requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a long-term debt service coverage ratio of at least 1 20, liquidity and leverage covenants, and restrictions on incurrence of additional debt

The aggregate annual maturities of long-term debt and capital lease obligations at December 31, 2012 are

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

<u>Years Ending December 31:</u>	<u>Long-Term Debt</u>	<u>Capital Lease Obligations</u>
2013	\$ 2,331,209	533,333
2014	2,167,323	--
2015	3,041,902	--
2016	3,158,932	--
2017	3,278,066	--
Thereafter	41,670,078	--
	<u>\$ 55,647,510</u>	<u>533,333</u>
Less amount representing interest		<u>(12,600)</u>
		<u>\$ 520,733</u>

Interest expense of \$1,622,595 and \$1,702,704 as of December 31, 2012 and 2011, respectively, is included with interest and other financing costs in the accompanying statements of operations and changes in net assets

(8) Derivative Financial Instrument

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the Medical Center entered into an interest rate swap agreement to effectively convert the variable rate Series 2005 Bonds to bear interest at a fixed rate. Proceeds from subsequent bond issuances were utilized to refund the Series 2005 Bonds, however, the swap agreement remains in place, utilizing the original amortization schedule of the Series 2005 Bonds to calculate the associated interest rate payment. The swap agreement provides for the Medical Center to receive interest from the counterparty at 67% of LIBOR and to pay interest to the counterparty at a fixed rate of 3.398%. The notional amount of the swap agreement is intended to equal the original outstanding principal amount of the Series 2005 Bonds during the term of the swap agreement - \$34,760,000 and \$36,335,000 at December 31, 2012 and 2011, respectively. The fair value of the swap agreement fluctuates based on the spread between the exchanged interest rate payments. Under the swap agreement, the Medical Center pays or receives the net interest amount monthly. Total amounts paid under the swap agreement for the years ended December 31, 2012 and 2011 were \$1,169,599 and \$1,222,994, respectively, and are included with interest and other financing costs in the accompanying statements of operations and changes in net assets.

The Medical Center recognizes all derivative instruments as either assets or liabilities in the balance sheets at fair value. Management has designated their interest rate swap as a cash flow hedging instrument but did not evaluate the hedge effectiveness for the years ending December 31, 2012 and 2011, therefore, the derivative instrument's change in fair value of \$116,402 and (\$2,790,378), respectively, is reported as a component of excess revenue over expenses within nonoperating gains, net, in the statements of operations and changes in net assets.

(9) Retirement Plans

Defined Contribution Plan

The Medical Center employees participated in the RWHS 401(k) Profit Sharing Plan (the Defined Contribution Plan). The Defined Contribution Plan allows for employee contributions equal to 100% of the employee's annual compensation up to the maximum amount allowed by law and is fully vested. Employer matching contributions up to 4% are made by the Medical Center. Employer discretionary profit sharing contributions are determined annually by the Board. A participant is immediately vested in the Medical Center's matching contributions. The Medical Center's portion of retirement expense was \$2,028,803 and \$1,996,198 for 2012 and 2011, respectively.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

Defined Benefit Plan

The Medical Center employees participated in the RWHS Retirement Income Plan (the Defined Benefit Plan). On May 31, 2012, the Board of Directors of RWHS adopted a resolution to formally terminate the Defined Benefit Plan. The termination process remained ongoing at year end as regulatory approval had not been granted. RWHS has frozen entry to the Defined Benefit Plan. Employees hired after August 1, 2008 are only eligible to participate in the Defined Contribution Plan. The Defined Benefit Plan provides benefits based on years of credited service, age, and compensation for each year of participation. RWHS' funding policy is to make the annual contributions to the Defined Benefit Plan in amounts that are approximately equal to or exceed the minimum funding requirements of ERISA, plus such amounts as RWHS may determine to be appropriate from time to time. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. In accordance with the Board of Directors' resolution to terminate the Defined Benefit Plan, a plan amendment has been adopted under which funding requirements will cease once the plan termination receives regulatory approval.

The following table summarizes the changes in benefit obligations, the fair value of plan assets and the funded status at the measurement date of December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Change in projected benefit obligation		
Benefit obligation at beginning of period	\$ 35,872,937	34,668,586
Service cost	302,480	303,533
Interest cost	1,545,520	2,053,668
Actuarial loss	741,625	337,441
Benefits paid	<u>(2,073,085)</u>	<u>(1,490,291)</u>
Projected benefit obligation at end of period	<u>\$ 36,389,477</u>	<u>35,872,937</u>
Change in plan assets		
Fair value of plan assets at the beginning of period	\$ 31,283,599	31,629,003
Actual return on plan assets	3,638,418	(706,821)
Contributions by employer	1,851,708	1,851,708
Benefits paid	<u>(2,073,085)</u>	<u>(1,490,291)</u>
Fair value of plan assets at end of period	<u>\$ 34,700,640</u>	<u>31,283,599</u>
Reconciliation of funded status		
Funded status at end of year (underfunded)	<u>\$ (1,688,837)</u>	<u>(4,589,338)</u>
Amounts recognized in the Balance Sheet		
Non current liabilities	<u>\$ (1,688,837)</u>	<u>(4,589,338)</u>
Amounts recognized in net assets		
Total net loss	<u>\$ 9,521,269</u>	<u>10,798,823</u>

