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Part III

Statement of Program Service Accomplishments

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

☐

1

Briefly describe the organization's mission

St Vincent Dunn Hospital is dedicated to providing spiritually-centered, holistic healthcare that sustains and improves the health of those served, with special attention to the poor and vulnerable. Both inpatient and outpatient health services are provided without regard to patient race, creed, national origin, economic status, insurance status or ability to pay. This mission extends well beyond the provision of core medical services to encompass medical and scientific research programs, the training and educating of health care professionals and active support of community-based partnerships and programs to improve health and quality of life.

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 \$ 20,930,450 including grants of \$ 3,417) (Revenue \$ 29,113,994)

St Vincent Dunn Hospital is a 25-bed, critical access hospital serving rural Lawrence and contiguous counties and providing services without regard to patient's race, creed, national origin, economic status, or ability to pay. During fiscal year 2013, St Vincent Dunn Hospital treated 951 adults and children for a total of 3,500 inpatient days of service. The hospital also provided services for 32,786 outpatient visits, including 1,508 outpatient surgeries and 8,835 emergency room and minor care visits. See Schedule H for a non-exhaustive list of community benefit programs and descriptions.

4b

(Code) (Expenses \$ 2,981,515 including grants of \$) (Revenue \$)

St Vincent Dunn Hospital (SVDH) provides a substantial portion of its core health services to the poor, uninsured or underinsured and has proactively taken steps to address the accessibility, financing, and delivery of healthcare to the underserved. During the fiscal year ending June 30, 2013, the unreimbursed cost of free or discounted services provided to patients who were deemed indigent under state, county, or hospital guidelines was \$2,981,515, which included \$1,169,177 of traditional charity care and \$1,812,338 in unpaid cost of care for those qualifying for Medicaid or other public programs for the poor. See Schedule H for a non-exhaustive list of community benefit programs and descriptions.

4c

(Code) (Expenses \$ 323,310 including grants of \$) (Revenue \$)

In addition to core medical services, St Vincent Dunn Hospital partners with its community to assess community assets and needs and to work together to address issues impacting health and quality of life, with special emphasis on the poor and vulnerable. In fiscal year 2013, St Vincent Dunn Hospital provided \$323,310 in unbilled services to the poor and to the broader community. (When combined with the costs of free or discounted services for the poor listed in Line 4b, St Vincent Dunn Hospital provided a total community benefit of \$3,304,825 in fiscal year 2013.) St Vincent Dunn Hospital serves and supports its community through such programs as the Community Health and Wellness Center, and health fairs and screenings. See Schedule H for a non-exhaustive list of community benefit programs and descriptions.

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses

24,235,275

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	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	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	31	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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	348
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, 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	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. 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	12	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	5	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	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		
8a	The governing body?	8a	Yes
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	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
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	IN
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	Wayne R Knight 1600 23rd Street Bedford, IN (812) 442-2623

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Eric Koch Chair	20 0 00	X		X				0	0	0
(2) Matt Balla Administrator	40 00 0 00	X		X				130,790	0	27,369
(3) Deborah W Craton MD Director	40 00 0 00	X						0	156,490	28,432
(4) Janie Craig Chenault Director	20 0 00	X						0	0	0
(5) Rodney Fish Director	20 0 00	X						0	0	0
(6) David Flinn Director	20 0 00	X						0	0	0
(7) Janette L Helm Director	20 40 20	X						0	113,552	27,203
(8) Jerry A Laue Director	20 40 00	X						0	241,755	63,908
(9) Gene McCracken Director	20 0 00	X						0	0	0
(10) Kim Scherschel MD Director	40 00 0 00	X						0	219,549	52,691
(11) John Winenger Interim CEO	40 00 0 00	X		X				0	174,602	25,231
(12) Joseph E Roche Regional Director	15 00 30 00	X		X				0	380,456	66,244
(13) Jennifer Embree Chief Clinical Officer	40 00 0 00					X		123,486	0	10,934
(14) Lola J Mills Supervisor of Patient Care	40 00 0 00					X		100,893	0	7,314

Part VIII

Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	238,609			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		238,609			
Program Service Revenue			Business Code				
	2a	Net Medicare/Medicaid revenue	621990	17,533,725	17,533,725		
	b	Net patient revenue	621990	11,580,269	11,580,269		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		29,113,994			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		73,536		73,536	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	(i) Real		(ii) Personal			
		67,251					
		0					
		67,251					
	d	Net rental income or (loss)			67,251		67,251
	7a	(i) Securities		(ii) Other			
				70,500			
				72,021			
				-1,521			
	d	Net gain or (loss)			-1,521		-1,521
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a						
a							
b							
c							
Miscellaneous Revenue		Business Code					
11a	Cafeteria revenue	722210	87,370			87,370	
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		87,370				
12	Total revenue. See Instructions			29,579,239	29,113,994	0	226,636

