See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

C Name of organization
University Hospitals Health System Inc
Group Return

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
11100 Euclid Avenue - Attn Treasur
Suite

City or town, state or country, and ZIP + 4
Cleveland, OH 44106

D Employer identification number
90-0059117

E Telephone number
(216) 844-1000

G Gross receipts $ 2,176,279,000

F Name and address of principal officer
Michael Szubski
3605 Warrensville Center Rd
Shaker Heights, OH 44122

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

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

H(c) Group exemption number ▶ 3829

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

J Website: ▶ www UHhospitals org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation

M State of legal domicile OH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
University Hospitals (the System) is guided by its mission To Heal, To Teach To Discover

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	136
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	76
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	14,359
6	Total number of volunteers (estimate if necessary)	**6**	1,962
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	544,000
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	205,000

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	58,161,000	89,840,000
9	Program service revenue (Part VIII, line 2g)	1,968,532,000	2,015,029,000
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	119,000	40,000
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	57,329,000	71,151,000
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,084,141,000	2,176,060,000
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	30,716,000	31,771,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	1,050,031,000	997,592,000
16a	Professional fundraising fees (Part IX, column (A), line 11e)	138,000	306,000
b	Total fundraising expenses (Part IX, column (D), line 25) ▶10,973,000		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	829,116,000	907,762,000
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,910,001,000	1,937,431,000
19	Revenue less expenses Subtract line 18 from line 12	174,140,000	238,629,000

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	1,508,339,000	1,533,691,000
21	Total liabilities (Part X, line 26)	236,017,000	214,268,000
22	Net assets or fund balances Subtract line 21 from line 20	1,272,322,000	1,319,423,000

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2013-11-13

MICHAEL A SZUBSKI CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
Firm's address ▶ 2100 ONE PPG PLACE PITTSBURGH, PA 15222			Phone no (412) 644-7800	

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

University Hospitals' mission is To Heal To Teach To Discover In pursuit of this mission, University Hospitals remains at the forefront of health care delivery, physician education, and medical research nationwide Yet what makes University Hospitals unique is its ability to bring expertise and resources together and respond to the individual needs of every patient, regardless of their ability to pay That focus on the patient, combined with a remarkable level of achievement in medical research and education continues to propel University Hospitals to even greater successes

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 $ 1,771,154,000 including grants of $ 31,771,000) (Revenue $ 2,077,322,000)

Caring for the community has been an unwavering commitment of University Hospitals ("the System") since its founding in 1866 Commitment to the community remains at the core of the System's mission To Heal To Teach To Discover In 2012, University Hospitals dedicated more than $273 1 million to community benefit programs in Northeast Ohio consisting of - Education and training = $50 2 million - Research = $49 4 million - Charity care = $53 2 million - Medicaid shortfall = $89 6 million - Community health improvement services = $7 3 million - Other community programs and support = $35 5 million - Hospital Care Assurance Program (HCAP) receipts = ($12 1 million) Refer to Schedule H for further detail on how the System measures and reports community benefit Community benefit for 2012 totaled $273 million up from $267 million in 2011 In addition to charity care and insufficient funding from the Medicaid program, the System incurs significant losses related to self-pay patients who fail to make payment for services rendered or insured patients who fail to remit co-payments and deductibles as required under applicable health insurance arrangements The 2012 provision for bad debt of $55 million represents revenues for services provided that are deemed uncollectible The UH health system provides work directly for about 18,400 employees and physicians As the seventh largest employer in Ohio, UH supports the economy as well as state and local governments UH employees pay more than $55 1 million annually in state and local income taxes At the same time, UH provides many more Community benefits directly and indirectly through new or expanded business opportunities and through important capital investments in our facilities UH has committed - and continues to commit - millions of dollars to facilities and operations within the city of Cleveland and throughout our region, providing construction and hospital-based jobs State-of-the-art facilities and services at UH Case Medical Center, our world-renowned academic medical center in Cleveland, provide Cleveland residents and people from throughout the region and the world with the finest in primary and specialty health care The facilities allow us to conduct vital medical research and offer advanced training for students and health professionals The Quentin & Elisabeth Alexander Neonatal Intensive Care Unit at UH Rainbow Babies & Children's Hospital serves our most vulnerable children The System's Seidman Cancer Center and emergency facilities at UH Case Medical Center and UH Ahuja Medical Center, continue to provide expanded employment opportunities while extending UH's mission to more patients New state-of-the-art outpatient health centers in the region have spurred economic growth while giving people access to the care they need close to home and expanding our community benefit programs The System is proud to contribute to the health of our citizens and to be a positive economic force in our region For more detailed information on the System's community benefit or to view the 2012 Community Benefit Report, please visit the System's website at www UHhospitals org

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** ▶ 1,771,154,000

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	Yes	
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	Yes	
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	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, 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	Yes	
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	Yes	
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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	2,518		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	14,359		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	136		
	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	**1b**	76		
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** Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			**3**	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			**4**	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			**5**	No
6	Did the organization have members or stockholders?			**6** Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			**7a** Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b** Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			**8a** Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b** Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**	No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	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**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ FL , IL , KY , MI , NY , OH , PA , WV , WI

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ MICHAEL SZUBSKI 3605 WARRENSVILLE CENTER RD Shaker Heights, OH (216) 844-1000

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								37,891,655	1,996,930	5,258,541

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 ▶913

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Macquarie Equipment Finance LLC , GPO Drawer 67-865 DETROIT MI 48267	Leasing	6,817,811
Microsoft Licensing GP , PO Box 842467 DALLAS TX 752842467	Software	2,565,677
National Marrow Donor Program , NW 8428 PO Box 1450 MINNEAPOLIS MN 554858428	Donor Matching	2,151,496
Deloitte Consulting LLP , 4638 Collections Center Dr CHICAGO IL 60693	Consulting	1,671,972
Advizex Tech LLC , 4019 Solutions Center CHICAGO IL 606774000	IT	1,523,483

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 ▶77

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	503,000			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	89,337,000			
	g	Noncash contributions included in lines 1a-1f $		3,928,000			
	h	**Total.** Add lines 1a-1f			89,840,000		
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE LESS BAD DEBTS	900099		1,900,068,000	1,899,743,000	325,000
	b	SPONSORED REVENUES	900099		41,934,000	41,934,000	
	c	UHMG RESIDENT TEACHING REVENUE	900099		18,450,000	18,450,000	
	d	UHMG OTHER CLINICAL REVENUE	900099		16,074,000	16,074,000	
	e	UHMG MEDICAL DIRECTOR REVENUE	900099		13,772,000	13,772,000	
	f	All other program service revenue			24,731,000	24,731,000	
	g	**Total.** Add lines 2a–2f			2,015,029,000		
	3	Investment income (including dividends, interest, and other similar amounts)			40,000		40,000
	4	Income from investment of tax-exempt bond proceeds			0		
	5	Royalties			0		
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss)			0		
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)			0		
	8a	Gross income from fundraising events (not including $ 503,000 of contributions reported on line 1c) See Part IV, line 18	a	142,000			
	b	Less direct expenses	b	219,000			
	c	Net income or (loss) from fundraising events			-77,000		-77,000
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities			0		
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory			0		
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	OTHER MISCELLANEOUS REVENUES	900099		62,837,000	62,618,000	219,000
	b	PARKING SERVICES	900099		6,679,000		6,679,000
	c	CALL CENTER	900099		1,712,000		1,712,000
	d	All other revenue					
	e	**Total.** Add lines 11a–11d			71,228,000		
	12	**Total revenue.** See Instructions			2,176,060,000	2,077,322,000	544,000	8,354,000

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	31,771,000	31,771,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	5,165,000		5,165,000	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	3,621,000	3,621,000		
7 Other salaries and wages	798,785,000	793,066,000		5,719,000
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	49,786,000	49,786,000		
9 Other employee benefits	90,198,000	88,730,000		1,468,000
10 Payroll taxes	50,037,000	50,037,000		
11 Fees for services (non-employees)				
a Management	0			
b Legal	62,000	62,000		
c Accounting	372,000	372,000		
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	306,000			306,000
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	314,245,000	163,828,000	150,139,000	278,000
12 Advertising and promotion	2,130,000	1,517,000		613,000
13 Office expenses	333,470,000	332,199,000		1,271,000
14 Information technology	1,266,000	1,223,000		43,000
15 Royalties . .	0			
16 Occupancy	98,417,000	98,140,000		277,000
17 Travel	7,093,000	6,899,000		194,000
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	5,246,000	5,246,000		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	71,266,000	71,266,000		
23 Insurance	33,156,000	33,156,000		
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 OTHER TAXES	22,277,000	22,277,000		
b RECRUITMENT	2,518,000	2,518,000		
c ADMINISTRATIVE SERVICES	3,531,000	3,531,000		
d DUES AND MEMBERSHIPS	120,000	120,000		
e All other expenses	12,593,000	11,789,000		804,000
25 **Total functional expenses.** Add lines 1 through 24e	1,937,431,000	1,771,154,000	155,304,000	10,973,000
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 ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		8,457,000	2	33,341,000
	3	Pledges and grants receivable, net		77,594,000	3	126,944,000
	4	Accounts receivable, net		291,159,000	4	318,886,000
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		423,000	7	396,000
	8	Inventories for sale or use		28,223,000	8	31,652,000
	9	Prepaid expenses and deferred charges		3,151,000	9	3,266,000
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,926,395,000			
	b	Less accumulated depreciation	10b 1,013,381,000	943,082,000	10c	913,014,000
	11	Investments—publicly traded securities		0	11	3,271,000
	12	Investments—other securities See Part IV, line 11		72,010,000	12	56,416,000
	13	Investments—program-related See Part IV, line 11		4,839,000	13	5,631,000
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		79,401,000	15	40,874,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,508,339,000	16	1,533,691,000
Liabilities	17	Accounts payable and accrued expenses		83,322,000	17	100,595,000
	18	Grants payable		0	18	0
	19	Deferred revenue		14,601,000	19	6,677,000
	20	Tax-exempt bond liabilities		42,960,000	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		95,134,000	25	106,996,000
	26	**Total liabilities.** Add lines 17 through 25		236,017,000	26	214,268,000
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,066,580,000	27	1,080,947,000
	28	Temporarily restricted net assets		189,763,000	28	220,386,000
	29	Permanently restricted net assets		15,979,000	29	18,090,000
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1,272,322,000	33	1,319,423,000
	34	Total liabilities and net assets/fund balances		1,508,339,000	34	1,533,691,000

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,176,060,000
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,937,431,000
3	Revenue less expenses Subtract line 2 from line 1	3	238,629,000
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,272,322,000
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-191,528,000
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,319,423,000

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

Software ID:

Software Version:

EIN: 90-0059117

Name: University Hospitals Health System Inc
Group Return

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			
UHHS - Monte Ahuja Director	20	X						0	0	0
UHHS - Sheldon G Adelman Director	20	X						0	0	0
UHHS - Arthur F Anton Director	20	X						0	0	0
UHHS - Craig Arnold Director	20	X						0	0	0
UHHS - Katherine A Asbeck Director	20	X						0	0	0
UHHS - Andrew Banks Director	20	X						0	0	0
UHHS - Paul Clark Director	20	X						0	0	0
UHHS - Christopher M Connor Director	20	X						0	0	0
UHHS - Margot J Copeland Director	20	X						0	0	0
UHHS - David A Daberko Director	20	X						0	0	0
UHHS - Achilles A Demetriou MD Pres , COO/Ex Off Dir (thru 1	600	X		X				2,309,684	0	60,668
UHHS - Heather Ettinger Director	20	X						0	0	0
UHHS - Matthew P Figgie Director (thru 3/12)	20	X						0	0	0
UHHS - Brian Hall Director	20	X						0	0	0
UHHS - James Hambrick Vice Chair/Director (thru 5/12	20	X		X				0	0	0
UHHS - Kenneth Hardy Director	20	X						0	0	0
UHHS - M Ann Harlan Director	20	X						0	0	0
UHHS - Ronald G Harrington Director	20	X						0	0	0
UHHS - James O Judd Ex Off Dir (thru 5/12)	20	X						0	0	0
UHHS - Catherine M Kilbane Director	20	X						0	0	0
UHHS - Timothy Kraus Ex Off Dir	20	X						0	0	0
UHHS - Joseph Lopez Director	20	X						0	0	0
UHHS - Ramon Lugo III Director	20	X						0	0	0
UHHS - Henry L Meyer III Director	20	X						0	0	0
UHHS - Patrick Mullin Ex Off Dir	20	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
UHHS - Thomas G Murdough Jr Director (thru 5/12)	2 0	X						0	0	0
UHHS - Ernest Novak Director	2 0	X						0	0	0
UHHS - David Ondrey Ex Off Dir (thru 5/12)	2 0	X						0	0	0
UHHS - Vasu Pandrangi MD Ex Off Dir	2 0	X						0	0	0
UHHS - Sandy Pianalto Vice Chair/Director	2 0	X		X				0	0	0
UHHS - Mark Plush Ex Off Dir	2 0	X						0	0	0
UHHS - Richard W Pogue Director	2 0	X						0	0	0
UHHS - Alfred M Rankin Jr Director	2 0	X						0	0	0
UHHS - Willard Raymond Ex Off Dir	2 0	X						0	0	0
UHHS - Philip Ridolfi Ex Off Dir (thru 5/12)	2 0	X						0	0	0
UHHS - Gregory Robinson Ex Off Dir	2 0	X						0	0	0
UHHS - Fred C Rothstein MD Pres UHCMC/Ex Off Dir	60 0	X						1,841,673	0	67,715
UHHS - Robert Salata MD UHMG Physician/Director	60 0	X						96,569	0	3,336
UHHS - Thomas A Selden Ex Off Dir	2 0	X						0	0	0
UHHS - Jerry Sue Thornton PhD Director	2 0	X						0	0	0
UHHS - Les C Vinney Director	2 0	X						0	0	0
UHHS - Thomas F Zenty III CEO/Ex Off Dir	60 0	X		X				4,126,251	0	371,341
UHCMC - Joel Adelman Director	2 0	X						0	0	0
UHCMC - Thomas W Adler Director	2 0	X						0	0	0
UHCMC - Robert T Bennett Director	2 0	X						0	0	0
UHCMC - David Camiener Director	2 0	X						0	0	0
UHCMC - Paul H Carleton Co-Vice Chair/Director	2 0	X		X				0	0	0
UHCMC - Carole A Carr Director	2 0	X						0	0	0
UHCMC - Beth Curtiss Ex Off Dir (thru 5/12)	2 0	X						0	0	0
UHCMC - Pamela B Davis MD PhD Ex Off Dir	2 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
UHCMC - Ralph Della Ratta Director	20	X						0	0	0
UHCMC - Achilles A Demetriou MD Ex Off Dir (thru 12/12)	20	X						0	0	0
UHCMC - Michael Feuer Director	20	X						0	0	0
UHCMC - David Goldberg Director	20	X						0	0	0
UHCMC - Robert D Gries Director	20	X						0	0	0
UHCMC - Charles Halberg Director	20	X						0	0	0
UHCMC - Gordon Harnett Director (thru 5/12)	20	X						0	0	0
UHCMC - Richard A Horvitz Director (thru 5/12)	20	X						0	0	0
UHCMC - Christopher Hyland Co-Vice Chair/Director	20	X		X				0	0	0
UHCMC - Beth Kaufman Ex Off Dir /Non Voting (thru 5	20	X						0	0	0
UHCMC - Jerry Kelsheimer Director	20	X						0	0	0
UHCMC - Dinah Kolesar Ex Off Dir	20	X						0	0	0
UHCMC - Lee Koury Director	20	X						0	0	0
UHCMC - Raymond K Lee Director	20	X						0	0	0
UHCMC - Gene C Lovett Director	20	X						0	0	0
UHCMC - Adrian Maldonado Director	20	X						0	0	0
UHCMC - John C Morley Director	20	X						0	0	0
UHCMC - Patrick S Mullin Chair/Director	20	X		X				0	0	0
UHCMC - Ernest J Novak Director (thru 5/12)	20	X						0	0	0
UHCMC - William J O'Neill Jr Director	20	X						0	0	0
UHCMC - Lydia B Oppmann Director (thru 5/12)	20	X						0	0	0
UHCMC - Alfred M Rankin Jr Ex Off Dir	20	X						0	0	0
UHCMC - Ann P Ranney Director	20	X						0	0	0
UHCMC - Julie Adler Raskind Director	20	X						0	0	0
UHCMC - Kenneth C Ricci Director	20	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
UHCMC - Robert Risman Director	2 0	X						0	0	0
UHCMC - Barbara S Robinson Director	2 0	X						0	0	0
UHCMC - Fred C Rothstein MD Pres /Ex Off Dir	2 0	X		X				0	0	0
UHCMC - Warren Selman MD Physician/Director (thru 5/12)	60 0	X						961,433	0	40,164
UHCMC - Mairan Shaughnessy Director	2 0	X						0	0	0
UHCMC - Michael Siegal Director (thru 7/12)	2 0	X						0	0	0
UHCMC - Gregory Skoda Director	2 0	X						0	0	0
UHCMC - Hilton O Smith Director	2 0	X						0	0	0
UHCMC - Eddie Taylor Director	2 0	X						0	0	0
UHCMC - Kelly Tompkins Director (thru 5/12)	2 0	X						0	0	0
UHCMC - Richard Walsh MD Ex Off Dir	2 0	X						0	0	0
UHCMC - Penni Weinberg Director	2 0	X						0	0	0
UHCMC - Lorna Wisham Director	2 0	X						0	0	0
UHCMC - Jacqueline Woods Director	2 0	X						0	0	0
UHCMC - Christine Wynd Ex Off Dir	2 0	X						0	0	0
UHCMC - Thomas F Zenty III Ex Off Dir	2 0	X						0	0	0
UHMG - Eric Bieber MD UH CMO/Director	60 0	X						735,157	0	143,561
UHMG - Paul H Carleton Director	2 0	X						0	0	0
UHMG - Pamela B Davis MD Phd Director	2 0	X						0	0	0
UHMG - Achilles Demetriou MD Director (thru 12/12)	2 0	X						0	0	0
UHMG - Michael Feuer Director	2 0	X						0	0	0
UHMG - Charles Hallberg Director	2 0	X						0	0	0
UHMG - Clifford V Harding MD Dept Chair Pathology/Director	60 0	X						291,180	0	10,056
UHMG - Gordon Harnett Director (thru 5/12)	2 0	X						0	0	0
UHMG - Robert Haynie MD Director	2 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
UHMG - Elliott A Kellman Director	2.0	X						0	0	0
UHMG - Michael Konstan MD Dept Chair Pediatrics/Directo	60.0	X						360,158	0	24,344
UHMG - Randall Marcus MD Dept Chair Orthopaedics/Direc	60.0	X						685,948	0	39,241
UHMG - Cliff Megerian MD Dept Chair Otolaryngology/Dir	60.0	X						586,126	0	34,567
UHMG - Howard Nearman MD Dept Chair Anesthesia/Directo	60.0	X						425,882	0	36,398
UHMG - Michael Nochomovitz MD Pres /Director	60.0	X		X				1,534,252	0	54,902
UHMG - William O'Neill Jr Director	2.0	X						0	0	0
UHMG - Jeffrey Ponsky MD Dept Chair Surgery/Director	60.0	X						725,557	0	30,328
UHMG - Robert Ronis Dept Chair Psychiatry/Directo	60.0	X						225,231	0	12,179
UHMG - Fred C Rothstein MD Chair/Director	2.0	X		X				0	0	0
UHMG - Michael A Szubski Director	2.0	X						0	0	0
UHMG - Richard A Walsh MD Dept Chair Medicine/Director	60.0	X						479,156	0	30,025
UHLSF - Ronald Dziedzicki BSN RN Secretary/Director	2.0	X		X				0	0	0
UHLSF - Sonia Salvino Treasurer/Director	2.0	X		X				0	0	0
UHLSF - Nancy Tinsley Director	2.0	X						276,601	0	66,974
AMC - Sheldon G Adelman Vice Chair (thru 5/12)Director	2.0	X		X				0	0	0
AMC - Julie Boland Sec & Treas /Director	2.0	X		X				0	0	0
AMC - Michael Drusinsky Director	2.0	X						0	0	0
AMC - Robert Glick Director	2.0	X						0	0	0
AMC - Richard Hanson Ex Officio Director	10.0	X						917,268	0	354,577
AMC - John Morikis Vice Chair/Director	2.0	X		X				0	0	0
AMC - Thomas Murdough Chair/Director	2.0	X		X				0	0	0
AMC - Enid Rosenberg Director	2.0	X						0	0	0
AMC - Reggie Rucker Director	2.0	X						0	0	0
AMC - Neil Sethi Director	2.0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
AMC - Margaret Singerman Director	2 0	X						0	0	0
AMC - John Sinnenberg Director	2 0	X						0	0	0
AMC - Richard Stein Ex Officio Director	60 0	X						0	439,620	66,782
UHREG - Samuel Ake Secretary/Director	2 0	X		X				0	0	0
UHREG - Mary Jo Boehnlein Ex Officio Director	2 0	X						0	0	0
UHREG - Mary Ann P Correnti Director	2 0	X						0	0	0
UHREG - Laurie Delgado Pres /Ex Officio Director	60 0	X		X				443,719	0	106,906
UHREG - Wendolyn Grant Director	2 0	X						0	0	0
UHREG - Richard Hanson Ex Officio Director	10 0	X						0	0	0
UHREG - George Hawwa MD Ex Officio Director (thru 5/12	60 0	X						53,750	0	0
UHREG - James Hukill Treasurer/Director	2 0	X		X				0	0	0
UHREG - David E Jerome Director	2 0	X						0	0	0
UHREG - Judy Grieg Ex Officio Director	2 0	X						0	0	0
UHREG - Patrick Lally Director (thru 5/12)	2 0	X						0	0	0
UHREG - Kathleen Malec Director (thru 5/12)	2 0	X						0	0	0
UHREG - Brock Milstein Director	2 0	X						0	0	0
UHREG - Timothy Morgan Director	2 0	X						0	0	0
UHREG - Stamy Paul Director	2 0	X						0	0	0
UHREG - Mark Plush Co-Chair (thru 5/12)/Director	2 0	X		X				0	0	0
UHREG - Philip Ridolfi Co-Chair (thru 5/12)/Director	2 0	X		X				0	0	0
UHREG - Joseph Shawi MD Vice Chief of Staff/Director (	60 0	X						0	200,073	26,938
CMC - Terry Atkinson Director	2 0	X						0	0	0
CMC - Benjamin Bryant MD Ex Officio Director (thru 5/12	60 0	X						0	281,362	51,403
CMC - Robert David Pres /Ex Officio Director	30 0	X		X				175,717	0	46,768
CMC - Charles Deck Director	2 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
CMC - Arpan Desai MD Director	2 0	X						0	481,139	28,814
CMC - Gerald Eighmy Director	2 0	X						0	0	0
CMC - Richard A Hanson Secretary & Treas (thru 8/12)	10 0	X		X				0	0	0
CMC - George Kolman Director	2 0	X						0	0	0
CMC - Reverend Tim Kraus Chair/Director	2 0	X		X				0	0	0
CMC - Lori McLaughlin Director	2 0	X						0	0	0
CMC - Karen McNeil Ex Officio Director (thru 5/12	2 0	X						135,586	0	16,386
CMC - Joseph A Moroski Director	2 0	X						0	0	0
CMC - Carol Owens Director	2 0	X						0	0	0
CMC - Mike Skufca DDS Director	2 0	X						0	0	0
CMC - James Supplee Director	2 0	X						0	0	0
ECC - Richard Hanson Chair/Ex Officio Director	2 0	X		X				0	0	0
ECC - Susan V Juris Pres /Ex Officio Director	2 0	X		X				0	0	0
ECC - Rebecca Ivcic Finance Director/Director	2 0	X						151,461	0	46,006
GMC - Natalina Andreani MD Ex Officio Director (thru 5/12	60 0	X						10,500	20,160	0
GMC - Thomas Benda Director	2 0	X						0	0	0
GMC - Rose Dotson MD Ex Officio Director (thru 11/1	60 0	X						0	285,442	12,033
GMC - John Fitts Treasurer/Director	2 0	X		X				0	0	0
GMC - Robert A Forino Director (thru 5/12)	2 0	X						0	0	0
GMC - Davina Gosnell PhD Ex Off D Ex Officio Director	2 0	X						0	0	0
GMC - Richard Hanson Ex Off Dir Ex Officio Director	10 0	X						0	0	0
GMC - B Paige Hoiser Director	2 0	X						0	0	0
GMC - M Steven Jones Ex Off Dir Pres /Ex Officio Director	60 0	X		X				429,700	0	103,115
GMC - P James Kamer Jr Vice Chair/Director	2 0	X		X				0	0	0
GMC - Edith Lerner PhD Director (thru 5/12)	2 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
GMC - Jack Male Director	2 0	X						0	0	0
GMC - Darrell McNair Secretary/Director	2 0	X		X				0	0	0
GMC - Denise Miller Director	2 0	X						0	0	0
GMC - Pete C Miller Director	2 0	X						0	0	0
GMC - David M Ondrey Director	2 0	X						0	0	0
GMC - James F Patterson Director	30 0	X						0	0	0
GMC - Gregory Robinson Chair/Director	2 0	X		X				0	0	0
GMC - George W Tim Taylor Director	2 0	X						0	0	0
UHGMC - James Crawford Director	2 0	X						0	0	0
UHGMC - Richard L Dana Jr Director	2 0	X						0	0	0
UHGMC - Robert David Pres /Ex Officio Director	30 0	X		X				175,716	0	46,766
UHGMC - Raimantas Dublionis MD Ex Officio Director	60 0	X						0	289,134	1,659
UHGMC - Morgan R Griffiths Jr Director	2 0	X						0	0	0
UHGMC - Richard Hanson Sec & Treas (thru 8/12)/Ex O	10 0	X		X				0	0	0
UHGMC - Syed Hussaini MD Ex Officio Director (thru 5/12	2 0	X						0	0	0
UHGMC - Cathy Knorzer Ex Officio Director (thru 1/12	2 0	X						0	0	0
UHGMC - Jeffrey Lampson Director (thru 5/12)	2 0	X						0	0	0
UHGMC - Craig Parker Director	2 0	X						0	0	0
UHGMC - Gary L Pasqualone Director	2 0	X						0	0	0
UHGMC - Willard Raymond Chair/Director	2 0	X		X				0	0	0
UHGMC - Robert Taylor Director	2 0	X						0	0	0
HCS - Achilles A Demetriou MD VP (thru 12/12)/Director	2 0	X		X				0	0	0
HCS - Keith Maitland Pres /Director	60 0	X		X				456,382	0	66,111
HCS - Richard A Hanson VP/Director	10 0	X		X				0	0	0
UMI - Phyllis Hall Secretary/Director	2 0	X		X				0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
UMI - Michael Nochomovitz MD Pres /Director	2 0	X		X				0	0	0
UMI - Michael Szubski Treas /Director	2 0	X		X				0	0	0
UHHS - William L Annable MD Chief Quality Off	60 0			X				551,780	0	21,767
UHHS - Elliot A Kellman Chief HRO	60 0			X				1,083,333	0	62,840
UHHS - Janet L Miller Esq Secretary, CLO	60 0			X				814,833	0	359,460
UHHS - Steven D Standley Chief Admin Off	60 0			X				1,328,732	0	55,479
UHHS - Michael A Szubski Treasurer, CFO	60 0			X				1,063,405	0	496,877
UHCMC - Michael Anderson MD Chief Medical Off	60 0			X				444,314	0	104,208
UHCMC - Patricia DePompei Pres RB&C/Macdonald	60 0			X				345,699	0	64,315
UHCMC - Ronald E Dziedzicki BSN Chief Support Serv Off	60 0			X				395,386	0	105,834
UHCMC - Michael J Farrell Pres RB&C/Macdonald (thru 4/1	60 0			X				322,264	0	89,021
UHCMC - Catherine S Koppelman RN Chief Nursing Off	60 0			X				731,919	0	72,391
UHCMC - Nathan Levitan MD Pres Seidman Cancer Ctr	60 0			X				834,982	0	60,521
UHCMC - Janet L Miller Esq Secretary, Chief Legal Off	2 0			X				0	0	0
UHCMC - Sonia Salvino Treasurer/VP Finance	60 0			X				303,118	0	79,184
UHMG - Harlin G Adelman Assistant Secretary	2 0			X				419,731	0	104,930
UHMG - Phyllis Hall VP & Treasurer	60 0			X				450,605	0	112,641
UHMG - Janet L Miller Esq Secretary	2 0			X				0	0	0
UHLSF - Don M Landek President	60 0			X				191,686	0	48,396
AMC - Susan V Juris Pres /Ex Officio Director	60 0			X				627,693	0	51,133
HCS - Howard Lutz Sec & Treas	60 0			X				88,909	0	14,866
UHHS Sherri Bishop Chief Development Off	60 0				X			607,871	0	327,474
UHHS - Peter S Brumleve Chief Marketing Off	60 0				X			299,497	0	33,158
UHHCS - Kevin P Cunningham Pharmacy Director	60 0				X			153,816	0	24,309
UHHS - John V Foley Chief Information Off	60 0				X			296,121	0	28,897