The following are the actuarial assumptions used by the Plan to develop the components of the projected benefit obligation for the years ended December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Discount rates	4.20%	4.40%
Rates of increase in compensation levels	4.00%	4.00%

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

The following are the actuarial assumptions used by the Plan to develop the components of pension cost for the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Discount rates	4.40%	5.75%
Rates of increase in compensation levels	4.00	4.00
Expected long-term rate of return on plan assets	8.00	8.00

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate of each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement. The plan agreement permits investment in mutual funds, common stocks, corporate bonds and debentures, U.S. Government securities, real estate and other specified investments, based on certain target allocation percentages.

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plan to recognize potentially higher returns through a limited investment in equity securities, including mutual funds. The target asset allocation percentages for 2012 and 2011 are as follows:

Equity securities	60%
Fixed income and cash	40%

The fair value of the Medical Center's pension plan assets at December 31, 2012 and 2011 by asset category is as follows:

<u>Fair Value Measurements at December 31, 2012</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Total</u>		
Mutual funds (a)	\$ 34,700,640	--	--
	<u>34,700,640</u>		

<u>Fair Value Measurements at December 31, 2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Total</u>		
Mutual funds (b)	\$ 31,283,599	--	--
	<u>31,283,599</u>		

- (a) Mutual fund investments consist of 14 individual funds and are comprised of approximately 1% U.S. stocks, 93% bonds, and 6% cash and other investments.
- (b) Mutual fund investments consist of 32 individual funds and are comprised of approximately 48% U.S. stocks, 13% international stocks, 31% bonds, and 8% cash and other investments.

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Notes to Financial Statements December 31, 2012 and 2011

The Medical Center's investment objective with respect to the pension plan is to produce sufficient current income and capital growth through a portfolio of equity and fixed income investments, which together with appropriate employer contributions is sufficient to provide for the pension benefit obligations. Pension assets are managed by outside investment managers in accordance with the investment policies and guidelines established by the pension trustees, and are diversified by investment style, asset category, sector, industry, issuer, and maturity.

The Medical Center expects to contribute approximately \$1,852,000 to the plan in 2013.

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

2013	\$ 2,405,811
2014	2,460,662
2015	1,320,357
2016	2,779,366
2017	2,017,940
2018 – 2022	11,411,047

The following is a summary of the components of net periodic pension cost for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Components of net period benefit cost		
Service cost during the period	\$ 302,480	303,533
Interest cost on projected benefit obligation	1,545,520	2,053,668
Expected return on plan assets	(2,509,551)	(2,535,494)
Amortization of net actuarial loss	<u>890,312</u>	<u>507,055</u>
Net periodic pension cost	<u>\$ 228,761</u>	<u>328,762</u>
Other changes recognized in net assets		
Net loss (gain)	(387,242)	3,579,756
Amortization of net loss	<u>(890,312)</u>	<u>(507,055)</u>
Total recognized in net assets	<u>\$ (1,277,554)</u>	<u>3,072,701</u>
Total recognized in net periodic pension cost and net assets	<u>\$ (1,048,793)</u>	<u>3,401,463</u>

(10) Professional Liability Insurance

The Medical Center is insured by a multi-provider captive for professional liability coverage. The captive is made up of several health care facilities (subscribers) across the Mountain States. The captive provides \$500,000 of coverage for injuries per occurrence and \$3,000,000 of aggregate coverage. If the loss fund of the captive is insufficient to pay for losses incurred from incidents during the year by the subscriber participating in the captive, a supplemental premium may be issued to the subscribers of the program. There have been no requests for supplemental premiums as of December 31, 2012.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

The Medical Center qualifies under the Nebraska Hospital Medical Liability Act (the Act). The Excess Liability Fund under the Act, on a claims-made basis, pays claims in excess of \$500,000 for losses up to \$1,750,000 per occurrence. The statutes limit covered claims above \$1,750,000 and, in connection therewith, the Medical Center carries an excess liability policy which also provides an additional \$10,000,000 of professional liability coverage per occurrence and aggregate coverage. These policies provide coverage on a claims-made basis covering only the claims which have occurred and are reported to the insurance company while the coverage is in force.