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.	3,417	3,417		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	158,159		158,159	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	9,119,996	7,773,893	1,346,103	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	191,071	162,869	28,202	
9	Other employee benefits.	2,176,220	1,855,012	321,208	
10	Payroll taxes.	616,873	525,823	91,050	
11	Fees for services (non-employees):				
a	Management.	914,992	779,940	135,052	
b	Legal.	95,611	81,499	14,112	
c	Accounting.	200	170	30	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	48,151	41,044	7,107	
12	Advertising and promotion.				
13	Office expenses.				
14	Information technology.	167,478	142,758	24,720	
15	Royalties.				
16	Occupancy.	736,691	627,956	108,735	
17	Travel.				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	104,888	89,407	15,481	
20	Interest.	273,451	233,090	40,361	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	952,922	812,272	140,650	
23	Insurance.	163,379	163,379		
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	Purchased services.	3,640,318	3,103,011	537,307	
b	Community benefit.	3,304,825	3,304,825		
c	Supplies.	1,993,383	1,699,162	294,221	
d	Corporate expense.	1,001,443	853,631	147,812	
e	All other expenses.	2,325,335	1,982,117	343,218	
25	Total functional expenses. Add lines 1 through 24e.	27,988,803	24,235,275	3,753,528	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☒

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		1,471,265	1	395,843
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		3,020,053	4	2,256,219
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		606,054	8	466,167
	9	Prepaid expenses and deferred charges		239,925	9	104,655
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	9,737,083		
	b	Less accumulated depreciation	10b	3,493,638	7,116,035	10c 6,243,445
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		9,133	14	24,166
	15	Other assets See Part IV, line 11		2,729,809	15	4,465,224
	16	Total assets. Add lines 1 through 15 (must equal line 34)		15,192,274	16	13,955,719
Liabilities	17	Accounts payable and accrued expenses		2,912,167	17	2,253,221
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		14,353,085	25	12,460,143
	26	Total liabilities. Add lines 17 through 25		17,265,252	26	14,713,364
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		-2,104,103	27	-760,065
	28	Temporarily restricted net assets		31,125	28	2,420
	29	Permanently restricted net assets			29	
	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		-2,072,978	33	-757,645
	34	Total liabilities and net assets/fund balances		15,192,274	34	13,955,719

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	29,579,239
2	Total expenses (must equal Part IX, column (A), line 25)	2	27,988,803
3	Revenue less expenses Subtract line 2 from line 1	3	1,590,436
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-2,072,978
5	Net unrealized gains (losses) on investments	5	-9,821
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	-265,282
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-757,645

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
StVincent Dunn Hospital Inc

Employer identification number
27-2192831

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U S ? | | (vii) Amount of monetary support |
|------------------------------------|----------|--|--|----|---|----|--|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

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 IIIPart 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

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 StVincent Dunn Hospital Inc	Employer identification number 27-2192831
---	--

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)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes	☐ No												

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		1,476
j	Total. Add lines 1c through 1i.			1,476
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
Explanation of Lobbying Activities	Part II-B, Line 1	Lobbying expenses represent the portion of dues paid to national and state hospital associations that is specifically allocable to lobbying. St Vincent Dunn Hospital, Inc. does not participate in or intervene in (including the publishing or distributing or statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ 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.

Name of the organization
StVincent Dunn Hospital Inc

Employer identification number
27-2192831

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		100,000		100,000
b Buildings		5,527,085	827,756	4,699,329
c Leasehold improvements		60,000	18,000	42,000
d Equipment		3,955,177	2,647,882	1,307,295
e Other		94,821		94,821
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				6,243,445

Schedule D (Form 990) 2012

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
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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
StVincent Dunn Hospital Inc

Employer identification number
27-2192831

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 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	3a	Yes	
		3b	Yes	
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,169,177		1,169,177	4 180 %
b Medicaid (from Worksheet 3, column a)			4,116,387	2,304,049	1,812,338	6 480 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .						
d Total Financial Assistance and Means-Tested Government Programs .			5,285,564	2,304,049	2,981,515	10 660 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		3,794	314,470		314,470	1 120 %
f Health professions education (from Worksheet 5)			8,020		8,020	0 030 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		100	820		820	0 %
j Total. Other Benefits		3,894	323,310		323,310	1 150 %
k Total. Add lines 7d and 7j .		3,894	5,608,874	2,304,049	3,304,825	11 810 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support		12	40		40	0 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total		12	40		40	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

406,233

3Enter 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

121,870

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

9,622,623

6Enter Medicare allowable costs of care relating to payments on line 5.