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			
GMC - Jason E Glowczewski Pharmacy Director	60 0				X			156,570	0	38,233
AMC - Alan Hirsch MD CMO, Ahuja	60 0				X			340,177	0	53,472
UHCMC - Carl Lufter Pharmacy Director	60 0				X			191,977	0	30,833
UHHS - Donnie Perkins VP Inclusion & Diversity	60 0				X			278,944	0	2,802
UHHS - Paul G Tait Chief Strategic Planning Off	60 0				X			642,046	0	319,748
UHHS - Cheryl Wahl Chief Compliance Officer	60 0				X			307,592	0	67,143
UHHS - William A Young President SJMC	60 0				X			343,876	0	67,477
UHHS - Cliff J Coker Pres of JV (thru 1/1/12)					X			142,274	0	97,512
UHMG - Bahman Guyuron MD Surgeon, Plastic Surgery	60 0					X		1,247,217	0	41,816
UHMG - Nicholas U Ahn MD Orthopaedic Surgeon	60 0					X		1,065,826	0	34,201
UHMG - Jason D Eubanks Orthopaedic Surgeon	60 0					X		1,027,648	0	22,997
UHMG - Kord S Honda Dermatopathology	60 0					X		1,002,147	0	43,791
UHMG - Matthew Kraay Orthopaedic Surgeon	60 0					X		843,233	0	46,604
UHLSF - Michael R Vehovec Fmr Officer							X	335,777	0	74,148

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

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

Public charity classification of each Group Member is shown below University Hospitals Cleveland Medical Center (UHCMC) - 34-1567805 dba University Hospitals Case Medical Center 170(b)(1)(A)(iii) 11100 Euclid Ave Cleveland, OH 44106 University Hospitals Bedford Medical Center (BMC) - 34-1271115 170(b)(1)(A)(iii) 44 Blaine Avenue Bedford, OH 44146 University Hospitals Conneaut Medical Center (CMC) - 34-0714550 170(b)(1)(A)(iii) 158 West Main Road Conneaut, OH 44030 BMH Professional Corporation (BMHPC) - 34-1749966 509(a)(3) 158 West Main Road Conneaut, OH 44030 Part I Line 11h (i) Name of supported organization University Hospitals Conneaut Medical Center (ii) EIN of supported organization 34-0714550 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $0 University Hospitals Geauga Medical Center (GMC) - 34-0816492 170(b)(1)(A)(iii) 13207 Ravenna Road Chardon, OH 44024 University Hospitals Geneva Medical Center (UHGMC) - 34-0714461 170(b)(1)(A)(iii) 870 West Main Street Geneva, OH 44041 University Hospitals Ahuja Medical Center - 26-4827222 170(b)(1)(A)(iii) 3999 Richmond Road Beachwood, OH 44122 UHHS Heather Hill Inc (HHI)- 34-0771884 170(b)(1)(A)(vi) 12340 Bass Lake Road Chardon, OH 44024 UHHS - Heather Hill Rehabilitation Hospital Inc (UHECC) - 34-1465745 dba University Hospitals Extended Care Campus 170(b)(1)(A)(iii) 12340 Bass Lake Road Chardon, OH 44024 UH Regional Hospitals - 34-1924226 170(b)(1)(A)(iii) 27100 Chardon Road Richmond Hts, OH 44143 University Mednet (UMI) - 34-0750341 170(b)(1)(A)(iii) 23001 Euclid Avenue Cleveland, OH 44117 University Hospitals Home Care Services, Inc (HCS) - 34-1527536 509(a)(3) 4901 Galaxy Parkway Warrensville Hts, OH 44128 Part I Line 11h (i) Name of supported organization University Hospitals Cleveland Medical Center (ii) EIN of supported organization 34-1567805 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $30,730,000 University Hospitals Laboratory Services Foundation (UHLSF) - 34-1720429 509(a)(3) 11100 Euclid Avenue Cleveland, OH 44106 Part I Line 11h (i) Name of supported organization University Hospitals Cleveland Medical Center (ii) EIN of supported organization 34-1567805 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $25,657,000 University Hospitals Medical Group, Inc (UHMG) - 20-4881619 170(b)(1)(A)(iii) 11100 Euclid Avenue Cleveland, OH 44106 University NPI Inc - 34-1571623 509(a)(3) 11100 Euclid Avenue Cleveland, OH 44106 Part I Line 11h (i) Name of supported organization University Hospitals Cleveland Medical Center (ii) EIN of supported organization 34-1567805 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $0 Memorial Hospital Health Foundation - 34-1810018 509(a)(3) 11100 Euclid Avenue Cleveland, OH 44106 Part I Line 11h (i) Name of supported organization University Hospitals Geneva Medical Center (ii) EIN of supported organization 34-0714461 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $0 University Hospitals Accountable Care Organization Inc - 27-3970270 170(b)(1)(A)(iii) 3605 Warrensville Center Rd - MSC 9155 Shaker Heights, OH 44122 University Hospitals Coordinated Care Organization - 90-0794903 509(a)(3) 3605 Warrensville Center Rd - MSC 9155 Shaker Heights, OH 44122 Part I Line 11h (i) Name of supported organization University Hospitals Accountable Care Organization (ii) EIN of supported organization 27-3970270 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $0 University Hospitals Rainbow Care Connection Inc - 46-1074672 509(a)(3) 3605 Warrensville Center Rd - MSC 9155 Shaker Heights, OH 44122 Part I Line 11h (i) Name of supported organization University Hospitals Accountable Care Organization (ii) EIN of supported organization 27-3970270 (iii) Type of org (described on lines 1-9 above or IRC section) 170(B)(1)(A)(III) (iv) Is the supported org listed in your governing documents? Yes (v) Did you notify the supported org of your support? Yes (vi) Is the supported org organized in the US? Yes (vii) Amount of monetary support $0

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
University Hospitals Health System Inc Group Return	90-0059117

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	4,108	6,683
b Total lobbying expenditures to influence a legislative body (direct lobbying)	171,280	285,833
c Total lobbying expenditures (add lines 1a and 1b)	175,388	292,516
d Other exempt purpose expenditures	1,141,064,612	2,246,189,484
e Total exempt purpose expenditures (add lines 1c and 1d)	1,141,240,000	2,246,482,000
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	384,605	357,890	278,602	175,388	1,196,485
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	10,111	7,514	6,426	4,108	28,159

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			23,629
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			85,764
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			19,816
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Form 990, Schedule C, Part II-B		Software limitiation would not allow completion of Part II-B It is presented below 1a - No 1b - Yes 1c - No 1d - Yes $23,629 1e - No 1f - Yes $85,764 1g - Yes $19,816 1h - No 1i - No 1j - $129,209 2a - No

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or 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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	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 ▶ $ 70,000

(ii) Assets included in Form 990, Part X ▶ $ 1,125,000

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	118,803,000	107,300,000	103,637,000	95,272,000	91,339,000
b	Contributions	5,064,000	11,503,000	3,508,000	6,956,000	10,854,000
c	Net investment earnings, gains, and losses	3,938,000	4,198,000	1,680,000	4,047,000	-4,675,000
d	Grants or scholarships					
e	Other expenditures for facilities and programs	3,938,000	4,198,000	1,680,000	2,638,000	2,246,000
f	Administrative expenses					
g	End of year balance	123,867,000	118,803,000	107,145,000	103,637,000	95,272,000

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶ 14 250 %
- b Permanent endowment ▶ 85 750 %
- c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

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		26,031,000		26,031,000
b Buildings		1,216,737,000	514,998,000	701,739,000
c Leasehold improvements		19,468,000	7,414,000	12,054,000
d Equipment		625,306,000	471,390,000	153,916,000
e Other		38,853,000	19,579,000	19,274,000
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				913,014,000

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

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

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
RESEARCH INST OPTION LIABILITY	34,613,000
DUE TO THIRD PARTIES	21,205,000
INTEREST PAYABLE	110,000
OTHER CURRENT LIABILITIES	25,115,000
OTHER LIABILITIES	25,953,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	106,996,000

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

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

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

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
Form 990, Schedule D, Part III, Line 4		The UH art collection includes approximately 2,000 original works of art, many donated over the years Artwork includes paintings, photos, sculptures and the like The UH art collection has been established to encourage reflection, and to delight, uplift and comfort our patients, visitors, and employees
Form 990, Schedule D, Part V, Line 4		The intended use of the organization's endowment funds varies depending on donor stipulations All spending of endowment earnings are done so in accordance with donor intent and applicable law Endowments are held on the books of the Parent organization of the Group members Spending allocations are made to the proper UH entity by the Parent to comply with donor wishes
Form 990, Schedule D, Part X, Line 2		The System and most of its subsidiaries, including UHCMC, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (Code) and are exempt from federal income tax pursuant to Section 501(a) of the Code The System also has certain subsidiaries that are taxable for federal income tax purposes

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

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

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

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

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☑ **Yes** ☐ **No**

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

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Pursuant Group 5151 Belt Line Road Dallas, TX 75254	Prof Fundr		No	198,596	231,108	-32,512
Summit Business Development 2351 ARLINTON RD STE D Akron, OH 44139	Telephone		No	64,578	74,875	-10,297
Total . . . . . ▶				263,174	305,983	-42,809

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

FL, IL, KY, MI, NY, OH, PA, WV, WI

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

		(a) Event #1 Golf Outing (event type)	(b) Event #2 Gala (event type)	(c) Other events 3 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	269,254	128,315	247,675	645,244
	2 Less Contributions	200,284	103,350	199,550	503,184
	3 Gross income (line 1 minus line 2)	68,970	24,965	48,125	142,060
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	129,919	16,481	46,922	193,322
	8 Entertainment				
	9 Other direct expenses	1,345	5,255	18,678	25,278
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(218,600)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				-76,540

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

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			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ 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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ 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			
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 eligibile 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)			53,236,653		53,236,653	2 750 %
b Medicaid (from Worksheet 3, column a)			434,471,309	357,011,070	77,460,239	4 000 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			487,707,962	357,011,070	130,696,892	6 750 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			7,251,655		7,251,655	0 370 %
f Health professions education (from Worksheet 5)			71,546,837	21,346,428	50,200,409	2 590 %
g Subsidized health services (from Worksheet 6)			17,940,137	13,882,799	4,057,338	0 210 %
h Research (from Worksheet 7)			49,385,925		49,385,925	2 550 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			31,518,554		31,518,554	1 630 %
j **Total.** Other Benefits			177,643,108	35,229,227	142,413,881	7 350 %
k **Total.** Add lines 7d and 7j			665,351,070	392,240,297	273,110,773	14 100 %

Part II **Community Building Activities** Complete this 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						
9	Other			33,319		33,319	0 %
10	**Total**			33,319		33,319	0 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	47,551,000		
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	0		
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	325,127,862		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	363,554,016		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-38,426,154		
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?
7

	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	UH Case Medical Center 11100 Euclid Avenue Cleveland, OH 44106	X	X		X		X	X		IP Psych /IP Rehab / Skilled Nursing	A
2	UH Rainbow Babies & Children's Hospit 11100 Euclid Avenue Cleveland, OH 44106	X	X	X	X		X	X			A
3	UH Geauga Medical Center 13207 Ravenna Road Chardon, OH 44024	X	X					X		IP Psychiatric Unit	A
4	UH Ahuja Medical Center 3999 Richmond Road Beachwood, OH 44122	X	X					X			A
5	UH Regional Hospitals 27100 Chardon Road Richmond Heights, OH 44143	X	X		X			X			A
6	UH Geneva Medical Center 870 West Main Street Geneva, OH 44041	X				X		X			A
7	UH Conneaut Medical Center 158 West Main Road Conneaut, OH 44030	X				X		X			A

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)

A

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) _____

			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	1		
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a 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?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted 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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 250 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☑ 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 ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ 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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☑ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

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?
31

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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