The Medical Center could have exposure on possible incidents that have occurred for which claims will be made in the future, should professional liability insurance not be obtained, should coverage be limited and/or not available, or should the Act change.

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur. The Medical Center does evaluate all incidents and claims along with prior claim experienced to determine if a liability is to be recognized. For the years ending December 31, 2012 and 2011, management determined a liability of \$2,000,000 and \$1,195,000, respectively, should be recognized for asserted or unasserted claims and is included in the accompanying balance sheets as other liabilities. Management has also recorded \$1,650,000 and \$845,000 in estimated malpractice insurance-related recoveries for 2012 and 2011, respectively, and is shown as prepaid expenses and other in the accompanying balance sheets.

(11) Other Revenue

The Health Information Technology for Economic and Clinical Health Act contains specific financial incentives designed to accelerate the adoption of electronic health record (EHR) systems among health care providers. Incentive payments are available to organizations by attesting to meeting specific criteria set by the Centers for Medicare and Medicaid Services (CMS). In addition, the State of Nebraska provides EHR incentive payments that will be earned and received through various payments through 2015. Incentive revenue of approximately \$695,000 from the State of Nebraska has been recognized in the consolidated statement of operations for the year end December 31, 2012 as part of other revenue. The amounts recognized are based on management's best estimates and are subject to change, which would be recognized in the period in which the change occurs.

(12) Related Party Transactions

The Medical Center provides certain administrative services to RWHS and its affiliates. The Medical Center also rents space from Panhandle Health Properties (PHP), an affiliate of RWHS, and purchases certain other services from its affiliates.

The services provided by the Medical Center to RWHS and its affiliates, rent expense to PHP and other purchased services from RWHS' affiliates during the years ended December 31, 2012 and 2011, are reported in the Medical Center's financial statements as follows:

	<u>2012</u>	<u>2011</u>
Other operating revenue	\$ <u>1,881,585</u>	<u>1,792,247</u>
Operating expenses – Supplies and other	\$ <u>14,001,195</u>	<u>12,437,062</u>

During 2012 and 2011, the Medical Center also transferred a net total of \$16,474,996 and \$14,486,544, respectively, to RWHS and affiliates for the purpose of providing an increase in funds.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

(13) Concentrations of Credit Risk

The Medical Center grants credit without collateral to its patients, most of who are area residents and are insured under the third-party payor agreements. The mix of receivables from patients and third-party payers at December 31, 2012 and 2011 approximates the following:

	<u>2012</u>	<u>2011</u>
Medicare (including managed care)	29%	25%
Medicaid	12	16
Other third-party payers	35	35
Patients	<u>24</u>	<u>24</u>
	<u>100%</u>	<u>100%</u>

Financial instruments that potentially subject the Medical Center to concentrations of credit risk include cash and cash equivalents and investments. Investments and cash and cash equivalents are managed within guidelines established by the Board of Directors which, as a matter of policy, limit the amounts that may be invested with one issuer and the type of investment. Management believes the risks related to its investments and cash and cash equivalents is minimal.

(14) Functional Expenses

The Medical Center provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2012</u>	<u>2011</u>
Health care services	\$ 137,706,062	132,217,144
General and administrative	<u>40,483,595</u>	<u>37,761,312</u>
	<u>\$ 178,189,657</u>	<u>169,978,456</u>

(15) Commitments and Contingencies

The Medical Center is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's future financial position or results from operations.

(16) Extraordinary Loss

In 2011, the Medical Center and the City of Scottsbluff, Nebraska entered into an agreement to exchange land to allow for future expansion of the Medical Center. The agreement required the Medical Center to purchase land from an unrelated party and pay agreed upon costs to improve the land, street, and related utility infrastructure to replace the current City of Scottsbluff land, street, and infrastructure that was needed for Medical Center expansion. Upon completion of the improvements, the Medical Center and City of Scottsbluff exchanged the land parcels. The Medical Center recorded an extraordinary loss of \$2,712,450 related to the nonmonetary exchange as a result of the difference in fair value between the land exchanged and received due to the intended use by the Medical Center.

Regional West Medical Center

Notes to Financial Statements December 31, 2012 and 2011

(17) Subsequent Events

The "Budget Control Act of 2011" requires, among other things, mandatory across-the-board reductions in Federal spending, also known as sequestration. The "American Taxpayer Relief Act of 2012" postponed sequestration for two months. As required by law, President Obama issued a sequestration order on March 1, 2013. In general, Medicare claims with dates of service or dates of discharge on or after April 1, 2013, will incur a two percent reduction in Medicare payment.

If Congress does not take action to address current budget uncertainty and the economic hardships imposed by sequestration, the Medical Center estimates a reduction in Medicare revenue of approximately \$900,000 for 2013.