6

9,527,350

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

95,273

8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☐ Cost accounting system

☒ Cost to charge ratio

☐ Other

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

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

9b

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	StVincent Dunn Hospital Inc 1600 23rd Street Bedford, IN 47421 http://www.stvincent.org/dunn/	X	X			X		X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

StVincent Dunn Hospital Inc

Name of hospital facility or facility reporting group

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

1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
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 <u>12</u>		
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	Yes
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	No
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
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	No
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	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a ☒ 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
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?	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?		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?		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?

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 3c The organization provides medically necessary care to all patients, regardless of race, color, creed, ethnic origin, gender, disability or economic status The hospital uses a percentage of federal poverty level (FPL) to determine free and discounted care At a minimum, patients with income less than or equal to 200% of the FPL, which may be adjusted for cost of living utilizing the local wage index compared to the national wage index, will be eligible for 100% charity care write off of charges for services that have been provided to them Also, at a minimum, patients with incomes above 200% of the FPL but not exceeding 400% of the FPL, subject to adjustments for cost of living utilizing the local wage index compared to national wage index, will receive a discount on the services provided to them
		Part I, Line 7 The cost of providing charity care, means tested government programs, and community benefit programs is estimated using internal cost data, and is calculated in compliance with Catholic Health Association ("CHA") guidelines The organization uses a cost accounting system that addresses all patient segments (for example, inpatient, outpatient, emergency room, private insurance, Medicaid, Medicare, uninsured, or self pay) The best available data was used to calculate the amounts reported in the table For the information in the table, a cost-to-charge ratio was calculated and applied

Identifier	ReturnReference	Explanation
		Part II St Vincent Dunn Hospital promotes the health of its communities by striving to improve the quality of life within the community Research has established that factors such as economic status, employment, housing, education level, and built environment can all be powerful social determinants of health Additionally, helping to create greater capacity within the community to address a broad range of quality of life issues also impacts health St Vincent Dunn Hospital meets regularly with local organizations in the community to learn what resources are available and plan community health improvement efforts In fiscal year 2013, these organizations included Bedford Chamber of Commerce, Bedford Mayor's Office, Lawrence County United Way Agencies and Hoosier Uplands
	Schedule H, Part III, Line 2	After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Corporation follows established guidelines for placing certain past-due patient balances within collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health Accounts receivable are written off after collection efforts have been followed in accordance with the Corporation's policies After applying the cost-to-charge ratio, the share of the bad debt expense in fiscal year 2013 was \$1,005,029 at charges, (\$406,233 at cost)

Identifier	ReturnReference	Explanation
	Schedule H, Part III, Line 3	The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts.
		Part III, Line 4 The organization is part of the St Vincent Health System's consolidated audit in which the footnote that discusses the bad debt expense is located on page 22.

Identifier	ReturnReference	Explanation
		Part III, Line 8 A cost to charge ratio is applied to the organization's Medicare Expense to determine the Medicare allowable costs reported in the organization's Medicare Cost Report Ascension Health and its related health ministries follow the Catholic Health Association (CHA) guidelines for determining community benefit CHA community benefit reporting guidelines suggest that Medicare shortfall is not treated as community benefit
		Part III, Line 9b The organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance If a patient qualifies for charity or financial assistance certain collection practices do not apply

Identifier	ReturnReference	Explanation
St Vincent Dunn Hospital, Inc		Part V, Section B, Line 3 In conducting its CHNA, the hospital facility took into account input from representatives of the community as well as those with special knowledge or expertise in public health These included Lawrence County Health Department, Indiana University (IU) Health Bedford, American Cancer Society, Lawrence County United Way Agencies, Hoosier Uplands and an Indiana-based epidemiologist and consultant with extensive experience in public health
St Vincent Dunn Hospital, Inc		Part V, Section B, Line 7 Child Abuse - This issue is being addressed by the Lawrence County Prevent Child Abuse Coalition, for which St Vincent Dunn participates Transportation - There is public transportation available within the Bedford city limits via TASC (Transit Authority of Stone City) Mental Health/Substance Abuse - Addressing this issue is not a direct priority of St Vincent Dunn, however, the hospital does support efforts of organizations focused on substance abuse programs