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

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

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

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

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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
Part I, Line 3c		The amount of financial assistance discount granted by UH in 2012 was based on the following guidelines Patients must be uninsured, provide financial information to qualify them for financial assistance, if applicable, agree to allow UH to apply for third-party coverage, and financial assistance discounts were based on amounts generally billed If it is determined that any patient, including an uninsured charity patient, is unable to pay any account balances owed, the patient shall be determined to be medically indigent Medically indigent patient balances shall be fully discounted and designated as financial assistance UH participates in Ohio's Hospital Care Assurance Program (HCAP) Through HCAP, UH provides basic, medically necessary hospital-level services free of charge to Ohio residents whose income is below the poverty level (below 100 percent of the FPG) Patients who meet that income criterion must fill out and sign an application for HCAP
Part I, Line 6a		The Parent organization, University Hospitals (34-0714775), prepares an Annual Community Benefit Report that encompasses all of University Hospitals Health System including the subordinate organizations completing Schedule H
Part I, Line 7		Amounts calculated and reported in this table were derived from the most accurate, available sources A cost-to-charge ratio was used to determine Financial Assistance cost using hospital financial statements Medicaid shortfall for group subordinates was calculated, 1) based on the tax year's Medicaid cost report adjusted to reflect full costs to direct offsetting revenue from the Medicaid cost report, or 2) based on a cost-to-charge ratio and Medicaid revenues derived using financial statements Included in this Medicaid shortfall is the Ohio State Children's Health Insurance Program (SCHIP) shortfall Community health improvement and community benefit operations costs have been reported based on actual direct costs using actual or average employee compensation rates and adding indirect costs which are calculated by a cost accounting system as a percentage of total cost The Medicare Cost Report, adjusted to reflect full costs, was used to determine gross community benefit expense amounts for Health Professions Education, direct offsetting revenues are included from Medicare, Children's Hospitals Graduate Medical Education, and Medicaid for direct medical education Research amounts were also based on the Medicare Cost Report, adjusted to reflect full costs, using costs assigned to Research cost centers, less industry-sponsored research direct and indirect costs The expense of restricted cash contributions is reported based on the actual value of the contribution before indirect cost, restricted in-kind contributions are reported at fair market value In calculating gross and net community benefit expenses, care was taken to avoid double-counting community benefit expenses
Part I, Line 7g		Line 7g includes the costs and direct offsetting revenue associated with certain physician clinics that qualify to be reported as a subsidized health service The total amount of gross community benefit expense included in line 7g for these clinics is $17,940,137 The total amount of associated direct offsetting revenue is $13,882,799 The total amount of net community benefit expense included in line 7g is $4,057,338
Part II		Although difficult to measure and not reported numerically, UH benefits the community through important community building activities that ultimately promote improved health and well-being for the surrounding population Guided by our community health needs assessments and community hospital boards of directors, UH continues to meet community needs through economic development opportunities, local, regional and national disaster preparedness efforts, advocacy and coalition building, among others
Part III, Line 4		The hospitals financial statements are used to determine the bad debt expense as reported on line 2 Text to Audited Financial Statement Footnote - Provision for Bad Debt, In addition to charity care and insufficient funding from the Medicaid program, there are significant losses related to self-pay patients who fail to make payment for services rendered or insured patients who fail to remit co-payments and deductibles as required under applicable health insurance arrangements The provision for bad debts represents revenues for services provided that are deemed to be uncollectible Provision for bad debts totaled $54,983,000 and $57,304,000 for the years ended December 31, 2012 and 2011, respectively End text to footnote The bad debt expense disclosed on the Audited Financial Statements includes amounts for entities (for profits) that are not included in this return
Part III, Line 8		Costs were derived using the Medicare Cost Report As a safety-net to the community, UH hospitals provided services to many low-income Medicare recipients The Medicare losses sustained at these hospitals are a result of Medicare reimbursing at less than operating costs IRS Rev Rul 69-545, which established the community benefit standard for hospitals, provides that if a hospital serves patients covered by governmental health benefits (including Medicare), then this indicates the hospital operates to promote the health of the community In turn, treating Medicare patients is considered a community benefit
Part III, Line 9b		University Hospitals utilizes a single process to bill and collect for all patient payment portions of claims All self-pay account balances are treated the same way regardless of whether the patient is insured or uninsured
Part V, Section B, Line 12h		Another factor used in determining amounts charged to UH patients include residency criteria To qualify for Financial Assistance at a UH facility a patient must be a resident of Northeast Ohio (UH's service area comprises an eight county region) or be a patient in a UH hospital facility's primary and secondary service area seeking treatment at one of UH's wholly-owned and operated hospital facilities that provide patient care
Part V, Section B, Line 14g		UH provides a summary of its Financial Assistance Policy rather than the entire detailed policy The summary makes it easier for our patients to read and understand This summary is publicized through the UH website, on all patient statements and bills, in areas of hospital registration and financial counseling, in patient access or financial assistance offices, through financial counselors, and through other methods as required by state or federal law Policy posted on the website was not based on the notice of proposed rulemaking (NPRM) that was issued by the IRS on June 22, 2012, because that NPRM was not yet available
Part VI, Line 2		In calendar year 2012, UH assessed community health care needs by reviewing demographics, household income, ambulatory care sensitive discharges, health status and access indicators, federally designated areas and facilities, and local data sources for the respective communities served by each of the hospitals in the UH system The needs assessments have been used to guide UH community benefit program development and to inform strategic planning
Part VI, Line 3		UH informs and educates patients and persons who may be billed for patient care about options for resolution of their balances, including assistance under government programs and under the UH Financial Assistance Program ("Assistance Program") in a variety of ways Signage for the state of Ohio Health Care Assurance Program (HCAP) and the UH Patient Financial Assistance program can be found in locations where patients register for care, patient access areas, and various points of entry such as our emergency departments Supplemental brochures that reflect the UH Patient Financial Assistance Program and the HCAP program are also available Information about the Assistance Program can also be found on the UH website in addition to being provided on the backs of patient statements, including a toll free phone number to call for assistance from one of our financial counselors
Part VI, Line 4		The UH service area spans Northeast Ohio, and our clinical, education, research, and outreach programs benefit communities that extend well beyond this region The main campus facility, UH Case Medical Center, is located in the city of Cleveland and provides high-quality health care in an urban setting for a diverse population that includes many low-income residents UH Rainbow Babies & Children's Hospital (Rainbow) serves as a safety-net for Cleveland's children, with more than 60 percent of its patients enrolled in the state of Ohio Medicaid program Based on the 2008 needs assessment, the UH Primary Service Area (PSA) included about 3 million persons, and its Secondary Service Area (SSA) included a population of approximately 1 2 million persons for a total service area population of approximately 4 2 million The PSA encompasses an eight-county region including Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage and Summit (referred to as the "eight-county region") The SSA encompasses seven counties including Ashland, Erie, Huron, Mahoning, Stark, Trumbull, and Wayne Seventy percent of the UH service area population is located in the PSA, while the remaining 30 percent is located in the SSA With approximately 1 3 million residents, Cuyahoga County accounts for 31 percent of the population comprising UH service area counties UH continually invests in access to care for low income and vulnerable populations Four UH Health Clinics are located in areas designated as Health Professional Shortage Areas (HPSAs) by the Health Resources and Services Administration (HRSA) These clinics include the Douglas Moore Health Clinic, Women's Health Center, Rainbow Ambulatory Practice, and Family Medicine Clinic, all located on the UH Case Medical Center campus HRSA also designates Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs) based on specific criteria Twenty-five areas within the UH service area including Cuyahoga, Lorain, and Summit Counties qualify as MUAs, while one population in Kent, Portage County is a designated MUP Cuyahoga County alone accounts for 20 MUAs located in 13 zip codes, representing 12 towns The UH System's two critical access hospitals in Ashtabula County sit in Appalachia, as designated by the Appalachian Regional Commission
Part VI, Line 5		Governed by a Board of Directors comprised primarily of persons residing in the UH Primary Service Area, UH continues to reinvest in itself and the community through enhanced clinical services, educational programs, research, and capital improvements that meet the health care needs of communities and patients it serves UH provides an outstanding balance of high-quality clinical care within its walls, and community health outreach to local populations As indicated in the above response to Part VI, Line 4, UH has made significant investments in access to care for low income and vulnerable populations Four UH Health Clinics are located in areas designated as Health Professional Shortage Areas (HPSAs) by the Health Resources and Services Administration (HRSA) These clinics include the Douglas Moore Health Clinic, Women's Health Center, Rainbow Ambulatory Practice, and Family Medicine Clinic, all located on the UH Case Medical Center campus HRSA also designates Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs) based on specific criteria Twenty-five areas within the UH service area including Cuyahoga, Lorain, and Summit Counties qualify as MUAs, while one population in Kent, Portage County is a designated MUP Cuyahoga County alone accounts for 20 MUAs located in 13 zip codes, representing 12 towns The UH System's two critical access hospitals in Ashtabula County sit in Appalachia, as designated by the Appalachian Regional Commission UH is committed to training the next generation of physicians, nurses, specialists and other allied health care providers annually Many of these students and trainees complete their education and take their knowledge and expertise to other parts of the state or country, thereby benefiting other communities UH works to increase health and medical knowledge through government and non-profit funded research The shared knowledge derived from these efforts improves the health and well-being of people throughout the nation and the world when they lead to new standards in care, new medical devices, or breakthroughs in tackling diseases
Part VI, Line 6		University Hospitals (parent organization) together with its affiliates and subsidiaries is an integrated, health care delivery system The System includes an academic medical center, five wholly-owned community hospital locations, two of which are critical access facilities, a nationally recognized children's hospital, a nationally recognized cancer center, ambulatory health care centers and physician practice offices throughout the region The System also provides skilled nursing, elder health, rehabilitation and home care services UH serves an essential role in the community by providing diverse populations throughout the Northeast Ohio region with comprehensive health care - from primary care to highly specialized medical care for the most serious of health problems It provides the same quality and compassionate service to all, no matter their income, ability to pay or socioeconomic status UH cares for the well-insured and the uninsured, men, women and children from every community in the region, from urban centers, small towns, rural areas and suburbs

Additional Data

Software ID:
Software Version:
EIN: 90-0059117
Name: University Hospitals Health System Inc
Group Return

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

Section C. Other 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?
31

	Name and address	Type of Facility (describe)
1	UH Chagrin Highlands Medical Center 3909 Orange Place Orange Village, OH 44122	Outpatient Health Center
2	UH Westlake Health Center Bldg A 960 Clague Road Westlake, OH 44145	Outpatient Health Center
3	UH Landerbrook Health Center 5885 Landerbrook Drive Mayfield Heights, OH 44124	Outpatient Health Center
4	UH Twinsburg Health Center 8819 Commons Blvd Suite 100 Twinsburg, OH 44087	Outpatient Health Center
5	UH Mentor Health Center 9000 Mentor Avenue Mentor, OH 44060	Outpatient Health Center
6	UH Concord Health Center 7500 Auburn Road PainsvilleConcord JED, OH 44077	Outpatient Health Center
7	UH Ahuja Med Office Bldg 1000 Auburn Dr Beachwood, OH 44122	Outpatient Health Center
8	UH Sharon Health Center 5133 Ridge Rd Wadsworth, OH 44281	Outpatient Health Center
9	UH Adult Sleep Lab Center 3628 Park East Dr Beachwood, OH 44122	Outpatient Health Center
10	UH Medina Health Center 4001 Carrick Dr Medina, OH 44256	Outpatient Health Center
11	UH Health Center Landerbrook 5850 Landerbrook Drive Mayfield Heights, OH 44124	Outpatient Health Center
12	UH Euclid Health Center 18599 Lake Shore Blvd Euclid, OH 44119	Outpatient Health Center
13	UH St John Westshore MOB 29000 Center Ridge Road Westlake, OH 44145	Outpatient Health Center
14	UH Lyndhurst Surgery Center 29017 Cedar Road Lyndhurst, OH 44124	Outpatient Health Center
15	UH Physical Therapy Office 4480 Richmond Road Warrensville Heights, OH 44122	Outpatient Health Center
16	UH Mayfield Village Health Center 730 SOM Center Road Suite 110 Mayfield Village, OH 44143	Outpatient Health Center
17	UH Madison Health Center 701 North Lake Street Madison, OH 44057	Outpatient Health Center
18	UH Hudson Health Center 5778 Darrow Road Hudson, OH 44236	Outpatient Health Center
19	UH University Suburban Health Center 1611 South Green Road South Euclid, OH 44121	Outpatient Health Center
20	UH St John Med Center Womens Health Ct 29325 Health Campus Drive Suite 1 Westlake, OH 44145	Outpatient Health Center
21	UH Cedars on the Green Peds Rehab Ctr 2054 So Green Road South Euclid, OH 44141	Outpatient Health Center
22	UH Otis Moss Health Center 8819 Quincy Avenue Cleveland, OH 44106	Outpatient Health Center
23	UH Crocker Corp Ctr 2055 Crocker Road Westlake, OH 44145	Outpatient Health Center
24	UH Ashtabula Health Center 2131 Lake Avenue Ashtabula, OH 44004	Outpatient Health Center
25	UH Bedford Medical Office Center 50 Blaine Avenue Bedford, OH 44146	Outpatient Health Center
26	UH Park East 3619 Park East Drive Beachwood, OH 44122	Outpatient Health Center
27	UH Westlake Health Center Bldg B 950 Clague Road Westlake, OH 44145	Outpatient Health Center
28	UH Aurora Health Center 55 North Chillicothe Road Aurora, OH 44202	Outpatient Health Center
29	UH Bainbridge Health Center 8185 East Washington Street Bainbridge, OH 44023	Outpatient Health Center
30	UH Chesterland Medical Center 8055 Mayfield Rd Chesterland, OH 44026	Outpatient Health Center
31	UH Park West Surgical Center 1 Park West Blvd Akron, OH 44320	Outpatient Health Center

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . ▶ 34

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Schedule I, Part I, Line 2		Donations made by members of the Group Return to charitable organizations are made in furtherance of the recipient organizations' exempt purposes and are considered unrestricted with regard to use of funds

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 90-0059117
Name: University Hospitals Health System Inc
Group Return

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AIDS Taskforce of Greater Cleveland2728 EUCLID AVE STE 400 Cleveland,OH 44115	34-1433612	501(c)3	15,000				General Support
Alzheimers Association 23215 Commerce Park Dr Ste 300 Beachwood,OH 44122	34-1311175	501(c)3	12,000				General Support
AMER DIABETES ASSNPO BOX 631762 BALTIMORE,MD 212631762	13-1623888	501(c)3	10,000				General Support
American Heart Association PO Box 1590 Hagerstown,MD 217401590	13-5613797	501(c)3	108,000				General Support
American Liver Foundation 921 E 86th St Ste 150 Indianapolis,IN 46240		501(c)3	14,000				General Support
American Red Cross3747 Euclid Ave Cleveland,OH 44115		501(c)3	15,000				General Support
Arthritis Foundation4630 Richmond Rd Ste 240 Cleveland,OH 44128		501(c)3	25,000				General Support
Autism Speaks Inc4700 Rockside Rd Ste 408 Independence,OH 44131	20-2329938	501(c)3	8,000				General Support
Case Western Reserve10900 Euclid Ave Cleveland,OH 44106	34-1018992	501(c)3	30,171,000				General Support
Childrens Museum of Cleveland10730 Euclid Ave Cleveland,OH 44106		501(c)3	10,000				General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Childrens Tumor Foundation 5647 Faraday Road Lydhurst,OH 44124		501(c)3	10,000				General Support
Cleveland Central Catholic 6550 Baxter Ave Cleveland,OH 44105	34-1013635	501(c)3	20,000				General Support
Cleveland Center for Arts & Technology3634 Euclid Ave Ste 100 Cleveland,OH 44115		501(c)3	200,000				General Support
Cleveland Foodbank15500 South Waterloo Rd Cleveland,OH 44110	34-1292848	501(c)3	10,000				General Support
Cleveland Rape Crisis Center 526 Superior Ave 1400 Cleveland,OH 44114		501(c)3	8,000				General Support
Cleveland School of Science and Medicine1422 Euclid Ave Ste 1300 Cleveland,OH 44115		501(c)3	13,000				General Support
Crohns Colitis Foundation 4700 Rockside Rd Ste 425 Independence,OH 44131		501(c)3	16,000				General Support
Cuyahoga Community College Foundation700 Carnegie Ave Cleveland,OH 44115		501(c)3	25,000				General Support
Cystic Fibrosis Foundation 5001 Mayfield Rd Ste 111 Lydhurst,OH 44124	13-1930701	501(c)3	12,000				General Support
Epilepsy Foundation of NE Ohio2800 Euclid Ave Ste 450 Cleveland,OH 44115	23-7198807	501(c)3	11,000				General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Free Clinic of Greater Cleveland12201 Euclid Ave Cleveland,OH 44106	23-7078501	501(c)3	30,000				General Support
Gathering Place23300 Commerce Park Dr Cleveland,OH 44122		501(c)3	100,000				General Support
Harvest for Hunger15500 South Waterloo Rd Cleveland,OH 44110		501(c)3	10,000				General Support
Juvenile Diabetes6100 Rockside Woods Blvd Independence,OH 44131		501(c)3	20,000				General Support
Kidney Foundation of Ohio 2831 Prospect Ave Cleveland,OH 44115		501(c)3	12,000				General Support
March of Dimes of NE Ohio 5425 Warner Rd Ste 10 Cleveland,OH 44125		501(c)3	10,000				General Support
Medwish IntlPO Box 181484 Cleveland,OH 44118	34-1903712	501(c)3	10,000				General Support
MILESTONES ORGANIZATION23880 COMMERCE PARK STE 2 Beachwood,OH 44122	20-0721205	501(c)3	8,000				General Support
Nat'l Multiple Sclerosis Society6155 Rockside Rd Ste 202 Independence,OH 44131		501(c)3	10,000				General Support
Ronald Mcdonald House 10415 Euclid Ave Cleveland,OH 44111	34-1269123	501(c)3	69,000				General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
St Vincent Charity Foundation2475 East 220nd St Cleveland,OH 44115		501(c)3	10,000				General Support
Susan G Komen Race for the Cure26210 Emery Rd Ste 307 Cleveland,OH 44128	34-1793460	501(c)3	75,000				General Support
Suicide Prevention & Alliance Center29425 Chagrin Blvd Ste 306 Cleveland,OH 44122		501(c)3	10,000				General Support
United Negro College Fund 2000 Auburn Dr Ste 200 Cleveland,OH 44122		501(c)3	25,000				General Support

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule J, Part I, Line 4b		Part I, Line 4b The following persons participated in, or received payment from a nonqualified retirement plan (457 (f) or SERP) in 2012 - Harlin G Adelman (No payments received in 2012) - Michael R Anderson, M D (No payments received in 2012) - William L Annable ($58,464-SERP) - Eric Bieber, M D (No payments received in 2012) - Sherri L Bishop (No payments received in 2012) - Peter Brumleve (No payments received in 2012) - Cliff J Coker ($6,240-SERP) - Robert G David (No payments received in 2012) - Laurie S Delgado (No payments received in 2012) - Achilles A Demetriou, M D ($298,068-SERP) - Ronald E Dziedzicki (No payments received in 2012) - Michael J Farrell (No payments received in 2012) - John V Foley (No payments received in 2012) - Richard J Frenchie ($4,265-SERP) - Heidi Gartland (No payments received in 2012) - Phyllis Hall (No payments received in 2012) - Richard Hanson (No payments received in 2012) - Steven M Jones (No payments received in 2012) - Susan V Juris ($188,189-SERP) - Elliot A Kellman ($123,870-SERP) - Catherine S Koppelman ($281,196) - Nathan Levitan, M D ($139,815-SERP) - Keith Maitland ($154,296-SERP) - Janet L Miller ($66,820-457f) - Michael L Nochomovitz, M D ($141,932-SERP) - Donnie J Perkins - ($25,443-SERP) - Fred C Rothstein, M D ($209,325-SERP/$81,927-457f) - Sonia Salvino (No payments received in 2012) - Steven D Standley ($351,390-SERP) - Michael A Szubski (No payments received in 2012) - Paul G Tait (No payments received in 2012) - Nancy Tinsley (No payments received in 2012) - Allen Tracy (No payments received in 2012) - Michael R Vehovec (No payments received in 2012) - Cheryl Wahl (No payments received in 2012) - William Young (No payments received in 2012) - Thomas F Zenty III ($1,549,348-SERP)
No-fixed payments to disclosed persons	Schedule J, Part I, Line 7	Certain employees disclosed in Part VII receive bonuses, 457f payments, and SERP payments which would qualify as non-fixed payments
Initial Contract Excepton	Schedule J, Part I, Line 8	Certain employee compensation disclosed in Part VII meet the requirements of the initial contract exception

Additional Data

Return to Form

Software ID:

Software Version:

EIN: 90-0059117

Name: University Hospitals Health System Inc
Group Return

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				
UHHS - William L Annable MD	(I) (II)	330,576 0	152,453 0	68,751 0	7,500 0	14,267 0	573,547 0	0 0
UHHS - Achilles A Demetriou MD	(I) (II)	844,666 0	1,154,632 0	310,386 0	46,942 0	13,726 0	2,370,352 0	0 0
UHHS - Elliot A Kellman	(I) (II)	416,463 0	536,160 0	130,710 0	43,180 0	19,660 0	1,146,173 0	0 0
UHHS - Janet L Miller Esq	(I) (II)	415,828 0	327,503 0	71,502 0	349,327 0	10,133 0	1,174,293 0	66,820 0
UHHS - Fred C Rothstein MD	(I) (II)	640,803 0	898,782 0	302,088 0	43,845 0	23,870 0	1,909,388 0	81,927 0
UHHS - Steven D Standley	(I) (II)	433,540 0	539,643 0	355,549 0	41,550 0	13,929 0	1,384,211 0	249,467 0
UHHS - Michael A Szubski	(I) (II)	593,611 0	466,448 0	3,346 0	466,147 0	30,730 0	1,560,282 0	0 0
UHHS - Thomas F Zenty III	(I) (II)	1,063,037 0	1,492,185 0	1,571,029 0	360,880 0	10,461 0	4,497,592 0	944,942 0
UHCMC - Michael Anderson MD	(I) (II)	311,251 0	97,835 0	35,228 0	71,639 0	32,569 0	548,522 0	0 0
UHCMC - Patricia DePompei	(I) (II)	269,251 0	74,182 0	2,266 0	37,032 0	27,283 0	410,014 0	0 0
UHCMC - Ronald E Dziedzicki BSN	(I) (II)	272,755 0	118,957 0	3,674 0	87,264 0	18,570 0	501,220 0	0 0
UHCMC - Michael J Farrell	(I) (II)	125,591 0	195,210 0	1,463 0	78,961 0	10,060 0	411,285 0	0 0
UHCMC - Catherine S Koppelman R	(I) (II)	302,732 0	143,108 0	286,079 0	46,152 0	26,239 0	804,310 0	187,639 0
UHCMC - Nathan Levitan MD	(I) (II)	460,710 0	229,339 0	144,933 0	41,258 0	19,263 0	895,503 0	0 0
UHCMC - Sonia Salvino	(I) (II)	224,640 0	77,431 0	1,047 0	57,594 0	21,590 0	382,302 0	0 0
UHCMC - Warren Selman MD	(I) (II)	847,548 0	51,890 0	61,995 0	8,142 0	32,022 0	1,001,597 0	0 0
UHMG - Harlin G Adelman	(I) (II)	279,803 0	138,278 0	1,650 0	75,502 0	29,428 0	524,661 0	0 0
UHMG - Eric Bieber MD	(I) (II)	502,222 0	229,665 0	3,270 0	113,335 0	30,226 0	878,718 0	0 0
UHMG - Phyllis Hall	(I) (II)	307,993 0	139,803 0	2,809 0	90,571 0	22,070 0	563,246 0	0 0
UHMG - Clifford V Harding MD	(I) (II)	223,352 0	31,886 0	35,942 0	6,750 0	3,306 0	301,236 0	0 0
UHMG - Michael Konstan MD	(I) (II)	287,922 0	0 0	72,236 0	13,838 0	10,506 0	384,502 0	0 0
UHMG - Randall Marcus MD	(I) (II)	570,585 0	45,755 0	69,608 0	16,501 0	22,740 0	725,189 0	0 0
UHMG - Cliff Megerian MD	(I) (II)	541,004 0	0 0	45,122 0	7,500 0	27,067 0	620,693 0	0 0
UHMG - Howard Nearman MD	(I) (II)	342,683 0	31,886 0	51,313 0	15,345 0	21,053 0	462,280 0	0 0
UHMG - Michael Nochomovitz MD	(I) (II)	612,873 0	770,050 0	151,329 0	43,921 0	10,981 0	1,589,154 0	0 0
UHMG - Jeffrey Ponsky MD	(I) (II)	601,366 0	45,622 0	78,569 0	16,602 0	13,726 0	755,885 0	0 0
UHMG - Robert Ronis	(I) (II)	167,038 0	31,886 0	26,307 0	10,504 0	1,675 0	237,410 0	0 0
UHMG - Richard A Walsh MD	(I) (II)	374,928 0	45,622 0	58,606 0	15,889 0	14,136 0	509,181 0	0 0
UHLSF - Don M Landek	(I) (II)	165,581 0	16,319 0	9,786 0	34,538 0	13,858 0	240,082 0	0 0
UHLSF - Nancy Tinsley	(I) (II)	207,851 0	67,950 0	800 0	59,012 0	7,962 0	343,575 0	0 0
AMC - Richard Hanson	(I) (II)	532,654 0	378,061 0	6,553 0	323,079 0	31,498 0	1,271,845 0	0 0
AMC - Susan V Juris	(I) (II)	322,750 0	113,322 0	191,621 0	39,780 0	11,353 0	678,826 0	83,944 0
AMC - Richard Stein	(I) (II)	0 435,450	0 0	0 4,170	0 31,705	0 35,077	0 506,402	0 0
UHREG - Laurie Delgado	(I) (II)	319,421 0	122,308 0	1,990 0	85,338 0	21,568 0	550,625 0	0 0
UHREG - Joseph Shawi MD	(I) (II)	0 198,117	0 0	0 1,956	0 0	0 26,938	0 227,011	0 0
CMC - Benjamin Bryant MD	(I) (II)	0 277,236	0 0	0 4,126	0 33,193	0 18,210	0 332,765	0 0
CMC - Robert David	(I) (II)	117,558 0	57,396 0	763 0	33,147 0	13,621 0	222,485 0	0 0
CMC - Arpan Desai MD	(I) (II)	0 479,421	0 0	0 1,718	0 0	0 28,814	0 509,953	0 0
CMC - Karen McNeil	(I) (II)	121,376 0	13,209 0	1,001 0	14,892 0	1,494 0	151,972 0	0 0
ECC - Rebecca Ivcic	(I) (II)	132,127 0	13,760 0	5,574 0	28,450 0	17,556 0	197,467 0	0 0
GMC - Rose Dotson MD	(I) (II)	0 281,997	0 0	0 3,445	0 0	0 12,033	0 297,475	0 0
GMC - M Steven Jones Ex Off Dir	(I) (II)	300,876 0	124,737 0	4,087 0	89,398 0	13,717 0	532,815 0	0 0
UHGMC - Robert David	(I) (II)	117,557 0	57,396 0	763 0	33,146 0	13,620 0	222,482 0	0 0
UHGMC - Raimantas Drublionis MD	(I) (II)	0 288,592	0 0	0 542	0 0	0 1,659	0 290,793	0 0
HCS - Keith Maitland	(I) (II)	207,232 0	92,898 0	156,252 0	38,456 0	27,655 0	522,493 0	99,206 0
UHMG - Bahman Guyuron MD	(I) (II)	988,977 0	143,230 0	115,010 0	20,702 0	21,114 0	1,289,033 0	0 0
UHMG - Nicholas U Ahn MD	(I) (II)	960,047 0	0 0	105,779 0	14,874 0	19,327 0	1,100,027 0	0 0
UHMG - Jason D Eubanks	(I) (II)	953,775 0	0 0	73,873 0	14,430 0	8,567 0	1,050,645 0	0 0
UHMG - Kord S Honda	(I) (II)	926,447 0	0 0	75,700 0	11,932 0	31,859 0	1,045,938 0	0 0
UHMG - Matthew Kraay	(I) (II)	769,067 0	0 0	74,166 0	15,378 0	31,226 0	889,837 0	0 0
UHHS Sherri Bishop	(I) (II)	333,036 0	271,860 0	2,975 0	293,770 0	33,704 0	935,345 0	0 0
UHHS - Peter S Brumleve	(I) (II)	177,286 0	100,930 0	21,281 0	26,813 0	6,345 0	332,655 0	0 0
UHHCS - Kevin P Cunningham	(I) (II)	138,795 0	14,290 0	731 0	5,348 0	18,961 0	178,125 0	0 0
UHHS - John V Foley	(I) (II)	160,380 0	50,000 0	85,741 0	20,000 0	8,897 0	325,018 0	0 0
GMC - Jason E Glowczewski	(I) (II)	144,834 0	10,439 0	1,297 0	9,528 0	28,705 0	194,803 0	0 0
AMC - Alan Hirsch MD	(I) (II)	299,913 0	26,230 0	14,034 0	27,987 0	25,485 0	393,649 0	0 0
UHCMC - Carl Lufter	(I) (II)	164,489 0	16,479 0	11,009 0	16,443 0	14,390 0	222,810 0	0 0
UHHS - Donnie Perkins	(I) (II)	189,053 0	51,540 0	38,351 0	0	2,802 0	281,746 0	0 0
UHHS - Paul G Tait	(I) (II)	357,879 0	281,168 0	2,999 0	292,839 0	26,909 0	961,794 0	0 0
UHHS - Cheryl Wahl	(I) (II)	220,637 0	86,018 0	937 0	53,816 0	13,327 0	374,735 0	0 0
UHHS - William A Young	(I) (II)	316,382 0	25,000 0	2,494 0	39,000 0	28,477 0	411,353 0	0 0
UHHS - Cliff J Coker	(I) (II)	0 0	136,034 0	6,240 0	0 0	0 0	142,274 0	97,512 0
UHLSF - Michael R Vehovec	(I) (II)	226,875 0	107,784 0	1,118 0	72,162 0	1,986 0	409,925 0	0 0

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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.**

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2012

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Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

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? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? 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
See Additional Data Table					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
Additional Information For Schedule L Part IV Responses	Schedule L Part IV	Line 1 Residence Inn Relationship Between Interested Person and Organization UHCMC Director Richard Horvitz owns many Residence Inns in the local area Description of Transaction Residence Inn rents rooms to UHCMC for sleep studies or other activities These transactions were all at arms length Line 2 Diane Anderson Relationship Between Interested Person and Organization Family Member of Michael Anderson, M D UHCMC CMO Description of Transaction A family member of Dr Anderson is employed by UHCMC Line 3 First Energy Relationship Between Interested Person and Organization UHCMC Director Ernest J Novak is a Director of First Energy Description of Transaction First Energy subsidiary The Illuminating Co provided energy services to UHCMC in 2012 These transactions were all at arms length Line 4 First Energy Relationship Between Interested Person and Organization UHCMC Director Lorna Wisham is employed at First Energy Description of Transaction First Energy subsidiary The Illuminating Co provided energy services to UHCMC in 2012 These transactions were all at arms length Line 5 Turner Construction Co Relationship Between Interested Person and Organization UHCMC Director Hilton O Smith is employed at Turner Construction Co Description of Transaction Turner Construction Co provided construction related services to UHCMC in 2012 These transactions were all at arms length Line 6 Lee Ponsky, M D Relationship Between Interested Person and Organization Family Member of Jeffrey Ponsky, M D UHMG Director Description of Transaction A family member of Dr Ponsky is employed by UHMG Line 7 Todd Ponsky, M D Relationship Between Interested Person and Organization Family Member of Jeffrey Ponsky, M D UHMG Director Description of Transaction A family member of Dr Ponsky is employed by UHMG Line 8 Diana Ponsky, M D Relationship Between Interested Person and Organization Family Member of Jeffrey Ponsky, M D UHMG Director Description of Transaction A family member of Dr Ponsky is employed by UHMG

Additional Data

Software ID:
Software Version:
EIN: 90-0059117
Name: University Hospitals Health System Inc
Group Return

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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) Residence Inn	See Part V	184,000	See Part V		No
(2) Diane Anderson	See Part V	14,000	See Part V		No
(3) First Energy	See Part V	143,000	See Part V		No
(4) First Energy	See Part V	143,000	See Part V		No
(5) Turner Construction	See Part V	1,965,000	See Part V		No
(6) Lee Ponsky MD	See Part V	493,000	See Part V		No
(7) Todd Ponsky MD	See Part V	165,000	See Part V		No
(8) Diana Ponsky MD	See Part V	195,000	See Part V		No

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

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2012

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Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art	X	23	69,592	Appraisals
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	X		10	FMV
5	Clothing and household goods	X		3,517	FMV/Receipt
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	58	3,653,035	Med Value at Transf
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other	X	1	57,729	Sale
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies	X	2	8,470	FMV
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▸ (Miscellaneous)	X	201	135,899	FMV
26	Other ▸( )				
27	Other ▸( )				
28	Other ▸ ( )				

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

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

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Form 990, Schedule M, Part I, Column (b)		the numbers reported in Part I, Column (b) represent the number of items contributed

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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
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

Identifier	Return Reference	Explanation
UH Entity DBA Names/Acronyms		The list below shows all the entities included in this Group Return along with any applicable dba names and/or acronyms that will be used throughout this return For purposes of this Group Return University Hospitals is at times notes as "UH" University Hospitals Cleveland Medical Center (UHCMC) - 34-1567805 dba University Hospitals Case Medical Center 11100 Euclid Ave Cleveland, OH 44106 University Hospitals Ahuja Medical Center, Inc (AMC) - 26-4827222 11100 Euclid Avenue Cleveland, OH 44106 University Hospitals Bedford Medical Center (BMC) - 34-1271115 44 Blaine Avenue Bedford, OH 44146 University Hospitals Conneaut Medical Center (CMC) - 34-0714550 158 West Main Road Conneaut, OH 44030 BMH Professional Corporation (BMHPC) - 34-1749966 158 West Main Road Conneaut, OH 44030 University Hospitals Geauga Medical Center (GMC) - 34-0816492 13207 Ravenna Road Chardon, OH 44024 University Hospitals Geneva Medical Center (UHGMC) - 34-0714461 870 West Main Street Geneva, OH 44041 UHHS Heather Hill Inc (HHI) - 34-0771884 12340 Bass Lake Road Chardon, OH 44024 UHHS - Heather Hill Rehabilitation Hospital Inc (UHECC) - 34-1465745 dba University Hospitals Extended Care Campus 12340 Bass Lake Road Chardon, OH 44024 UH Regional Hospitals (UHRH) - 34-1924226 27100 Chardon Road Richmond Hts, OH 44143 University Mednet (UMI) - 34-0750341 23001 Euclid Avenue Cleveland, OH 44117 University Hospitals Home Care Services, Inc (HCS) - 34-1527536 4901 Galaxy Parkway Warrensville Hts, OH 44128 University Hospitals Laboratory Services Foundation (UHLSF) - 34-1720429 11100 Euclid Avenue Cleveland, OH 44106 University Hospitals Medical Group (UHMG) - 20-4881619 11100 Euclid Avenue Cleveland, OH 44106 University NPI Inc - 34-1571623 11100 Euclid Avenue Cleveland, OH 44106 Memorial Hospital Health Foundation - 34-1810018 11100 Euclid Avenue Cleveland, OH 44106 University Hospitals Accountable Care Organization Inc 3605 Warrensville Center Rd - MSC 9155 Shaker Hts, OH 44122 University Hospitals Coordinated Care Organization 3605 Warrensville Center Rd - MSC 9155 Shaker Hts, OH 44122 University Hospitals Rainbow Care Connection Inc 3605 Warrensville Center Rd - MSC 9155 Shaker Hts, OH 44122

Identifier	Return Reference	Explanation
Treasury Regulation Section 1 6033-2(d)(5)		Pursuant to Treasury Regulation Section 1 6033-2(d)(5), University Hospitals Health System, Inc ("Parent Organization") has elected to report information about contributions, gifts and grants, and compensation and other information about officers, directors, trustees, key employees, certain highly compensated employees, and certain professional contractors on a consolidated basis for all the members of its Group Exemption, including the Parent Organization, on the University Hospitals Health System, Inc Group Return

Identifier	Return Reference	Explanation
Form 990, Part I, Line 6		The total number of volunteers is provided by each UH Medical Center's volunteer coordinator Volunteers provide assistance in many different departments throughout the UH medical centers The roles of a volunteer fall into three categories patient contact, limited patient contact and no patient contact Roles in the patient contact category include those where the volunteer is working directly with a patient or the patient's family Examples of volunteer roles from this category include but are not limited to pastoral care volunteers and newborn nursery volunteers Volunteers who serve in roles where there is limited patient contact work in areas where they may be working more with hospital staff than our patients or visitors Examples of volunteer roles under the limited patient contact include but are not limited to flower delivery volunteers and Atrium gift shop volunteers And finally, examples of volunteer roles from the no patient contact category include but are not limited to mailroom and clerical volunteers (working in offices throughout the UH medical centers)

Identifier	Return Reference	Explanation
Part V, Line 2a		University Hospitals Health System, Inc acts as a common pay agent for the various entities that comprise the System As a result the number of employees reported on Form W-3 will be different than what is shown in Part V Line 2a because this Group Return does not encompass all entities for which the Parent acts as a common pay agent

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, Line 2		The following information regarding family and business relationships was obtained while reviewing conflict of interest questionnaire responses received from Directors, Officers, and Key Employees University Hospitals relies upon these questionnaire responses to determine these relationships Mr James Supplee (CMC Director) and Mr Charles Deck (CMC Director) have a business relationship Mr Craig Parker (UHGMC Director) and Mr Willard Raymond (UHGMC Director) have a business relationship Mr Ralph Della Ratta (UHCMC Director) and Mr Michael Siegel (UHCMC Director) have a business relationship Mr Richard Horvitz (UHCMC Director) and Mr Ralph Della Ratta (UHCMC Director) have a business relationship Mr John Morley (UHCMC Director) and Mr William O'Neill Jr (UHCMC Director) have a business relationship Mr Fred C Rothstein, M D (UHCMC Director) and Mr Michael Feuer (UHCMC Director) have a business relationship Mr Lee Koury (UHCMC Director) and Mr Gregory Skoda (UHCMC Director) have a business relationship

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, Line 6		University Hospitals Health System, Inc is the Sole Member of the organizations included in this return Its rights include electing the Board of Directors and approving significant decisions of each organization's Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, Line 7a		University Hospitals Health System, Inc (Sole Member) elects the Board of Directors, including the designation of the Directors to be the Chairperson and Vice Chairperson of the Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, Line 7b		Certain decisions of each organization's governing body are subject to approval by University Hospitals Health System, Inc (Sole Member) Examples include approving matters relating to finances and financing, matters relating to investments, legal matters, material assets sales or transfers, strategic plan, officers, and Directors to the Organizations Board

Identifier	Return Reference	Explanation
form 990, Part VI, Section B, Line 11		The Form 990 for University Hospitals Health System, Inc Group Return is approved for filing by University Hospitals Health System Inc 's (Parent Organization) governing body The Audit and Compliance Committee has been delegated authority to review and approve Form 990 by the UH Board The Compensation Committee reviews relevant disclosures related to compensation sections of the return The Governance and Community Benefit Committee reviews and approves the Governance and Community Benefit sections of the return The Board receives a complete copy of the return to review before it is filed with the Internal Revenue Service Certain members of Senior management review the form while overseeing this process

Identifier	Return Reference	Explanation
form 990, Part VI, Section B, Line 12c		UH has adopted three Conflict of Interest ("COI") policies the first relates to UH and all its subsidiaries and applies to all directors, officers, other disqualified persons, pursuant to the intermediate sanctions regulations, the second applies to UH management (supervisors and above) and the third applies to physicians UH regularly and consistently monitors and enforces compliance with the COI policies Individuals to which the COI policies apply are required to complete an annual disclosure and provide information regarding any interests that may be potential conflicts pursuant to the COI policies Individuals covered by the policies are required to provide any changes to or new disclosures should they occur All disclosures and subsequent updates to disclosures are reviewed by the UH Compliance and Ethics Department Board-level conflicts are reviewed and approved, if appropriate, by the Audit and Compliance Committee of the UH Board If a conflict exists with a Director, certain restrictions may be imposed, such as excusing the Director from voting with regard to a proposed transaction Education regarding conflicts of interest is included in the annual compliance training that includes all Directors, employees and physicians

Identifier	Return Reference	Explanation
form 990, Part VI, Section B, Line 15		Executive compensation is approved by the Compensation Committee of the Board (the "Committee") The Committee has retained an independent compensation consultant who provides information to the Committee on changes and trends in executive compensation and objective third party information on competitive and comparable executive compensation and benefit level/programs The Consultant collects and provides to the Committee, appropriate market compensation and benefits information, appropriate market practices for comparable organizations' positions and best practices The Consultant also provides advice on developing and modifying UH's executive compensation philosophy

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, Line 19		The Financial Statements for University Hospitals Health System, Inc and its Subsidiaries are made publicly available through the use of DAC Bond (disclosure dissemination agent) and can be found on the internet at www dacbond com The organization's governing documents and conflict of interest policy may be made available upon request

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A		The individuals listed below serving as current Officers/Directors are also employees of other UH entities included in this Group Return The hours listed in this section reflect only the individual's time spent directly related to the activity of the board on which they serve UHMG - Harlin G Adelman UHECC - Rebecca Ivcic UHLSF - Nancy Tinsley

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A, Compensation for Richard Hanson		Mr Richard Hanson is University Hospitals President of Community Hospitals & Ambulatory Networks In this role he oversees all of the community hospitals He also serves on all of the community hospitals' boards Mr Hanson serves on multiple boards, however, his total compensation is being reported only on one board If an allocation of compensation were made to each entity a disclosure would not be necessary

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A, Frederick C Rothstein, M D		Dr Rothstein is the President of University Hospitals Cleveland Medical Center (UHCMC) of which he is listed as an Officer and a Director Dr Rothstein also is an Executive Vice President of University Hospitals Health System, Inc (UHHS) and serves on its Board as Director Dr Rothstein is paid by UHHS and as such his compensation is disclosed in relation to the UHHS Board To avoid any confusion his hours per week are listed at 60 for both UHCMC and UHHS

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A, Increase in Executive Compensation in 2012		The 2012 increase in UH executive compensation was primarily driven by payouts from a long term incentive plan (LTIP) in addition to payouts from a supplemental employee retirement plan (SERP) that occurred in 2012 and not in 2011 The LTIP was available for select executive positions of which the payouts covered a 3-year period, were based on predetermined benchmarks to support the UH mission, and were ultimately approved by the appropriate committee of the UHHS Board The LTIP payouts do not represent annual earnings as payment was for multiple years of performance Therefore, year-over-year compensation comparisons for select executives are difficult The SERP is a retirement plan earned over multiple years of career service which vests according to a predetermined schedule The SERP payouts do not represent annual earnings as the payments are for multiple years of service Therefore, year-over-year compensation comparisons for select executives are difficult

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 5, Changes in Net Assets		Net Change in Temporarily Restricted Net Assets $30,623,000 Net Change in Permanently Restricted Net Assets $2,111,000 Equity Transfer ($151,032,000) Less Rest Gifts Included on Form 990, Pg 1, Ln 8 ($80,857,000) Other Changes $7,627,000 Total to Form 990, Part XI, Line 5 ($191,528,000)

Identifier	Return Reference	Explanation
Form 990, Part IX, Line 11g, Breakdown of Expense		Consulting Fees $4,112,000 Medical/Clinical Purchased Services $35,112,000 Other Purchased Services $275,021,000 Total To Form 990, Part IX, Line 11g $314,245,000

Identifier	Return Reference	Explanation
Form 990, Line H(b)		It was discovered during the e-filing of this Group return that University Hospitals Accountable Care Organization ("UHACO", EIN 27-3970270) erroneously had its tax-exempt status revoked by the IRS and that University Hospitals Coordinated Care ("UHCC", EIN 90-0794903) had not properly been updated in the IRS systems as a part of Group Exemption Number 3829 Although the IRS has agreed to reinstate UHACO's tax-exempt status and University Hospitals has communicated with the IRS to include UHCC in the group exemption, such updates will not occur until after the ten day e-filing perfection period Furthermore, it appears unlikely that we will receive a reply to our request to paper file the Group return within the ten day e-filing perfection period Therefore, in the interest of filing the Group return on a timely basis, we have removed both the four letter name control for these entities and the names and EINs from the affiliate listing from this e-filed return However, in order to file a complete and accurate return, UHACO's and UHCC's information is still reported included in the Group return We respectfully request that this e-filed Group return be accepted as satisfying the 2012 annual return filing requirements for all Group affiliates, including UHACO and UHCC

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Hospitals Health System Inc
Group Return

Employer identification number
90-0059117

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
(1) University Mednet Physicians LLC 3605 Warrensville Center Road Shaker Hts, OH 44122 34-1599711	Inactive	OH	0	0	Univ Mednet
(2) University Hospitals Faculty Services 11100 Euclid Ave Cleveland, OH 44106 34-1872525	Inactive	OH	0	0	UHCMC

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	(g) 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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) BioU LLC 3605 Warrensville Center Rd - MSC Shaker Heights, OH 44122 27-3995417	Developing Therap	DE	NA	N/A								

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	(i) No
See Additional Data Table									

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

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

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

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 90-0059117
Name: University Hospitals Health System Inc
Group Return

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
Western Reserve Assurance Co Ltd SPC 23 Lime Tree Bay Ave PO Box 1051GT Grand Cayman KY1 - 1102 CJ 98-0462740	Liability Insur	CJ	N/A	C corp					
University Hospitals Holdings Inc 11100 Euclid Ave Cleveland, OH 44106 34-1768931	Holding Company	OH	N/A	C corp					
University Hospitals Physician Services 11100 Euclid Ave Cleveland, OH 44106 34-1768929	Physician Admin	OH	N/A	C corp					
University Primary Care Practices Inc 11100 Euclid Ave Cleveland, OH 44106 34-1768928	Physicians Group	OH	N/A	C corp					
University Hospitals Health System MCO 11100 Euclid Ave Cleveland, OH 44106 34-1843674	Workers Comp	OH	N/A	C corp					
UHHS Provder & Ceentral Verification Org 11100 Euclid Ave Cleveland, OH 44106 34-1908517	Medical Mgmt	OH	N/A	C corp					
Cedar Brainard Surgery Center Inc 11100 Euclid Ave Cleveland, OH 44106 20-4957632	Holding Company	OH	N/A	C corp					
University Hospitals Health Care Enterpr 11100 Euclid Ave Cleveland, OH 44106 34-1510005	Medical Mgmt	OH	N/A	C corp					
BMH Development Corp 158 West Main Street Conneaut, OH 44030 34-1346212	Land Development	OH	N/A	C corp					
Conneaut Health Enterprises Inc PO Box 648 Conneaut, OH 44060 34-1503949	Inactive	OH	N/A	C corp					

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
UH Ahuja Medical CenterUniversity Hospitals	S	1,724,043	General Ledger
UH Ahuja Medical CenterUniversity Hospitals	P	6,344,396	General Ledger
UH Ahuja Medical CenterUH Cleveland Medical	C	1,055,003	General Ledger
University Hospitals Health SystemUH Ahuja M	I	3,705,324	General Ledger
University Hospitals Health SystemUH Ahuja M	R	34,617,933	General Ledger
University Hospitals Health SystemUH Ahuja M	Q	8,936,268	General Ledger
UH Cleveland Medical CenterUH Ahuja Medical	Q	305,431	General Ledger
UH Medical PractivesUH Ahuja Medical Center	Q	207,740	General Ledger
UH Physician ServicesUH Ahuja Medical Center	Q	93,025	General Ledger
UH Reg Hosp - Bedford University Hospital	S	63,780	General Ledger
UH Reg Hosp - BedfordUniversity Hospital	P	870,862	General Ledger
UH Reg Hosp - BedfordUH Cleveland Medica	S	215,142	General Ledger
UH Health SystemUH Reg Hosp - Bedford	R	13,254,745	General Ledger
UH Health SystemUH Reg Hosp - Bedford	M	4,189,516	General Ledger
UH Health SystemUH Reg Hosp - Bedford	Q	26,348,747	General Ledger
UH Cleveland Medical CtrUH Reg Hosp - Bedf	Q	69,761	General Ledger
UH Reg Hosp -RichmondUH Reg Hosp - Bedfo	Q	129,399	General Ledger
UH Medical PracticesUH Reg Hosp - Bedford	Q	165,712	General Ledger
UH Conneaut Medical CenterUH Health System	S	144,537	General Ledger
UH Conneaut Medical CenterUH Health System	P	711,496	General Ledger
UH Health SystemUH Conneaut Medical Center	R	8,931,095	General Ledger
UH Health SystemUH Conneaut Medical Center	M	2,772,238	General Ledger
UH Health SystemUH Conneaut Medical Center	Q	13,359,621	General Ledger
UH Medical PracticesUH Conneaut Medical Cent	Q	61,560	General Ledger
UH Extended Care CampusUH Health System	P	750,183	General Ledger

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
UH Health SystemUH Extended Care Campus	R	2,240,580	General Ledger
UH Health SystemUH Extended Care Campus	Q	238,553	General Ledger
UH Health SystemUH Extended Care Campus	C	1,767,835	General Ledger
UH Geauga Medical CenterUH Health System	S	1,108,687	General Ledger
UH Geauga Medical CenterUH Health System	I	58,524	General Ledger
UH Geauga Medical CenterUH Health System	P	6,424,656	General Ledger
UH Health SystemUH Geauga Medical Center	R	42,218,930	General Ledger
UH Health SystemUH Geauga Medical Center	M	6,650,960	General Ledger
UH Health SystemUH Geauga Medical Center	Q	51,489,690	General Ledger
UH Health SystemUH Geauga Medical Center	I	74,575	General Ledger
UH Cleveland Medical CenterUH Geauga Medical	Q	262,610	General Ledger
UH Medical PracticesUH Geauga Medical Center	Q	182,044	General Ledger
UH Medical GroupUH Geauga Medical Center	Q	61,428	General Ledger
UH Geneva Medical CenterUH Health System	S	299,928	General Ledger
UH Geneva Medical CenterUH Health System	P	1,155,454	General Ledger
UH Health SystemUH Geneva Medical Center	R	11,562,464	General Ledger
UH Health SystemUH Geneva Medical Center	L	3,597,541	General Ledger
UH Health SystemUH Geneva Medical Center	Q	16,278,784	General Ledger
UH Medical PracticesUH Geneva Medical Center	Q	51,475	General Ledger
UH Home Care ServicesUH Health System	P	1,160,633	General Ledger
UH Health SystemUH Home Care Services	R	13,152,418	General Ledger
UH Health SystemUH Home Care Services	L	1,626,963	General Ledger
UH Health SystemUH Home Care Services	Q	17,473,008	General Ledger
UH Richmond Medical CenterUH Health System	S	489,111	General Ledger
UH Richmond Medical CenterUH Health System	P	4,571,015	General Ledger

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
UH Richmond Medical CenterUH Cleveland Medic	P	248,555	General Ledger
UH Health SystemUH Reg Hosp - Richmond	R	18,003,143	General Ledger
UH Health SystemUH Reg Hosp - Richmond	L	4,611,524	General Ledger
UH Health SystemUH Reg Hosp - Richmond	Q	29,791,881	General Ledger
UH Health SystemUH Reg Hosp - Richmond	B	21,611,589	General Ledger
UH Cleveland Medical CenterUH Reg Hosp - R	Q	94,241	General Ledger
UH Medical PracticesUH Reg Hosp - Richmond	Q	180,472	General Ledger
UH Medical GroupUH Reg Hosp - Richmond	Q	91,932	General Ledger
UH Laboratory Service FoundationUH Health Sy	P	1,410,521	General Ledger
UH Health SystemUH Laboratory Services Found	R	8,628,671	General Ledger
UH Health SystemUH Laboratory Services Found	L	1,231,284	General Ledger
UHCleveland Medical CenterUH Laboratory Serv	Q	1,191,028	General Ledger
UH Medical GroupUH Health System	P	11,595,991	General Ledger
UH Medical GroupUH Cleveland Medical Center	S	1,174,540	General Ledger
UH Medical GroupUH Cleveland Medical Center	P	4,851,148	General Ledger
UH Medical GroupUH Cleveland Medical Center	I	55,474	General Ledger
UH Medical GroupUH Medical Practices	P	117,856	General Ledger
UH Medical GroupUH Physician Services	P	92,541	General Ledger
UH Health SystemUH Medical Group	R	23,626,047	General Ledger
UH Health SystemUH Medical Group	L	10,578,867	General Ledger
UH Health SystemUH Medical Group	Q	293,410,854	General Ledger
UH Health SystemUH Medical Group	B	46,475,775	General Ledger
UH Cleveland Medical CenterUH Medical Group	Q	612,487	General Ledger
UH Medical GroupUH Medical Group	Q	94,114	General Ledger
UH Physician ServicesUH Medical Group	Q	404,513	General Ledger

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
UH Case Medical CenterUH Health System	S	18,558,725	General Ledger
UH Case Medical CenterUH Health System	P	138,900,189	General Ledger
UH Case Medical CenterUH Health System	I	168,073	General Ledger
UH Case Medical CenterUH Health System	C	11,068,097	General Ledger
UH Case Medical CenterUH Medical Practices	P	122,997	General Ledger
UH Case Medical CenterUH Physician Services	P	535,614	General Ledger
UH Case Medical CenterCedar Brainard Surgery	P	151,548	General Ledger
UH Health SystemUH Case Medical Center	R	748,800,124	General Ledger
UH Health SystemUH Case Medical Center	L	104,191,128	General Ledger
UH Health SystemUH Case Medical Center	Q	1,306,284,410	General Ledger
UH Health SystemUH Case Medical Center	I	13,889,069	General Ledger
UH Health SystemUH Case Medical Center	B	28,487,186	General Ledger
UH Medical PracticesUH Case Medical Center	R	4,332,851	General Ledger
UH Medical PracticesUH Case Medical Center	Q	1,659,741	General Ledger
UH Physician ServicesUH Case Medical Center	Q	344,773	General Ledger
Cedar Brainard Surgery CenterUH Case Medical	Q	465,517	General Ledger

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TY 2012 Affiliate Listing

Name: University Hospitals Health System Inc
Group Return
EIN: 90-0059117

TY 2012 Affiliate Listing

Name	Address	EIN	Name control
University Hospitals Cleveland Medi	11100 Euclid Avenue Cleveland, OH 44106	34-1567805	UNIV
University Hospitals Bedford Medica	44 Blaine Avenue Bedford, OH 44146	34-1271115	UNIV
University Hospitals Medical Group	11100 Euclid Avenue Cleveland, OH 44106	20-4881619	UNIV
University Hospitals Ahuja Medical	11100 Euclid Avenue Cleveland, OH 44106	26-4827222	UNIV
University Hospitals Conneaut Medic	158 W Main Rd Conneaut, OH 44030	34-0714550	UNIV
University Hospitals Geneva Medical	870 W Main St Geneva, OH 44041	34-0714461	UNIV
University Hospitals Geauga Medical	13207 Ravenna Rd Chardon, OH 44024	34-0816492	UNIV
UH Regional Hospitals	27100 Chardon Rd RICHMOND HTS, OH 44143	34-1924226	UHRE
University Hospitals Home Care Serv	4901 Galaxy Parkway Warrensville Heights, OH 44128	34-1527536	UNIV
University Mednet Inc	11100 Euclid Avenue Cleveland, OH 44106	34-0750341	UNIV
University Hospitals Health System	11100 Euclid Avenue Cleveland, OH 44106	34-0771884	UNIV
University Hospitals Health System	11100 Euclid Avenue Cleveland, OH 44106	34-1465745	UNIV
University NPI Inc	11100 Euclid Avenue Cleveland, OH 44106	34-1571623	UNIV
University Hospitals Laboratory Ser	11100 Euclid Avenue Cleveland, OH 44106	34-1720429	UNIV
BMH Professional Corporation	11100 Euclid Avenue Cleveland, OH 44106	34-1749966	BMHP
Memorial Hospital Health Foundation	11100 Euclid Avenue Cleveland, OH 44106	34-1810018	UNIV
University Hospitals Rainbow Care C	3605 Warrensville Center Rd Shaker Heights, OH 44122	46-1074672	UNIV

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TY 2012 Affiliated Group Schedule

Name: University Hospitals Health System Inc
Group Return
EIN: 90-0059117

Affiliated Group Business Name:	University Hospitals Clevela
Address. Either US or Foreign Type:	11100 Euclid Avenue Cleveland, OH 44106
EIN:	34-1567805
Electing Organization Checkbox:	☑
Total Grassroots Lobbying:	4,108
Total Direct Lobbying:	171,280
Total Lobbying Expenditures:	175,388
Other Exempt Purpose Expenditures:	1,141,064,612
Total Exempt Purpose Expenditures:	1,141,240,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Bedford
Address. Either US or Foreign Type:	44 Blaine Aven Bedford, OH 44146
EIN:	34-1271115
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	46,380,860
Total Exempt Purpose Expenditures:	46,380,860
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Conneau
Address. Either US or Foreign Type:	158 West Main Rd Conneaut, OH 44030
EIN:	34-0750341
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	3,829
Total Direct Lobbying:	84
Total Lobbying Expenditures:	3,913
Other Exempt Purpose Expenditures:	24,953,087
Total Exempt Purpose Expenditures:	24,957,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	BMH Professional Corp
Address. Either US or Foreign Type:	158 West Main Rd Conneaut, OH 44030
EIN:	34-1749966
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Geauga
Address. Either US or Foreign Type:	13207 Ravenna Rd Chardon, OH 44024
EIN:	34-0816492
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	15,366
Total Direct Lobbying:	338
Total Lobbying Expenditures:	15,704
Other Exempt Purpose Expenditures:	101,227,296
Total Exempt Purpose Expenditures:	101,243,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Geneva
Address. Either US or Foreign Type:	870 West Main St Geneva, OH 44041
EIN:	34-0714461
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	5,319
Total Direct Lobbying:	117
Total Lobbying Expenditures:	5,436
Other Exempt Purpose Expenditures:	31,729,564
Total Exempt Purpose Expenditures:	31,735,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Extende
Address. Either US or Foreign Type:	12340 Bass Lake Road Chardon, OH 44024
EIN:	34-1465745
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	UHHS - Heather Hill Inc
Address. Either US or Foreign Type:	12340 Bass Lake Road Chardon, OH 44024
EIN:	34-0771884
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	UH Regional Hospitals
Address. Either US or Foreign Type:	27100 Chardon Road Richmond Hts, OH 44143
EIN:	34-1924226
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	13,075
Total Direct Lobbying:	287
Total Lobbying Expenditures:	13,362
Other Exempt Purpose Expenditures:	99,011,638
Total Exempt Purpose Expenditures:	99,025,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Mednet
Address. Either US or Foreign Type:	23001 Euclid Ave Cleveland, OH 44117
EIN:	34-0750341
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Home Ca
Address. Either US or Foreign Type:	4901 Galaxy Parkway Warrensville Center Rd, OH 44128
EIN:	34-1527536
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	4,471
Total Direct Lobbying:	98
Total Lobbying Expenditures:	4,569
Other Exempt Purpose Expenditures:	30,725,431
Total Exempt Purpose Expenditures:	30,730,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Laborat
Address. Either US or Foreign Type:	11100 Euclid Ave Cleveland, OH 44106
EIN:	34-1720429
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	3,800
Total Direct Lobbying:	83
Total Lobbying Expenditures:	3,883
Other Exempt Purpose Expenditures:	25,653,117
Total Exempt Purpose Expenditures:	25,657,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Medical
Address. Either US or Foreign Type:	11100 Euclid Ave Cleveland, OH 44106
EIN:	20-4881619
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	40,889
Total Direct Lobbying:	898
Total Lobbying Expenditures:	41,787
Other Exempt Purpose Expenditures:	339,606,213
Total Exempt Purpose Expenditures:	339,648,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University NPI Inc
Address. Either US or Foreign Type:	11100 Euclid Ave Cleveland, OH 44106
EIN:	34-1571623
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	Memorial Hospital Health Fou
Address. Either US or Foreign Type:	11100 Euclid Ave Cleveland, OH 44106
EIN:	34-1810018
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Health
Address. Either US or Foreign Type:	11100 Euclid Ave Cleveland, OH 44106
EIN:	34-0714775
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	8,973
Total Direct Lobbying:	255
Total Lobbying Expenditures:	9,228
Other Exempt Purpose Expenditures:	309,041,772
Total Exempt Purpose Expenditures:	309,051,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Ahuja M
Address. Either US or Foreign Type:	11100 Euclid Ave Cleveland, OH 44106
EIN:	26-4827222
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	18,830
Total Direct Lobbying:	414
Total Lobbying Expenditures:	19,244
Other Exempt Purpose Expenditures:	112,837,756
Total Exempt Purpose Expenditures:	112,857,000
Lobbying Nontaxable Amount:	1,000,000
Grassroots Nontaxable Amount:	250,000
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	University Hospitals Account
Address. Either US or Foreign Type:	3605 Warrensville Center Rd Shaker Hts, OH 44122
EIN:	27-3970270
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:		University Hospitals Coordin
Address. Either US or Foreign Type:		3605 Warrensville Center Rd Shaker Hts, OH 44122
EIN:		90-0794903
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

Affiliated Group Business Name:		University Hospitals Rainbow
Address. Either US or Foreign Type:		3605 Warrensville Center Rd Shaker Hts, OH 44122
EIN:		46-1074672
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Consolidated Financial Statements
and Supplementary Information

December 31, 2012 and 2011

(With Independent Auditors' Reports Thereon)

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

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KPMG LLP
One Cleveland Center
Suite 2600
1375 East Ninth Street
Cleveland, OH 44114-1796

Independent Auditors' Report

The Board of Directors
University Hospitals Health System, Inc

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of University Hospitals Health System, Inc and subsidiaries (the System), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG

Opinion

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

As described in note 2 to the consolidated financial statements, the System adopted the provisions of Accounting Standards Update 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities* As a result of the adoption, the System has presented on a separate line the provision for bad debts as a deduction from net patient service revenue (net of contractual allowances and discounts) and included enhanced disclosures about the entity's policies for recognizing revenue and assessing bad debts

KPMG LLP

February 28, 2013

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Consolidated Balance Sheets

December 31, 2012 and 2011

(In thousands of dollars)

Assets		2012	2011
Current assets			
Cash and cash equivalents	$	179,156	117,609
Patient accounts receivable, less allowance for doubtful accounts of $30,495 in 2012 and $32,706 in 2011		292,205	277,967
Other receivables		52,353	35,291
Assets held for disposal		3,554	6,804
Other current assets		105,401	72,460
Total current assets		632,669	510,131
Investments		816,121	785,263
Property, plant, and equipment, net		1,246,752	1,289,264
Other assets			
Investments in affiliates		97,467	87,206
Beneficial interest in Foundation		55,322	70,949
Perpetual trusts		168,842	157,937
Other		159,715	166,168
Total other assets		481,346	482,260
Total assets	$	3,176,888	3,066,918

See accompanying notes to consolidated financial statements

Liabilities and Net Assets		2012	2011
Current liabilities			
Current installments of long-term debt	$	13,933	14,300
Short-term borrowings		—	15,000
Accounts payable and accrued expenses		277,233	254,882
Other current liabilities		63,608	63,055
Estimated amounts due to third-party payors		22,109	12,315
Total current liabilities		376,883	359,552
Long-term debt, less current installments		952,609	907,361
Revolving credit borrowing		20,000	105,000
Other liabilities		468,077	395,017
Total liabilities		1,817,569	1,766,930
Net assets			
Unrestricted		827,356	816,194
Temporarily restricted		225,971	194,156
Permanently restricted		305,992	289,638
Total net assets		1,359,319	1,299,988
Total liabilities and net assets	$	3,176,888	3,066,918

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

(In thousands of dollars)

	2012	2011
Unrestricted revenues		
Net patient service revenue	$ 2,158,652	2,027,722
Provision for bad debts	(54,983)	(57,304)
Net patient service revenue less provision for bad debts	2,103,669	1,970,418
Other revenue	162,667	156,654
Total unrestricted revenues	2,266,336	2,127,072
Expenses		
Salaries, wages, and employee benefits	1,290,837	1,243,081
Purchased services	137,364	136,027
Patient care supplies	318,174	296,390
Other supplies	34,500	37,317
Insurance	40,915	24,189
Other expenses	225,600	196,873
Depreciation and amortization	104,694	101,382
Interest	46,044	44,991
Special charges	3,374	1,112
	2,201,502	2,081,362
Net operating income	64,834	45,710
Nonoperating revenues (expenses)		
Investment income	33,031	39,358
Other-than-temporary decline in investments	(8,099)	(15,245)
Change in fair value of derivative instruments	3,450	(25,949)
Loss on extinguishment of debt	(38,914)	—
Excess of revenues over expenses	$ 54,302	43,874

See accompanying notes to consolidated financial statements

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

(In thousands of dollars)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets at December 31, 2010	$ 832,792	185,627	287,833	1,306,252
Excess of revenues over expenses	43,874	—	—	43,874
Investment income	—	3,986	99	4,085
Other support and revenue	—	44,445	10,026	54,471
Change in beneficial interest in Foundation and perpetual trusts	—	(4,212)	(8,227)	(12,439)
Net assets released from restrictions used for operations	—	(34,181)	—	(34,181)
Change in net unrealized (losses) on other-than-trading securities	(18,358)	(98)	(93)	(18,549)
Change in joint venture unrestricted net assets	253	—	—	253
Pension liability adjustment	(39,733)	—	—	(39,733)
Net assets released from restrictions for acquisition of property and equipment	1,411	(1,411)	—	—
Discontinued operations	(4,045)	—	—	(4,045)
(Decrease) increase in net assets	(16,598)	8,529	1,805	(6,264)
Net assets at December 31, 2011	816,194	194,156	289,638	1,299,988
Excess of revenues over expenses	54,302	—	—	54,302
Investment income	—	4,444	—	4,444
Other support and revenue	—	80,201	4,439	84,640
Change in beneficial interest in Foundation and perpetual trusts	—	(16,637)	11,915	(4,722)
Net assets released from restrictions used for operations	—	(29,868)	—	(29,868)
Change in net unrealized gains on other-than-trading securities	23,107	130	—	23,237
Change in joint venture unrestricted net assets	3	—	—	3
Pension liability adjustment	(72,697)	—	—	(72,697)
Net assets released from restrictions for acquisition of property and equipment	6,455	(6,455)	—	—
Discontinued operations	(8)	—	—	(8)
Increase in net assets	11,162	31,815	16,354	59,331
Net assets at December 31, 2012	$ 827,356	225,971	305,992	1,359,319

See accompanying notes to consolidated financial statements

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2012 and 2011

(In thousands of dollars)

	2012	2011
Operating activities		
Increase (decrease) in net assets	$ 59,331	(6,264)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	104,694	101,382
Provision for bad debts	54,983	57,304
Loss on extinguishment of debt	38,914	—
Other-than-temporary decline in investments	8,099	15,245
Change in beneficial interest in Foundation and perpetual trusts	4,722	12,439
Change in net unrealized investment gains and losses	(23,237)	18,549
Pension liability adjustment	72,697	39,733
Net change attributable to investments in joint ventures	(10,391)	(8,449)
Net change in restricted net assets received	(10,494)	(27,066)
Net change in patient accounts receivable	(67,237)	(110,186)
Net change in other current assets	(50,003)	27,492
Net change in other current liabilities	22,865	(45,414)
Net change in operating assets and liabilities	27,075	(43,837)
Net activity attributable to discontinued operations	(1,687)	9,975
Net cash provided by operating activities	230,331	40,903
Investing activities		
Acquisition of property, plant, and equipment	(62,066)	(156,444)
Distributions from joint ventures, net	—	5,000
Proceeds from sales of investments	325,020	324,964
Purchases of investments	(340,131)	(325,746)
Net cash used in investing activities	(77,177)	(152,226)
Financing activities		
Proceeds from restricted revenue and investment income	10,494	27,066
Repayment of long-term debt	(55,424)	(29,602)
Defeasance of long-term debt	(265,384)	—
Proceeds from issuance of long-term debt	322,059	20,000
Payment of bond issuance costs	(3,352)	—
(Repayment of) proceeds from revolving credit borrowing	(85,000)	105,000
Repayment of short-term borrowings	(15,000)	(25,000)
Net cash (used in) provided by financing activities	(91,607)	97,464
Increase (decrease) in cash and cash equivalents	61,547	(13,859)
Cash and cash equivalents at beginning of year	117,609	131,468
Cash and cash equivalents at end of year	$ 179,156	117,609

See accompanying notes to consolidated financial statements

(1) Organization and Principles of Consolidation

University Hospitals Health System, Inc (the System) is the parent of various corporations involved in the delivery of healthcare services, including a network of physicians, outpatient centers, hospitals, wellness, occupational health, skilled nursing, elder health, rehabilitation, and home care services that operate in the Northeast Ohio region University Hospitals Cleveland Medical Center d/b/a University Hospitals Case Medical Center (UHCMC) is the System's major subsidiary The System provides certain management and planning services to its subsidiaries The System also has investments in multiple healthcare systems (see note 13), which are being accounted for under the equity method

The consolidated financial statements include the accounts of the System and its subsidiaries All significant intercompany transactions have been eliminated in the consolidated financial statements

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The System considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents The carrying amount of cash and cash equivalents approximates fair value

(b) Concentrations of Credit Risk

Financial instruments that potentially subject the System to concentrations of credit risk consist principally of cash, cash equivalents, and patient accounts receivable The System invests its cash equivalents in highly rated financial instruments including time deposits, U S Treasury bonds and notes, government-backed mortgage securities, and corporate notes

The System's concentration of credit risk relating to patient accounts receivable is limited by the diversity and number of the System's patients and payors Patient accounts receivable consist of amounts due from governmental programs, commercial insurance companies, other group insurance companies, and private pay patients Combined revenues from the Medicare and Medicaid programs accounted for approximately 44% and 43% of the System's net patient service revenue for the years ended December 31, 2012 and 2011, respectively Excluding governmental programs, no one payor source represents more than 15% of the System's patient accounts receivable The System maintains an allowance for doubtful accounts based on the expected collectibility of patient accounts receivable considering historical collection experience and other economic factors

(c) Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the consolidated balance sheets and are classified as other-than-trading securities

The System has alternative investments that include private equity, real estate, hedge funds, and distressed debt Certain investments in alternative investments, where the System's ownership percentage is greater than 3%, are accounted for using the equity method of accounting Income from

these investments is recorded within the consolidated statements of operations and changes in net assets as investment income The cost method is used for certain alternatives when the System owns less than 3% of the investment The System has elected the fair value option on several alternative investments (see note 5) Unrealized gains and losses from these investments are recorded within the consolidated statement of changes in net assets and realized gains and losses are recorded within the consolidated statements of operations as investment income

Investment income on unrestricted investments, including realized gains and losses, is reported as investment income in nonoperating revenue on the consolidated statements of operations and changes in net assets Unrealized gains and losses on unrestricted investments recorded at fair value are reported within the consolidated statements of changes in net assets Investment income on temporarily and permanently restricted investments, including realized and unrealized gains and losses, is recorded according to the donor's intentions and as restricted investment income within the consolidated statements of changes in net assets

Other-than-temporary declines result from decreases in the fair market values of debt, equity, and alternative investments below the cost basis in these securities Other-than-temporary declines for unrestricted investments are recorded in the consolidated statements of operations and changes in net assets Other-than-temporary losses for temporarily and permanently restricted net assets are recorded within restricted investment income in the consolidated statements of changes in net assets Other-than-temporary declines also result in a new cost basis for the investment

(d) Costs of Borrowing

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets Capitalized interest totaled $298 and $2,970 for the years ended December 31, 2012 and 2011, respectively Deferred financing costs are capitalized when incurred, and then amortized during the period in which the debt is outstanding

(e) Property and Equipment and Other Long-Lived Assets

Additions and improvements to property and equipment are capitalized at cost Expenditures for maintenance and repairs are charged to expense as incurred Depreciation on plant and equipment is computed on the straight-line basis over the estimated useful lives of the respective assets Buildings and improvements are depreciated over estimated useful lives ranging generally from 5 to 40 years Leasehold improvements are depreciated over the lesser of the life of the asset or the term of the lease Estimated useful lives of equipment vary generally from 3 to 20 years

Long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset The impairment loss recognized is measured by the amount by which the carrying value of the asset exceeds the fair value of the asset There were no impaired assets identified in 2012 or 2011

(In thousands of dollars)

(f) Gifts, Private Grants, Bequests, and Pledges

Donors contribute cash, marketable securities, and other assets. Unrestricted contributions are included in the consolidated statements of operations and changes in net assets as unrestricted gifts and are recorded net of fundraising costs in other revenue. Contributions that are received with restrictions that limit the use of the donated asset are reported as either temporarily or permanently restricted in the consolidated statements of net assets as other support and revenue. These donations are recorded at fair value at the time of the contribution.

Gifts, private grants, and bequests that have been received from various corporations, foundations, and individuals for the years ended December 31, 2012 and 2011 are as follows:

	2012	2011
Unrestricted	$ 1,567	1,043
Temporarily restricted	80,201	44,445
Permanently restricted	4,439	10,026
	$ 86,207	55,514

Pledges are recorded at fair value as receivables in the year made and reported as either temporarily or permanently restricted in the consolidated statements of changes in net assets as other support and revenue. Conditional donor promises to give and indications of intentions to give are not recognized until the condition is satisfied. Pledges due in less than one year are classified as other current assets. Pledges due in more than one year are classified as other long-term assets on the consolidated balance sheets.

Outstanding pledges receivable from various corporations, foundations, and individuals are recorded at their net present value using the London Interbank Offered Rate (LIBOR), which approximates 2%, as the discount rate at the time of pledge commitment. The balances at December 31, 2012 and 2011 are as follows:

	2012	2011
Pledges due		
In less than one year	$ 48,958	25,248
In one year to five years	60,787	56,249
In more than five years	46,313	12,932
	156,058	94,429
Discount	(14,796)	(3,140)
Allowance for doubtful pledges	(3,123)	(1,871)
	$ 138,139	89,418

(Continued)

The System has conditional donor promises to give of $124,041 and $120,523 at December 31, 2012 and 2011, respectively, which are not recognized as assets in the accompanying consolidated balance sheets

The System has entered into an affiliation agreement with Case Western Reserve University School of Medicine with the primary goal of supporting innovative, high-quality programs in medical education, biomedical research, and clinical care In order to meet this goal, the parties will collaborate on many clinical and academic programs and jointly recruit and fund clinical chairs and faculty In 2008, the System established a unified faculty practice plan by employing faculty physicians and purchasing certain tangible assets

In connection with the affiliation agreement with Case Western Reserve University School of Medicine, the System has estimated conditional commitments of $83,963 at December 31, 2012 that are not recorded as liabilities as these commitments are contingent upon future performance for the years 2013 through 2015

(g) Government Grants

Amounts received from government agencies are reported in the consolidated statements of operations and changes in net assets as other revenue Grants received totaled $11,615 and $13,874 for the years ended December 31, 2012 and 2011, respectively

(h) Charity Care and Provision for Bad Debts

Throughout the admission, billing, and collection processes, certain patients are identified by the System as qualifying for charity care The System provides care to these patients without charge or at amounts less than its established rates Charity care includes those patients required to be identified in connection with the System's participation in the State of Ohio's Care Assurance Program Under this Program, patients who are Ohio residents without any or adequate health insurance coverage and who are at or below 100% of the federally defined poverty level are eligible to receive Medicaid covered services free of charge The charges forgone for charity care provided by the System are not reported as net patient service revenue or as patient accounts receivable The System accepts all patients covered by Medicare and Medicaid and treats patients requiring emergency care regardless of their ability to pay

The uncompensated cost of charity care is estimated by applying an overall cost to charge ratio to the charges associated with patients who qualify for charity care Uncompensated costs of charity care totaled $53,237 and $47,111 for the years ended December 31, 2012 and 2011, respectively

In addition, the System provides services to other medically indigent patients under various state Medicaid programs Such programs pay providers amounts that are less than the established charges for the services provided to the recipients The uncompensated costs associated with these state programs is estimated as the total direct and indirect costs in excess of the payments received for the services provided Services provided to Medicaid recipients (including Medicaid recipients who are participants in a Medicaid managed care plan) represented approximately 22% of the System's patient activity for 2012 and 2011

The System also provides other uncompensated care and community benefits In furtherance of its exempt purpose to benefit the community, the System operates an inner city medical clinic to serve the healthcare needs of the community, operates emergency rooms open to the public 24 hours per day, 7 days per week, maintains research facilities for the study of disease and injuries, provides facilities for teaching and training various medical personnel, facilitates the advancement of medical and surgical education, provides community screenings for the detection of various diseases such as breast and colorectal cancer, sponsors cancer support groups, provides various community health education classes, speeches, television appearances, and articles published in newspapers and magazines, and undertakes other types of community benefit activities

In addition to charity care and insufficient funding from the Medicaid program, there are significant losses related to self-pay patients who fail to make payment for services rendered or insured patients who fail to remit co-payments and deductibles as required under applicable health insurance arrangements The provision for bad debts represents revenues for services provided that are deemed to be uncollectible Provision for bad debts totaled $54,983 and $57,304 for the years ended December 31, 2012 and 2011, respectively

(i) Excess of Revenues over Expenses

The consolidated statements of operations and changes in net assets include excess of revenues over expenses Changes in unrestricted net assets, which, consistent with industry practice, are excluded from excess of revenues over expenses, include unrealized gains and losses on other-than-trading securities, certain changes in joint venture net assets, assets acquired using funds restricted by the donor for the purpose of acquiring such assets, adjustments for pension accounting (see note 12), and activity from discontinued operations (see note 14)

(j) Derivative Financial Instruments

Derivative financial instruments are utilized by the System to manage (i) interest rate risk, (ii) the fixed and floating interest rate mix of the System's total debt portfolio, and (iii) related overall cost of borrowing The interest rate swap agreements involve the periodic exchange of payments without the exchange of the notional amount upon which the payments are based The System does not use financial instruments for trading purposes The related amount of payables to counterparties under swap agreements is included in other liabilities and the related amount of receivables from counterparties under swap agreements is included in other assets on the consolidated balance sheets (see note 9)

Derivative financial instruments are recorded on the consolidated balance sheets at their respective fair value Gains and losses on derivative financial instruments are recorded in the change in fair value of derivative instruments within the consolidated statements of operations and changes in net assets The net amount paid or received under the swap agreements is recorded as interest expense in the consolidated statements of operations and changes in net assets

The System minimizes credit risk related to derivative financial instruments by requiring high credit standards for its counterparties and periodic settlements The counterparties to these contractual arrangements are financial institutions that carry investment-grade credit ratings with which the

System also has other financial relationships The System is exposed to credit loss in the event of nonperformance by these counterparties To mitigate credit exposure, the swap agreements contain certain collateral provisions applicable to both the System and the counterparties

(k) Income Taxes

The System and most of its subsidiaries, including UHCMC, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (Code) and are exempt from federal income taxes pursuant to Section 501(a) of the Code The System also has certain subsidiaries that are taxable for federal income tax purposes (see note 19)

The System adopted Accounting Standards Codification (ASC) Subtopic 740-10, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No 109* The interpretation addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements Under ASC Subtopic 740-10, the System must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest and penalties on income taxes, and accounting in interim periods and requires increased disclosures As of December 31, 2012 and 2011, the System does not have any uncertain tax positions

(l) Costs Expected to Be Incurred in Connection with a Loss Contingency

Liabilities for asserted claims and assessments are recorded when an unfavorable outcome of a matter is deemed to be both probable and the loss contingency is reasonably estimable

(m) Use of Estimates

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

(n) Recently Issued Accounting Guidance

The System adopted Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities* The guidance required changes to the presentation of the consolidated statements of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue Enhanced disclosures concerning policies for recognizing revenue and assessing bad debts are also required (see note 3)

The effect of applying the guidance in ASU 2011-07 as described above were made to the 2011 accompanying financial statements to conform to the 2012 presentation These reclassifications had no impact on the changes in net assets or excess of revenues over expenses previously reported

The Medicaid and Medicare Electronic Health Records (EHR) Incentive Programs (the Programs) provide incentive payments to eligible hospitals and professionals as they adopt, implement, upgrade, or demonstrate meaningful use of certified EHR technology in their first year of participation and demonstrate meaningful use for up to five remaining participation years The System accounts for the Programs using International Accounting Standards 20, *Accounting for Grants and Disclosures of Government Assistance* The System recognizes revenue when there is reasonable assurance that the System will comply with the conditions and will receive the Programs' incentive payments For the years ended December 31, 2012 and 2011, the System recognized approximately $16,000 and $7,554, respectively, as other revenue related to Medicaid and Medicare EHR incentives, which have been received or are expected to be received based on certifications prepared by management under the appropriate attestation guidelines

(o) Reclassifications

Certain amounts included in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation

(3) Net Patient Service Revenue

The System and certain of its subsidiary corporations have agreements with third party payors (e g , Medicare, Medicaid, and commercial insurance carriers) that provide for payments and reimbursement at amounts different from the System's established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors Adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as settlements are determined Adjustments for the Medicare, Medicaid, and Champus/Tricare program resulted in net patient service revenue increasing by approximately $15,553 and $7,831 for the years ended December 31, 2012 and 2011, respectively

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 The System believes that it is in compliance, in all material respects, with all applicable laws and regulations

Due to a renegotiation of a contract with a third-party payor in 2008, the System recognized as revenue $14,360 of deferred net patient service revenue for the year ended December 31, 2011 This amount is recorded in net patient service revenue within the 2011 consolidated statement of operations and changes in net assets

Patients' accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of patients' accounts receivable, the System analyzes its past history and identifies trends to estimate the appropriate allowance for doubtful accounts Management regularly reviews data about the

(In thousands of dollars)

System's major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts, if necessary (e g , for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients, those with no third-party coverage, the System 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 written-off against the allowance for doubtful accounts

The System's allowance for uncollectible accounts decreased to 86% of self pay accounts receivable at December 31, 2012, from 89% of self pay accounts receivable at December 31, 2011 The System has experienced an increase in charity care and bad debt write-offs as a result of high unemployment, loss of employer-sponsored insurance plans, and rising patient responsibilities due in part to high deductible and high co-pay insurance plans The System did not change its charity care or uninsured discount policies during fiscal years 2012 or 2011 The System does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided The percentage of patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), derived from these major payor sources as of December 31, 2012 and 2011 are as follows

	2012	2011
Third party	92%	93%
Self-pay	8	7
	100%	100%

(Continued)

(In thousands of dollars)

(4) Net Assets

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the System Temporarily restricted gifts, which include unrestricted pledges, are recorded as an addition to temporarily restricted net assets in the period received Temporarily restricted net assets are available for the following purposes at December 31, 2012 and 2011

	2012	2011
Capital expenditures	$ 37,966	46,018
Education	6,294	8,572
Research	74,841	35,197
Patient care	71,286	52,148
Beneficial interest in foundation	35,584	52,221
	$ 225,971	194,156

Permanently restricted net assets consist of amounts held in perpetuity as designated by donors, including the System's portion of beneficial interests in several perpetual trusts Investment income on temporarily and permanently restricted investments, including realized gains and losses, is recorded according to the donor intentions Changes in unrealized gains and losses on temporarily and permanently restricted investments are recognized directly in net assets

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released from restrictions used for operations totaled $29,868 and $34,181 during 2012 and 2011, respectively Net assets released from restrictions are recorded in other revenue in the consolidated statements of operations and changes in net assets In addition, $6,455 and $1,411 in net assets were released for the acquisition of property and equipment in 2012 and 2011, respectively

The System's endowment consists of 355 individual funds established for a variety of purposes Endowments include both donor-restricted funds and funds designated by the Board of Directors (the Board) to function as endowments Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions The System's permanently restricted endowment funds are donor restricted, which totaled $106,213 and $101,149 at December 31, 2012 and 2011, respectively Board designated funds are unrestricted and totaled $17,654 at December 31, 2012 and 2011, and are included within unrestricted and board designated investments

The System's investment policy establishes a limited number of investment pools with a specific purpose of aggregating various System funds' investments according to their risk tolerance Asset allocation is reviewed quarterly with respect to i) System tolerance for risk based on its financial condition and need for cash from investments to support operations, ii) expected asset class return, risk, and correlation characteristics, iii) changes in accounting guidance or tax law, and iv) changes in bond covenants or other

(In thousands of dollars)

restrictions Management of the System is responsible to ensure the proper allocation of funds according to the specific needs, timing of cash flows, and risk tolerance of each fund

The System's spending practices are intended to comply with the donor's wishes and meet all applicable laws and regulations including the Uniform Prudent Management of Institutional Funds Act Spending must be for a purpose that is consistent with the documented intent of the donor The System generally appropriates an amount not to exceed 5% of the endowment fund's fair value for annual spending subject to spending guidelines and restrictions per the System's policy The fair value of the endowment fund is determined quarterly and averaged over a period of a rolling thirty-six months

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, at January 1, 2011	$ 17,654	—	89,646	107,300
Investment return				
Investment income	—	1,213	3	1,216
Net appreciation	—	—	3	3
Total investment return	—	1,213	6	1,219
Contributions	—	—	11,497	11,497
Appropriation of endowment assets for expenditure	—	(1,213)	—	(1,213)
Endowment net assets, at December 31, 2011	17,654	—	101,149	118,803
Investment return				
Investment income	—	1,090	—	1,090
Net appreciation	—	—	—	—
Total investment return	—	1,090	—	1,090
Contributions	—	—	5,064	5,064
Appropriation of endowment assets for expenditure	—	(1,090)	—	(1,090)
Endowment net assets, at December 31, 2012	$ 17,654	—	106,213	123,867

(Continued)

(5) Fair Value Measurements

The FASB establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values Assets and liabilities carried at fair value are to be disclosed according to the following three levels

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets Level 1 yields the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available

Level 2 – Observable inputs other than quoted prices in Level 1 Inputs such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar liabilities that are not active, or other inputs that are observable or can be corroborated by observable market data

Level 3 – Unobservable inputs that are significant to the valuation of assets or liabilities and are supported by little or no market data This includes discounted cash flow methodologies, pricing models, and similar techniques that use significant unobservable inputs

The inputs used to fair value Level 1 instruments are unadjusted quoted prices derived from stock exchanges, and the Chicago Board of Trade Level 1 instruments primarily consist of equities, exchange traded funds, and certain government securities

Investments in Level 2 are primarily comprised of corporate bonds, international bonds, asset-backed securities, and U S agency bonds Level 2 inputs primarily consist of quotes from independent pricing vendors based on recent trading activity, and other relevant information including matrix pricing, market corroborated pricing, yield curves, and other indices that are used when Level 1 inputs are not available

(In thousands of dollars)

Items classified as Level 3 in the fair value hierarchy include certain alternative investments, beneficial interests, perpetual trusts, as well as the initial recognition of pledges

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Assets				
Cash and cash equivalents	$ 179,156	—	—	179,156
Cash and cash equivalents – pooled with investments				
Cash equivalents	4,844	33,142	—	37,986
Short term bond instruments	—	2,562	—	2,562
Total cash and cash equivalents	4,844	35,704	—	40,548
Fixed income securities				
Corporate bonds	2	75,422	—	75,424
Fixed income mutual funds	106,139	96,986	—	203,125
Government securities	93,959	43,054	—	137,013
Total fixed income securities	200,100	215,462	—	415,562
Equities, mutual and exchange traded funds				
U S equities	87,462	—	—	87,462
International equities	16,458	—	—	16,458
Mutual and exchange traded funds	62,715	11,978	—	74,693
Total equities, mutual and exchange traded funds	166,635	11,978	—	178,613
Alternative investments				
Hedge funds	—	—	81,458	81,458
Real estate	—	—	6,029	6,029
Distressed debt	—	—	3,280	3,280
Total alternative investments	—	—	90,767	90,767

(Continued)

(In thousands of dollars)

Deferred compensation assets	$	16,940	—	—	16,940
RBC Foundation		—	—	55,322	55,322
Pledges		—	—	141,262	141,262
Perpetual trusts		—	—	168,842	168,842
Derivative financial instruments		—	2,694	—	2,694
Total assets	$	567,675	265,838	456,193	1,289,706
December 31, 2012					
Liabilities					
Deferred compensation liabilities	$	16,940	—	—	16,940
Derivative financial instruments		—	61,412	—	61,412
Total liabilities	$	16,940	61,412	—	78,352

		Level 1	Level 2	Level 3	Total
December 31, 2011					
Assets					
Cash and cash equivalents	$	117,609	—	—	117,609
Cash and cash equivalents – pooled with investments					
Cash equivalents		16,226	67,019	—	83,245
Short term bond instruments		—	22,217	—	22,217
Total cash and cash equivalents		16,226	89,236	—	105,462
Fixed income securities					
Corporate bonds		—	93,936	—	93,936
Fixed income mutual funds		4,278	141,329	—	145,607
Government securities		71,095	63,376	—	134,471
Total fixed income securities		75,373	298,641	—	374,014

(Continued)

(In thousands of dollars)

	Level 1	Level 2	Level 3	Total
Equities, mutual and exchange traded funds				
U S equities	$ 72,888	—	—	72,888
International equities	14,985	—	—	14,985
Mutual and exchange traded funds	40,457	10,098	—	50,555
Other	27	—	—	27
Total equities, mutual and exchange traded funds	128,357	10,098	—	138,455
Alternative investments				
Hedge funds	—	—	69,742	69,742
Real estate	—	—	1,718	1,718
Total alternative investments	—	—	71,460	71,460
Deferred compensation assets	$ 14,342	—	—	14,342
RBC Foundation	—	—	70,949	70,949
Pledges	—	—	91,289	91,289
Perpetual trusts	—	—	157,937	157,937
Derivative financial instruments	—	467	—	467
Total assets	$ 351,907	398,442	391,635	1,141,984
Liabilities				
Deferred compensation liabilities	$ 14,342	—	—	14,342
Derivative financial instruments	—	62,635	—	62,635
Total liabilities	$ 14,342	62,635	—	76,977

Deferred compensation assets are comprised of Level 1 mutual funds

The System has various interest rate swaps as of December 31, 2012 consisting of fixed-payor and fixed spread basis swaps Fair values for the System's interest rate swaps are provided on a monthly basis by the System's independent financial advisor and counterparties Monthly valuations are derived by pricing models, which use market inputs such as LIBOR, Securities Industry and Financial Markets Association (SIFMA) Swap Index, and bond coupon rates provided by various inter-broker sources The resulting combination of market data feeds, specific structuring characteristics such as the amortization of notional amounts, effective dates, payment frequencies, day counts, credit risk, and indices, are factored into the pricing model to determine the fair market value of the System's interest rate swaps

The System elected the fair value option on several of its alternative investments made since 2010 The fair value option election was made in order to take advantage of fair market value increases expected to occur

over the life of the investment The System holds several alternative investments that are recorded under the cost or equity methods of accounting The System will continue to record previously entered into alternative investments under the cost or equity methods as appropriate The System uses net asset value to approximate fair value for alternative investments

Rainbow Babies & Children's Foundation (RBC Foundation) operates for the exclusive benefit of UHCMC, and variance power was not explicitly given to RBC Foundation by the donors Therefore, the System is required to record its beneficial interest in the net assets of RBC Foundation The investment in RBC's Foundation is categorized as a Level 3 item The primary input utilized in calculating the RBC Foundation's fair value is its net assets, which represents fair market valuation of certain equity, debt, and other instruments held by RBC Foundation The System records 100% of the RBC Foundation's net assets at approximate fair market value

The System utilizes the Income Approach to initially recognize pledges This approach uses valuation techniques to convert future amounts to a single present amount The System uses a discounted cash flow model to fair value promises to give LIBOR, which approximates 2%, is used as the discount rate within the discounted cash flow model The System also considers past collection experience and creditworthiness of the donor in estimating the future cash flows of promises to give. LIBOR is considered the key input in the model and the System has determined that LIBOR is the best measure of the rate of return appropriate for the expected term of the promises to give

(In thousands of dollars)

Permanently restricted net assets consist of amounts held in perpetuity as designated by donors, including the System's portion of beneficial interests in several perpetual trusts held and administered by others in which the System is an income beneficiary. Perpetual trusts are measured at fair market value by the external trustee, which approximates the present value of expected future cash flows. Perpetual trusts utilize significant unobservable inputs determined by the external trustees in estimating fair market value.

	Fair value measurements using significant unobservable inputs (Level 3)						
				Alternative investments			
	RBC Foundation	Pledges	Perpetual trusts	Hedge funds	Real estate	Distressed debt	Total
Balance at December 31, 2010	$ 75,459	83,666	165,866	15,000	—	—	339,991
Additions	—	44,914	—	56,529	1,869	—	103,312
Total gains or losses included in							
Realized (losses)	—	—	—	(2,133)	(67)	—	(2,200)
Unrealized gains	—	—	—	346	203	—	549
Total change included in							
Temporarily restricted net assets	(4,212)	—	—	—	—	—	(4,212)
Permanently restricted net assets	(298)	—	(7,929)	—	—	—	(8,227)
Dispositions	—	—	—	—	(287)	—	(287)
Payments	—	(37,130)	—	—	—	—	(37,130)
Write-offs	—	(1,138)	—	—	—	—	(1,138)
Change in discount	—	977	—	—	—	—	977
Balance at December 31, 2011	70,949	91,289	157,937	69,742	1,718	—	391,635
Additions	—	92,897	—	10,000	4,856	3,628	111,381
Total gains or losses included in							
Realized gains (losses)	—	—	—	(1,054)	37	(467)	(1,484)
Unrealized gains	—	—	—	2,770	541	119	3,430
Total change included in							
Temporarily restricted net assets	(16,637)	—	—	—	—	—	(16,637)
Permanently restricted net assets	1,010	—	10,905	—	—	—	11,915
Dispositions	—	—	—	—	(1,123)	—	(1,123)
Payments	—	(30,316)	—	—	—	—	(30,316)
Write-offs	—	(952)	—	—	—	—	(952)
Change in discount	—	(11,656)	—	—	—	—	(11,656)
Balance at December 31, 2012	$ 55,322	141,262	168,842	81,458	6,029	3,280	456,193

(Continued)

(In thousands of dollars)

(6) Investments

The fair value and the cost of investments at December 31, 2012 and 2011 are as follows

	2012		2011	
	Carrying value	Cost	Carrying value	Cost
Cash and cash equivalents – pooled with investments	$ 40,548	40,543	105,462	105,468
Fixed income securities	415,562	399,215	374,014	360,352
Equities, mutual and exchange traded funds	178,613	143,548	138,455	120,502
Alternative investments *	90,767	86,789	71,460	70,911
Total investments at fair value	725,490	$ 670,095	689,391	$ 657,233
Alternative investments **	90,631		95,872	
Total investments	$ 816,121		785,263	

* Fair value option elected on several alternative investments, see note 5

** See note 2(c) for the accounting treatment of these alternative investments

The System holds certain investments in fixed income securities including domestic and international corporate bonds, U S Treasuries, government, and agency bonds, non-U S sovereign debt, and emerging market debt The System holds common and preferred stock including investments in small cap, mid cap, and large cap companies as well as in non-U S equities in developed and emerging markets

Alternative investments include private equity, real estate, hedge funds, and distressed debt These investments are made through various Fund-of-Funds Limited Partnership structures, whereby the System is invested in a Limited Partnership, which in turn utilizes its expertise to invest in underlying Limited Partnership Funds and make certain other investments These investments are not readily marketable and are valued utilizing the most current information provided by the general partner, subject to assessments that the value is representative of fair value

The General Partner of each Fund-of-Funds Limited Partnership determines the fair market valuation of its underlying Limited Partnership investments This valuation is based primarily on the quarterly internal and annual audited consolidated financial statements of the underlying Limited Partnership Funds, which report net asset value based on i) the nature and terms of each underlying investment, ii) market inputs, and iii) certain other relevant information The System performs various measures to validate that the reported net asset value approximates the fair market value The determination of fair market values for the alternative investments requires the General Partners and System management to make estimates and assumptions about certain inputs and other factors that are inherently uncertain These estimates are subjective and require judgment regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that appropriately reflect market and credit risks

(Continued)

(In thousands of dollars)

Assets categorized as alternative investments may be subject to liquidity restrictions such as gates These gates prevent short-term liquidation of assets Hedge funds may be redeemed at quarter-end requiring advanced notice ranging from 45-65 days prior written notice subject to certain limitations that may be imposed by the General Partner of the fund without notice Private equity and private real estate funds generally have contractual terms of 10 years or greater from the time the commitment to the fund is made While distributions of capital during this term typically occur, many of these funds have provisions that allow the General Partner to extend the final term and suspend distributions Distressed debt funds are typically 1-5 year or 6-10 year term structures, and although some of the funds offer liquidity, the fund documents allow the General Partner to suspend redemptions if they deem necessary Resulting from these contractual limitations on liquidity, these alternative assets are generally considered illiquid Contractual liquidity terms of alternative investments at December 31, 2012 are as follows

		Carrying amount	Unfunded commitments
Less than 1 year, no contractual restrictions have been imposed	$	86,750	—
Subject to existing gates or restrictions		19,559	—
Limited Partnership Fund expiring in 1 – 5 years		58,496	10,908
Limited Partnership Fund expiring in 6 – 10 years		16,593	8,223
Total alternative investments	$	181,398	19,131

Resulting from the lack of liquidity, the System has allocated its alternative investments primarily to temporarily and permanently restricted investments The fair value of alternative investments totaled approximately $192,128 and $179,415 compared to a carrying value of $181,398 and $167,332 as of December 31, 2012 and 2011, respectively

The components and related restrictions of investments shown above are as follows

		2012	2011
Unrestricted and board designated	$	631,284	580,730
Held by bond trustee		4,749	25,582
Swap collateral		11,454	14,240
Temporarily restricted		62,436	63,562
Permanently restricted		106,198	101,149
Total investments	$	816,121	785,263

(Continued)

(In thousands of dollars)

Investment income is comprised of the following for the years ended December 31, 2012 and 2011

	2012	2011
Interest and dividend income		
Unrestricted	$ 15,284	17,681
Temporarily restricted	2,264	2,349
	17,548	20,030
Net realized gains on sales of securities		
Unrestricted	17,873	22,584
Temporarily restricted	2,180	1,637
Permanently restricted	—	99
	20,053	24,320
(Losses) from alternative investments	(126)	(907)
	$ 37,475	43,443

(7) Property, Plant, and Equipment

Property, plant, and equipment, at cost, at December 31, 2012 and 2011, are summarized below

	2012	2011
Land and land improvements	$ 106,626	101,349
Buildings and fixed equipment	1,465,393	1,447,611
Movable equipment and furnishings	924,551	885,592
Construction in progress	19,228	20,595
	2,515,798	2,455,147
Less accumulated depreciation	1,269,046	1,165,883
Net property, plant, and equipment	$ 1,246,752	1,289,264

As of December 31, 2012, the commitment on construction contracts, including Information Technology projects is $10,979

In connection with the sale of a building in 2003, the System retained a repurchase option for one-half ownership interest in the property at net book value Consequently, the System recorded a corresponding long-term asset and long-term liability of $34,613 and $36,439 at December 31, 2012 and 2011, respectively

(8) Short-Term Borrowings and Long-Term Debt

Effective October 4, 2011, the System renewed a $130,000 revolving credit facility (the Facility) in a syndicated transaction The Facility bears interest at various rates for short-term periods The Facility's

final maturity is October 3, 2015 There were no borrowings under the Facility and the remaining available credit line was $130,000 at December 31, 2012 The average interest rate for the year ended December 31, 2012 was 1 01% Borrowings under the Facility totaled $105,000 and the remaining available credit line was $25,000 at December 31, 2011 The $105,000 borrowing is classified as a long-term liability within the consolidated balance sheet as of December 31, 2011 The average interest rate for the year ended December 31, 2011 was 0 69%

Effective March 29, 2012, the System amended a $100,000 revolving credit commitment with PNC Bank The revolving credit commitment bears interest at various rates for short-term periods The revolving credit commitment's final maturity is September 29, 2016 Borrowings under this credit agreement totaled $20,000 and the available credit line was $80,000 at December 31, 2012 The $20,000 borrowing is classified as a long-term liability within the consolidated balance sheet as of December 31, 2012 The average interest rate for borrowings under this credit line was 1 02% for the year ended December 31, 2012 There were no borrowings outstanding at December 31, 2011 involving this credit line The average interest rate for borrowings under this credit line was 1 41% for the year ended December 31, 2011

On February 23, 2004, the System entered into an uncommitted line of credit "money market program" for $75,000. The line bears interest for short-term periods based on LIBOR and has no stated expiration. There were no borrowings under the uncommitted line of credit at December 31, 2012 and $15,000 at December 31, 2011 The remaining available credit line was $75,000 at December 31, 2012 The average interest rate for the years ended December 31, 2012 and 2011 was 2%

(In thousands of dollars)

A summary of long-term debt at December 31, 2012 and 2011 is as follows

Series	Type	Average interest rate% for the year ended December 31, 2012	Final maturity	Amount outstanding December 31 2012	2011
2012A	Fixed	4.70	2041	$ 182,380	—
2012B	Variable	0.95	2019	40,710	—
2012C	Fixed	3.71	2042	55,825	—
2012D	Variable	0.89	2021	195	—
2010A	Fixed	4.65	2027	81,750	87,520
2010B	Variable	1.01	2035	71,125	71,125
2009A	Fixed	6.60	2039	—	173,500
2009B	Fixed	4.88	2039	18,570	60,040
2009C	Fixed	4.54	2039	28,400	41,400
2008B	Variable	0.22	2035	47,700	47,700
2008D	Variable	0.16	2035	50,000	50,000
2008E	Variable	0.22	2035	25,000	25,000
2007A	Fixed	4.85	2046	289,460	289,460
2001	Variable	0.89	2033	10,000	10,000
1996A	Fixed	5.63	2016	—	18,720
1996B	Fixed	5.50	2019	—	28,005
Note payable	Fixed	2.00	2036	55,000	20,000
Other long-term debt				2,343	2,188
				958,458	924,658
Add unamortized premium				9,410	1,989
Less					
Unamortized discount				1,326	4,986
Current installments				13,933	14,300
				$ 952,609	907,361

In June 2012, the System issued the 2012A Bonds totaling $182,380, which was used in conjunction with the 2009A debt service reserve fund to defease $172,000 in 2009A Bonds The 2012A Bonds are fixed rate debt and were issued to take advantage of favorable interest rates The 2012A Bonds were issued with a premium of $8,134 and discount of $732 The System incurred a $33,960 loss on extinguishment as a result of the transaction

In September 2012, the System issued the 2012B Bonds totaling $40,710 in variable rate debt in order to extinguish $14,800 and $25,740 in 1996A and B Bonds, respectively The 2012B Bonds are privately placed and were issued to take advantage of favorable interest rates The System incurred a $336 loss on extinguishment as a result of the transaction

In October 2012, the System issued the 2012C Bonds totaling $55,825, which was used in conjunction with the 2009B and C debt service reserve fund to extinguish $41,470 and $13,000 of the 2009B and C

(Continued)

Bonds The 2012C Bonds are fixed rate debt and were issued to take advantage of favorable interest rates The 2012C Bonds were issued with premium of $58 and a discount of $512 The System incurred a $4,618 loss on extinguishment as a result of the transaction

In October 2012, the System has available draw down bonds The 2012D Bonds total $23,775, which are at a variable rate and privately placed Proceeds totaling $7,890 will be received in January 2013 and will be used with the 2009B and C debt service funds to extinguish $8,400 of the 2009C Bonds The remaining $15,960 will be received in January 2014 and will be used with the 2009B and C debt service funds to extinguish $17,730 of the 2009B Bonds

Effective April 15, 2011, the System entered into a note payable agreement with a regional center designated by the U S Citizenship and Immigration Services EB-5 Program for $50,000 The note payable bears a 2 00% interest rate On September 23, 2011, the System increased the borrowing capacity on the note by an additional $10,000 The increased commitment bears a 1 50% interest rate Borrowings under this agreement were $55,000 at December 31, 2012 The note payable's principal payments begin in 2017 and its final maturity is December 2036

On March 31, 2011, the System repaid the Series 1998A and B Bonds totaling $15,490 relating to discontinued operation activities Refer to note 14 for further details relating to discontinued operations

A total of $44,896 of bonds could become due in 2013 This amount represents i) variable rate bonds totaling $34,896, which are backed by bank letters of credit, could become due in 2013 based on the repayment schedule of the bank letters of credit upon the failure to remarket these bonds and ii) $10,000 of variable rate bonds for which the System provides self-liquidity and which is not backed by a letter of credit The total that could become due in 2013 is offset by the remaining available borrowing capacity of $80,000 on the revolving credit commitment with PNC Bank, which is not due until September 29, 2016 and the remaining borrowing capacity of $130,000 on the Facility, which is not due until October 3, 2015

The System is party to a Master Trust Indenture, amended and restated as of June 15, 1989 (the Indenture), pursuant to which the 2012A, B, C and D were issued The Series 2001, 2007A, the 2008B, D and E, 2009 B and C and 2010A and B, Bonds (collectively, the Revenue Bonds) are secured by the Indenture The Revenue Bonds are general obligations of the Obligated Group The Obligated Group consists of the System, UHCMC, University Hospitals Geauga Medical Center, and University Hospitals Ahuja Medical Center, Inc Effective October 1, 2011, University Hospitals Bedford Medical Center was removed from and University Hospitals Ahuja Medical Center, Inc was added to the Obligated Group The consolidated financial statements for December 31, 2012 and 2011 are presented under the new Obligated Group structure

In connection with the issuance of the Series 2012A, B, C and D, 2010A and B, 2009B and C, 2008B, D and E and 2007A tax-exempt bonds by the Ohio Higher Educational Facility Commission (the Commission) for the benefit of the System, the System has leased to the Commission, and the Commission has subleased to the System the certain bond-financed assets The System does not receive rental payments under its lease to the Commission and is required only to make rental payments to the Commission at the times and in the amounts sufficient to pay principal and interest on the outstanding

tax-exempt bonds under its lease from the Commission The lease agreements expire upon repayment of all indebtedness secured by the leases

In connection with the issuance of the Series 2001 tax-exempt bonds by Cuyahoga County (the County) for the benefit of the System, the System has leased to the County, and the County has subleased to the System, certain health care facilities of the System The System does not receive rental payments under its lease to the County and is required only to make rental payments to the County at the times and in the amounts sufficient to pay principal and interest on the outstanding tax-exempt bonds under its lease from the County The lease agreements expire upon repayment of all indebtedness secured by the leases

During the term of the various agreements and leases, the System is required to make specified deposits with trustees to fund principal and interest payments due The System is subject to certain restrictive covenants, including provisions relating to certain debt ratios, days cash on hand, and other matters The System was in compliance with these debt covenants at December 31, 2012

Combined current aggregate scheduled maturities of long-term debt for the five years subsequent to December 31, 2012, excluding bonds that could come due in 2013, are as follows 2013 – $13,933, 2014 – $16,585, 2015 – $16,659, 2016 – $17,185, 2017 – $17,845, and 2018 and thereafter – $876,251 In addition, the $20,000 borrowing on the revolving credit commitment with PNC Bank at December 31, 2012 is required to be repaid by September 29, 2016

The average interest rate included in the table above is the weighted average interest cost for the year ended December 31, 2012 for the 2001, 2008B, D, and E, 2010B, 2012B and D Bonds The carrying value of the variable rate debt approximates their fair value The fair value of the fixed rate debt totaled $688,484 compared to a carrying value of $656,385 as of December 31, 2012 The fair value of fixed rate debt was determined using observable inputs other than quoted market prices, which are considered Level 2 inputs (see note 5)

Cash paid for operating interest totaled $47,925 and $36,018 in 2012 and 2011, respectively

(In thousands of dollars)

(9) Interest Rate Swap Agreements

The System utilizes interest rate swaps to manage the overall cost of debt and risk profile related to its long-term debt The swaps utilized include i) fixed-payor swaps, whereby the System receives a floating rate and pays a fixed rate designed to either hedge against rising interest rates or achieve a lower overall cost of debt relative to traditional fixed-rate structures, ii) a fixed-receiver swap whereby the System receives a fixed rate and pays a floating rate designed to reduce the cost of debt and iii) basis swaps whereby the System receives a floating rate based on a taxable index (LIBOR) and pays a floating rate based on a tax-exempt index (SIFMA) designed to reduce interest costs associated with its traditional fixed rate debt A summary of the System's interest rate swap agreements is as follows

Swap type	Maturity date	Year ended December 31, 2012		Notional value at December 31	
		System pays	System receives	2012	2011
Fixed-payor	2034	3 49% 3 46%	67% of 1 month LIBOR	$ 75,000	75,000
Basis	2028	SIFMA Index	67% of 1 month LIBOR + 0 47%	25,000	25,000
Basis	2028	SIFMA Index	67% of 1 month LIBOR + 0 53%	25,000	25,000
Basis	2027	SIFMA Index	61 7% of 1 month LIBOR +0 67%	25,000	25,000
Basis	2027	SIFMA Index	61 7% of 1 month LIBOR +0 62%	25,000	25,000
Fixed-payor	2034	3 42% 3 36%	67% of 1 month LIBOR	75,000	75,000
Fixed-receiver*	2012	SIFMA Index	Fixed coupon rate on 1996 A&B tendered bonds – 0 75%	—	34,170
Basis	2027	SIFMA Index	62 3% of 1 month LIBOR + 0 79%	42,500	42,500
Basis	2027	SIFMA Index	67% of 1 month LIBOR + 1 00%	50,000	50,000
Fixed-payor	2026	3 57% 3 69%	65% of 1 month LIBOR + 0 12%	100,000	100,000
Fixed-payor	2022	4 71%	SIFMA Index	28,825	30,940
Basis	2032	SIFMA Index	67% of 3 month LIBOR + 1 00%	50,000	50,000
				$ 521,325	557,610

* Terminated swap in 2012

SIFMA is an index of high-grade, tax-exempt variable rate demand obligations SIFMA ranged from 0 06% to 0 26% (average rate of 0 16%) for the year ended December 31, 2012 and 0 07% to 0 29% (average rate of 0 18%) for the year ended December 31, 2011

In 2011, the System entered into a basis swap whereby the System pays the SIFMA Index and receives 67% of 3 month LIBOR plus 100 basis points through December 31, 2013 The System will pay the SIFMA Index and receive 85 3% of 3 month LIBOR on this basis swap beginning January 1, 2014 and thereafter This transaction is expected to produce interest savings over its term

The net fair value of interest rate swap agreements totaled $(58,718) as of December 31, 2012 The net fair value for swap agreements in 2012 consisted of $2,694 recorded in other assets and $(61,412) recorded in other liabilities within the 2012 consolidated balance sheet The net fair value for swap agreements in 2011 consisted of $467 recorded in other assets and $(62,635) recorded in other liabilities within the 2011 consolidated balance sheet

(In thousands of dollars)

Changes in fair value of derivative instruments in the consolidated statements of operations and changes in net assets totaled $3,450 and $(25,949) for the years ended December 31, 2012 and 2011, respectively. The net amount paid or received under the swap agreements is recorded as interest expense in the consolidated statements of operations and changes in net assets. Cash paid totaled $10,435 and $9,669 for the years ended December 31, 2012 and 2011, respectively. Cash received totaled $3,827 and $3,199 for the years ended December 31, 2012 and 2011, respectively.

The System posted collateral due to the decrease in swap valuations of $11,454 and $14,240 as of December 31, 2012 and 2011, respectively. The collateral is comprised of U.S. Treasury and government securities, is limited as to use, and is recorded as an investment within the consolidated balance sheets.

(10) Operating Leases

The System leases various facilities and equipment under operating lease agreements. Lease expense in 2012 and 2011 totaled $27,763 and $22,190, respectively. Minimum operating lease payments over the next five years and thereafter are as follows:

2013	$ 22,059
2014	17,510
2015	10,870
2016	8,129
2017	5,379
2018 and thereafter	23,408
	$ 87,355

(11) Insurance

Prior to July 1, 2002, the System provided coverage for professional and general liability and workers' compensation claims through a combination of self-insured retentions and commercial and excess insurance policies. Western Reserve Assurance Company, Ltd. (Western Reserve), a wholly owned subsidiary of the System, commenced operations on July 1, 2002 providing professional and general liability insurance coverage on a claims-made basis for substantially all of the System. Effective July 1, 2004, Western Reserve was restructured from a single parent company to a segregated portfolio company (SPC), Western Reserve Assurance Company, Ltd., SPC (Western Reserve SPC). A SPC is an insurance company that operates as a single legal entity, which allows for assets and liabilities to be segregated between different protected portfolios of the company. The individual segregated portfolios do not, by law, have access or rights to the assets of any of the other segregated portfolios within the SPC. At December 31, 2012, the Western Reserve SPC consists of several individual segregated portfolios. Each segregated portfolio provides coverage for its respective entity's insurance programs and is consolidated into each respective entity's consolidated financial statements. Western Reserve SPC has reinsurance agreements with unrelated commercial carriers in place relative to a portion of the risks.

Various claimants have asserted professional and general liability and workers' compensation claims against the System. These claims are in various stages of processing or are in litigation. In addition, there

(In thousands of dollars)

are known incidents, and there also may be unknown incidents, which may result in the assertion of additional claims The System has accrued the actuarial estimate of both asserted and unasserted losses primarily based on actuarially determined amounts The System's reserves for professional, general, and workers' compensation liabilities (including incurred but not reported claims) approximated $119,839 and $117,552 at December 31, 2012 and 2011, respectively The current portion of the reserves, which approximates $10,000 in both years, is recorded in other current liabilities and the remaining portion is recorded in other long-term liabilities The retention limits per occurrence for the various policies written by Western Reserve SPC range from $500 to $10,000

(12) Pension Plans

The System maintains noncontributory defined benefit pension plans (the plans) for the benefit of eligible employees The benefits are based upon years of service and the employees' compensation, as defined by the respective plans It is the System's policy to contribute annually to the defined benefit plans amounts that are actuarially determined to provide the plans with sufficient assets to meet future benefit payment requirements

The System recognizes the funded status (difference between the fair value of plan assets and the projected benefit obligation) of defined benefit pension plans on its consolidated balance sheets Gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit costs are recognized as a component of unrestricted net assets The System uses December 31, 2012 as the measurement date for plan assets and benefit obligations

The amounts recognized in changes in unrestricted net assets at December 31, 2012 and 2011 consisted of the following

		2012	2011
Amount recognized in unrestricted net assets at end of year			
Unrecognized actuarial loss	$	352,199	279,305
Unrecognized prior service costs		26	223
Net amount recognized	$	352,225	279,528

(Continued)

(In thousands of dollars)

The accumulated benefit obligation for the plans were $633,721 and $513,933 as of December 31, 2012 and 2011, respectively. The following represents selected information about the plans for 2012 and 2011 as of December 31, 2012 and 2011:

	2012	2011
Change in benefit obligation		
Projected benefit obligation (PBO) at beginning of year	$ 533,166	464,545
Service cost	34,121	30,779
Interest cost	26,369	24,484
Actuarial loss	82,519	31,624
Benefits paid	(23,355)	(18,266)
Projected benefit obligation at end of year	652,820	533,166
Change in plan assets		
Fair value of assets at beginning of year	394,334	311,152
Actual return on assets	23,248	1,047
Employer contribution	38,381	100,401
Benefits paid	(23,355)	(18,266)
Fair value of assets at end of year	432,608	394,334
Funded status (PBO in excess of plan assets)	(220,212)	(138,832)
Unrecognized actuarial loss	352,199	279,305
Unrecognized prior service costs	26	223
Net amount recognized	$ 132,013	140,696

	2012	2011
The components of periodic pension costs included the following		
Service cost	$ 34,121	30,779
Interest cost	26,369	24,484
Expected return on plan assets	(32,271)	(26,675)
Amortization of prior service costs	197	417
Recognized net actuarial loss	18,648	17,103
Net periodic pension cost	$ 47,064	46,108

(Continued)

(In thousands of dollars)

The amounts in unrestricted net assets expected to be recognized as components of net periodic pension costs in 2013 are as follows

Amortization of prior service costs	$	8
Recognized actuarial losses		28,356
Total	$	28,364

The weighted average assumptions used to determine benefit obligations and net benefit cost for the years ended December 31, 2012 and 2011 were as follows

	2012	2011
Weighted average assumptions		
Discount rate	4 28%	5 05%
Expected return on plan assets	7 25	6 75
Rate of compensation increase (*)	3 00/3 75	3 00/3 75

(*) 3 00% for 2013 – 2015 and 3 75% thereafter

Pension assets are invested in various asset classes as follows

	2012	2011
Asset class		
Equities, mutual and exchange traded funds	15%	24%
Fixed income	31	13
Alternative investments	40	29
Cash and cash equivalents	14	34

The Investment Committee of the Board of Directors has responsibility for establishing and monitoring compliance with the investment policy governing the investment of pension assets The investment policy is utilized as the basis for determining the long-term return assumption for the assets Historical data, combined with future expected returns of each asset class, are the primary components utilized in developing this assumption Additional information, such as specific manager performance and risk characteristics, is also included in the assessment of the long-term rate of return assumption

The System expects to contribute $70,000 to the plans in 2013 The estimated benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the System as follows 2013 – $27,399, 2014 – $33,301, 2015 – $35,907, 2016 – $39,282, 2017 – $43,741, and 2018 to 2021 – $264,102

(Continued)

(In thousands of dollars)

The FASB requires that the fair value hierarchy disclosures be applied to assets held within the plans Refer to note 5 for level definitions

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Assets				
Cash and cash equivalents	$ 1,318	60,348	—	61,666
Fixed income securities				
Corporate bonds	—	133,993	—	133,993
Government securities	141	532	—	673
Total fixed income securities	141	134,525	—	134,666
Equities, mutual and exchange traded funds				
U S equities	12,627	—	—	12,627
International equities	8,479	—	—	8,479
Mutual and exchange traded funds	35,931	7,601	—	43,532
Total equities, mutual and exchange traded funds	57,037	7,601	—	64,638
Alternative investments				
Hedge funds	—	—	134,642	134,642
Real estate	—	—	7,752	7,752
Distressed debt	—	—	29,244	29,244
Total alternative investments	—	—	171,638	171,638
Total assets	$ 58,496	202,474	171,638	432,608

(Continued)

(In thousands of dollars)

	Level 1	Level 2	Level 3	Total
December 31, 2011				
Assets				
Cash and cash equivalents	$ 201	134,008	—	134,209
Fixed income securities				
Corporate bonds	—	48,381	—	48,381
Government securities	487	687	—	1,174
Total fixed income securities	487	49,068	—	49,555
Equities, mutual and exchange traded funds				
U S equities	10,771	—	—	10,771
International equities	6,054	—	—	6,054
Mutual and exchange traded funds	71,479	6,404	—	77,883
Total equities, mutual and exchange traded funds	88,304	6,404	—	94,708
Alternative investments				
Hedge funds	—	—	89,078	89,078
Real estate	—	—	7,473	7,473
Distressed debt	—	—	19,311	19,311
Total alternative investments	—	—	115,862	115,862
Total assets	$ 88,992	189,480	115,862	394,334

The plans held certain investments in cash and cash equivalents consisting of short-term money market instruments including commercial paper, asset backed securities, treasury bonds and bills, and short-term corporate bonds The plans also hold certain alternative investments including hedge funds, real estate, and distressed debt Refer to note 6 for asset valuation and liquidity restriction information Liquidity information is included in the below chart

(Continued)

(In thousands of dollars)

The table below classifies the market value at December 31, 2012 of the alternative investment portion of the plan assets into categories based on the stated contractual liquidity terms of the underlying investments

	Fair market value	Unfunded commitments
Less than 1 year, no contractual restrictions have been imposed	$ 95,276	—
Subject to existing gates or restrictions	15,712	—
Limited partnership fund expiring in 1 – 5 years	31,802	2,499
Limited partnership fund expiring in 6 – 10 years	23,883	24,952
Limited partnership fund expiring in 11 – 12 years	4,965	8,318
Total alternative investments	$ 171,638	35,769

	Fair value measurements of alternative investments using significant unobservable inputs (Level 3)			
	Hedge funds	Real estate	Distressed debt	Total
Balance at January 1, 2011	$ 32,954	6,015	17,108	56,077
Unrealized gains (losses)	(3,088)	124	(1,162)	(4,126)
Realized gains	377	59	1,122	1,558
Disbursements and transfers out	(2,517)	(421)	(18,367)	(21,305)
Contributions and cash receipts	61,352	1,696	20,610	83,658
Balance at December 31, 2011	89,078	7,473	19,311	115,862
Unrealized gains (losses)	5,191	(10)	(47)	5,134
Realized gains	595	94	28	717
Disbursements and transfers out	(1,004)	(1,511)	(2,292)	(4,807)
Contributions and cash receipts	40,782	1,706	12,244	54,732
Balance at December 31, 2012	$ 134,642	7,752	29,244	171,638

The System sponsors various defined contribution plans The System contributed $14,102 and $15,691 to the defined contribution plans for the years ended December 31, 2012 and 2011, respectively

The System also has nonqualified deferred compensation plans for certain employees The System contributed and expensed $3,857 and $3,542 to the deferred compensation plans for the years ended December 31, 2012 and 2011, respectively

(Continued)

(In thousands of dollars)

(13) Investments in Joint Ventures

Investments in joint ventures are accounted for using the equity method of accounting On December 31, 2009, the System entered into an agreement with The Sisters of Charity of St Augustine Health System, Inc (SCHS) changing the current structure of UHHS/CSAHS-Cuyahoga, Inc (Cuyahoga)

Cuyahoga represented a joint-venture that previously included 50% interest in St Vincent Charity Hospital, Canton Mercy Medical Center and St John Medical Center (SJMC) The System is no longer in a joint-venture agreement involving St Vincent Charity Hospital and Canton Mercy Medical Center as of December 31, 2009 The System's investment balance in SJMC consists of the investment in SJMC and the assets used to wind down the operations of the previous Cuyahoga joint-venture The System pledged $15,000 over 3 years to support St Vincent Charity Hospital The final installment of the pledge was paid in 2012

The System and SCHS each has a 50% membership in SJMC The System entered into a management agreement with SCHS for the System to manage the operations of SJMC for a minimum of 5 years The System committed $50,000 in capital contributions to SJMC

During 1997, the System entered into an agreement with Southwest Community Health System and certain of its affiliated entities, including Southwest General Health Center (Southwest) The agreement also provides that 50% of the voting members of Southwest's board of trustees shall be selected for appointment by the System and that the System is entitled to 50% of the annual net income as defined in the agreement The agreement has been amended and restated as of January 1, 2011 and is effective for 10 years The System retained its voting and income rights of 50% within the new agreement

Details of the System's investments in these joint ventures are as follows

		SJMC 50%	Southwest 50%	Total
Investment at December 31, 2010	$	29,457	40,147	69,604
Excess of revenues over expenses		3,318	8,958	12,276
Other unrestricted net asset activity		253	—	253
(Distributions)		(5,000)	(4,819)	(9,819)
Cash received and other considerations		(475)	—	(475)
Investment at December 31, 2011		27,553	44,286	71,839
Excess of revenues over expenses		968	12,518	13,486
Other unrestricted net asset activity		3	—	3
(Distributions)		(500)	(4,479)	(4,979)
Investment at December 31, 2012	$	28,024	52,325	80,349

(Continued)

(In thousands of dollars)

The summary below illustrates the condensed combined financial data for SJMC, Cuyahoga and Southwest as of December 31, 2012 and 2011

		2012	2011
Total assets	$	586,275	507,026
Total net assets		220,966	208,720
Total net revenues		481,056	466,293
Total excess of revenues over expenses		27,726	24,882

The System records its pro-rata portion of operating results as other revenue in the accompanying consolidated statements of operations and changes in net assets and records its pro-rata portion of changes in unrestricted net assets in the accompanying consolidated statements of changes in net assets

(14) Discontinued Operations

The System evaluates its service lines periodically for strategic fit within its operations The System sold the Heather Hill Rehabilitation Hospital, Inc d/b/a University Hospitals Extended Care Campus (ECC) in April 2011 The proceeds of the Series 1998A and 1998B Bonds were primarily used for the acquisition of ECC assets and for the refinancing of various debt obligations of ECC The System repaid the outstanding $15,490 in Series 1998A and B Bonds in March 2011

Operational activity from discontinued operations is reported within the statements of changes in net assets for all periods presented, which are as follows

		2012	2011
Total revenues	$	107	4,509
Total expenses		(115)	(8,554)
Discontinued operation	$	(8)	(4,045)

(15) Care Assurance

Various subsidiaries of the System participate in the State of Ohio's Care Assurance Program, which was established in 1988 to assist Ohio hospitals that had a disproportionate amount of uncompensated care Under the program, Ohio hospitals, including the System's hospitals, are assessed an amount which forms a pool of funds to be matched with federal Medicaid funds for payments to hospitals Total net revenues to the System under the Care Assurance Program totaled $12,114 and $11,531 in 2012 and 2011, respectively Portions of the Care Assurance Program funds received are attributed to charity care, which totaled approximately $5,062 and $4,840 in 2012 and 2011, respectively The System records the net proceeds in net patient service revenue

(Continued)

(In thousands of dollars)

(16) Litigation and Contingencies

The System is involved in litigation arising in the ordinary course of business Claims have been asserted against the System and are currently in various stages of litigation It is the opinion of management that estimated costs accrued are adequate to provide for potential losses resulting from pending or threatened litigation In August 2006, the System entered into a five-year Corporate Integrity Agreement that is monitored by the Office of the Inspector General, that agreement expired in August 2011

(17) Special Charges

The System incurred $3,374 and $1,112 in special charges during 2012 and 2011, respectively The special charges related primarily to severance, impairment, and restructuring costs

(18) Purchase Commitments

The System has commitments to purchase goods and services with the following minimum contractual obligations as follows 2013 – $15,159, 2014 – $12,053, 2015 – $9,480, 2016 – $5,965, 2017 – $1,201, and 2018 and thereafter – $2,047 Purchases under these contracts totaled $98,838 and $167,693 in 2012 and 2011, respectively, and met the provisions of the agreement In 2001, the System entered into a thirty-year agreement with a utilities company, a related party, which provides utilities to certain buildings at UHCMC The amounts purchased were $16,354 and $15,721 in 2012 and 2011, respectively

(19) Income Taxes

The System has certain taxable subsidiaries that have incurred net losses for federal income tax purposes Cumulative losses available totaled approximately $249,438 and $222,304 at December 31, 2012 and 2011, respectively The losses are available to offset future taxable income and expire in varying amounts through the year 2032 The potential tax benefit of the net loss carryforward has been recorded and there is a full valuation against it at December 31, 2012 and 2011 due to the uncertainty of realizing those benefits in the future

(20) Functional Expenses

The System provides healthcare services, medical education, and performs medical research Expenses related to these functions were as follows

	2012	2011
Health care services	$ 1,808,933	1,702,892
Medical education	92,973	97,772
Medical research	61,599	64,280
General and administrative	234,623	215,306
Special charges	3,374	1,112
Total expenses	$ 2,201,502	2,081,362

(Continued)

(21) Related Parties

Certain members of the System's Board of Directors serve as management of companies that provide services to the System, including certain banking, investment management, and supplier relationships. Also, certain members of the System's Board of Directors are physicians who serve as medical directors or provide other services in the System. The System's management believes that transactions with related parties are entered into only upon terms comparable to those that would be available from unaffiliated third parties.

(22) Subsequent Events

Management evaluated all activity of the System through February 28, 2013. In January 2013, the System received $7,890 in 2012D Bond issuance proceeds, which was used with the 2009C debt service fund to extinguish $8,400 of the 2009C Bonds. There have been no additional events subsequent to the date of these consolidated financial statements that would require additional disclosure.

SUPPLEMENTARY INFORMATION

KPMG LLP
One Cleveland Center
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1375 East Ninth Street
Cleveland, OH 44114-1796

Independent Auditors' Report on Supplementary Information

The Board of Directors
University Hospitals Health System, Inc

We have audited and reported separately herein on the consolidated financial statements of University Hospitals Health System, Inc and subsidiaries (the System) as of and for the years ended December 31, 2012 and 2011, which contained an unmodified opinion on those consolidated financial statements

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the System taken as a whole The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, such information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole

KPMG LLP

February 28, 2013

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Supplementary Information – Balance Sheet

December 31, 2012

(In thousands of dollars)

Assets	Obligated group	Nonobligated group	Eliminations	Consolidated
Current assets:				
Cash and cash equivalents	$ 175,872	3,284	—	179,156
Patient accounts receivable, net	225,861	66,344	—	292,205
Other receivables	55,258	30,171	(33,076)	52,353
Assets held for disposal	3,554	—	—	3,554
Other current assets	92,110	13,291	—	105,401
Total current assets	552,655	113,090	(33,076)	632,669
Investments	773,052	43,069	—	816,121
Property, plant and equipment, net	1,202,343	44,409	—	1,246,752
Other assets:				
Investments in affiliates	167,165	2,472	(72,170)	97,467
Beneficial interest in Foundation	55,322	—	—	55,322
Perpetual trusts	167,748	1,094	—	168,842
Other	155,872	7,620	(3,777)	159,715
Total other assets	546,107	11,186	(75,947)	481,346
Total assets	$ 3,074,157	211,754	(109,023)	3,176,888
Liabilities and Net Assets				
Current liabilities:				
Current installments of long-term debt	$ 13,933	—	—	13,933
Short-term borrowings	—	—	—	—
Accounts payable and accrued expenses	243,887	33,346	—	277,233
Other current liabilities	57,779	36,355	(30,526)	63,608
Estimated amounts due to third party payors	15,108	7,001	—	22,109
Total current liabilities	330,707	76,702	(30,526)	376,883
Long-term debt, less current installments	951,609	1,000	—	952,609
Revolving credit borrowing	20,000	—	—	20,000
Other liabilities	417,547	56,857	(6,327)	468,077
Total liabilities	1,719,863	134,559	(36,853)	1,817,569
Net assets:				
Unrestricted	827,356	72,170	(72,170)	827,356
Temporarily restricted	225,697	274	—	225,971
Permanently restricted	301,241	4,751	—	305,992
Total net assets	1,354,294	77,195	(72,170)	1,359,319
Total liabilities and net assets	$ 3,074,157	211,754	(109,023)	3,176,888

See accompanying independent auditors' report on supplementary information.

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Supplementary Information – Schedule of Operations

Twelve months ended December 31, 2012

(In thousands of dollars)

	Obligated group	Nonobligated group	Eliminations	Consolidated
Unrestricted revenues:				
Net patient service revenue	$ 1,534,474	624,178	—	2,158,652
Provision for bad debts	(29,612)	(25,371)	—	(54,983)
Net patient service revenue less provision for bad debts	1,504,862	598,807	—	2,103,669
Other revenue	144,933	123,273	(105,539)	162,667
Total unrestricted revenues	1,649,795	722,080	(105,539)	2,266,336
Expenses:				
Salaries, wages and employee benefits	716,194	582,065	(7,422)	1,290,837
Purchased services	156,806	55,646	(75,088)	137,364
Patient care supplies	269,100	49,074	—	318,174
Other supplies	28,333	6,167	—	34,500
Insurance	21,992	25,765	(6,842)	40,915
Other expenses	174,875	66,452	(15,727)	225,600
Depreciation and amortization	91,234	13,460	—	104,694
Interest	46,070	434	(460)	46,044
Special charges	3,074	300	—	3,374
	1,507,678	799,363	(105,539)	2,201,502
Net operating income (loss)	142,117	(77,283)	—	64,834
Nonoperating revenues (expenses):				
Investment income	32,991	40	—	33,031
Other-than-temporary decline in investments	(7,925)	(174)	—	(8,099)
Change in fair value of derivative instruments	3,450	—	—	3,450
Loss on extinguishment of debt	(38,914)	—	—	(38,914)
Excess (deficiency) of revenues over expenses	$ 131,719	(77,417)	—	54,302

See accompanying independent auditors' report on supplementary information.

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Supplementary Information – Balance Sheet

December 31, 2011

(In thousands of dollars)

Assets	Obligated group	Nonobligated group	Eliminations	Consolidated
Current assets:				
Cash and cash equivalents	$ 114,823	2,786	—	117,609
Patient accounts receivable, net	215,224	62,743	—	277,967
Other receivables	39,021	19,657	(23,387)	35,291
Assets held for disposal	6,804	—	—	6,804
Other current assets	60,696	11,764	—	72,460
Total current assets	436,568	96,950	(23,387)	510,131
Investments	743,335	41,928	—	785,263
Property, plant and equipment, net	1,241,076	48,188	—	1,289,264
Other assets:				
Investments in affiliates	159,222	2,301	(74,317)	87,206
Beneficial interest in Foundation	70,949	—	—	70,949
Perpetual trusts	156,898	1,039	—	157,937
Other	161,714	15,563	(11,109)	166,168
Total other assets	548,783	18,903	(85,426)	482,260
Total assets	$ 2,969,762	205,969	(108,813)	3,066,918
Liabilities and Net Assets				
Current liabilities:				
Current installments of long-term debt	$ 14,300	—	—	14,300
Short-term borrowings	15,000	—	—	15,000
Accounts payable and accrued expenses	224,684	30,198	—	254,882
Other current liabilities	53,094	33,348	(23,387)	63,055
Estimated amounts due to third party payors	9,872	2,443	—	12,315
Total current liabilities	316,950	65,989	(23,387)	359,552
Long-term debt, less current installments	907,361	—	—	907,361
Revolving credit borrowing	105,000	—	—	105,000
Other liabilities	345,405	60,721	(11,109)	395,017
Total liabilities	1,674,716	126,710	(34,496)	1,766,930
Net assets:				
Unrestricted	816,195	74,316	(74,317)	816,194
Temporarily restricted	193,909	247	—	194,156
Permanently restricted	284,942	4,696	—	289,638
Total net assets	1,295,046	79,259	(74,317)	1,299,988
Total liabilities and net assets	$ 2,969,762	205,969	(108,813)	3,066,918

See accompanying independent auditors' report on supplementary information.

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Supplementary Information – Schedule of Operations

Twelve months ended December 31, 2011

(In thousands of dollars)

	Obligated group	Nonobligated group	Eliminations	Consolidated
Unrestricted revenues:				
Net patient service revenue	$ 1,412,415	615,307	—	2,027,722
Provision for bad debts	(32,502)	(24,802)	—	(57,304)
Net patient service revenue less provision for bad debts	1,379,913	590,505	—	1,970,418
Other revenue	141,748	121,374	(106,468)	156,654
Total unrestricted revenues	1,521,661	711,879	(106,468)	2,127,072
Expenses:				
Salaries, wages and employee benefits	680,259	569,541	(6,719)	1,243,081
Purchased services	158,640	55,187	(77,800)	136,027
Patient care supplies	248,286	48,104	—	296,390
Other supplies	29,443	7,874	—	37,317
Insurance	6,807	25,119	(7,737)	24,189
Other expenses	151,183	59,482	(13,792)	196,873
Depreciation and amortization	86,875	14,507	—	101,382
Interest	44,994	417	(420)	44,991
Special charges	1,112	—	—	1,112
	1,407,599	780,231	(106,468)	2,081,362
Net operating income (loss)	114,062	(68,352)	—	45,710
Nonoperating revenues (expenses):				
Investment income	39,322	36	—	39,358
Other-than-temporary decline in investments	(14,910)	(335)	—	(15,245)
Change in fair value of derivative instruments	(25,949)	—	—	(25,949)
Loss on extinguishment of debt	—	—	—	—
Excess (deficiency) of revenues over expenses	$ 112,525	(68,651)	—	43,874

See accompanying independent auditors' report on supplementary information.

UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.

Notes to Supplementary Information

December 31, 2012 and 2011

(In thousands of dollars)

(1) Basis of Presentation

In the accompanying supplementary information, the obligated group includes the unrestricted net asset accounts of

- University Hospitals Health System, Inc (the System)
- University Hospitals Cleveland Medical Center d/b/a University Hospitals Case Medical Center (UHCMC)
- University Hospitals Geauga Medical Center
- University Hospitals Ahuja Medical Center, Inc

Certain affiliated or controlled entities of the System required to be consolidated with the System in accordance with accounting principles generally accepted in the United States of America are presented in the supplementary information as nonobligated group totals Entities included in the nonobligated group include

- University Hospitals Health Care Enterprises, Inc
- University Hospitals Regional Hospitals Richmond Medical Center Campus
- University Hospitals Conneaut Medical Center
- University Hospitals Geneva Medical Center
- University Hospitals Regional Hospitals Bedford Medical Center Campus
- University Hospitals Health System MCO, Inc d/b/a University Hospitals CompCare
- University Hospitals Medical Group, Inc
- University Hospitals Holdings, Inc
- Western Reserve Assurance Company Ltd , SPC
- University Hospitals Health System – Heather Hill Rehabilitation Hospital, Inc d/b/a University Hospitals Extended Care Campus (Discontinued operation)

All significant intercompany transactions and balances have been eliminated in consolidation

(2) Debt Guarantees

The System provided an unconditional guarantee for the performance of University Hospitals Extended Care Campus under a reimbursement agreement supporting the letter of credit for University Hospitals Extended Care Campus Series 1998A and 1998B Bonds in the amount of $15,490 at December 31, 2010 The System repaid the 1998A and 1998B Bonds on March 31, 2011