Identifier	ReturnReference	Explanation
St Vincent Dunn Hospital, Inc		Part V, Section B, Line 20d The discount was determined by reviewing the lowest discount provided to managed care payers that comprise at least 3% of our volume with an added prompt pay discount to the highest paid discount provided to our managed care payers
St Vincent Dunn Hospital, Inc		Part V, Section B, Line 21 The following steps were followed and considered reasonable efforts followed for purposes of identifying patients eligible for assistance under the facility's FAP - Notified each individual of the Hospital's Financial Assistance Policy (FAP) This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual - Individuals were notified of the FAP as noted in Question 14 This includes, but is not limited to, the following - Brief description of eligibility requirements and assistance provided- Direct individuals to our website and physical location of application forms- Provided instructions to obtain free copy of FAP and application by mail- Provided contact information for an individual/nonprofit organization to assist if the individual has questions- Provided statement of translations of FAP as well as plain language summaries- Provided statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGB- For individuals who submitted an incomplete FAP, we provided that individual with information relevant to assist them with completion of the FAP - For individuals who submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP - We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 12)

Identifier	ReturnReference	Explanation
St Vincent Dunn Hospital, Inc		Part V, Section B, Line 22 The following steps were followed and considered reasonable efforts followed for purposes of identifying patients eligible for assistance under the facility's FAP - Notified each individual of the Hospital's Financial Assistance Policy (FAP) as noted in Question 14 This includes, but is not limited to, the following - Brief description of eligibility requirements and assistance provided- Direct individuals to our website and physical location of application forms- Provided instructions to obtain free copy of FAP and application by mail- Provided contact information for an individual/nonprofit organization to assist if the individual has questions- Provided statement of translations of FAP as well as plain language summaries- Provided statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGB- This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual - For individuals who submitted an incomplete FAP, we provided that individual with information relevant to assist them with completion of the FAP - For individuals who submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP - We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 12)
Part V, Section B, Line 5	St Vincent Dunn Hospital, Inc	The Community Health Needs Assessment ("CHNA") of the hospital facility can be located at the following web address http //www stvincent org/Dunn/

Identifier	ReturnReference	Explanation
Part V , Section B, Line 16	St Vincent Dunn Hospital, Inc	The following steps were followed and considered reasonable efforts for purposes of Question 16 - Notified each individual of the facility's Financial Assistance Policy (FAP) This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual - Individuals were notified of the FAP by methods as noted in Question 14 This includes, but is not limited to, providing the following - A brief description of eligibility requirements and assistance provided- Directions on how to access the FAP and application on our website and physical location of application forms- Instructions to obtain free copy of FAP and application by mail- Contact information for an individual/nonprofit organization to assist if the individual has questions- Statement of translations of FAP as well as plain language summaries- Statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGB- For individuals who submitted an incomplete FAP, we provided that individual with information relevant to assist them with completion of the FAP - For individuals who submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP - We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 12)
Part V , Section B, Line 17	St Vincent Dunn Hospital, Inc	The following steps were followed and considered reasonable efforts for purposes of Question 17 - Notified each individual of the Hospital's Financial Assistance Policy (FAP) This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual - Individuals were notified of the FAP as noted in Question 14 This includes, but is not limited to, the following - Brief description of eligibility requirements and assistance provided- Direct individuals to our website and physical location of application forms- Provided instructions to obtain free copy of FAP and application by mail- Provided contact information for an individual/nonprofit organization to assist if the individual has questions- Provided statement of translations of FAP as well as plain language summaries- Provided statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGB- For individuals who submitted an incomplete FAP, we provided that individual with information relevant to assist them with completion of the FAP - For individuals who submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP - We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 12)

Identifier	ReturnReference	Explanation
Part V , Section B, Line 18	St Vincent Dunn Hospital, Inc	Question 18 is more appropriately answered as not applicable as the Billing and Collections Policy of St Vincent Dunn Hospital, Inc does not allow a hospital to engage in extraordinary collection actions before the organization made reasonable efforts to determine whether the individual is eligible for assistance under the financial assistance policy Reasonable efforts taken include but are not limited to - Notifying individuals of the financial assistance policy on admission- Notifying individuals of the financial assistance policy prior to discharge- Notifying individuals of the financial assistance policy in communications with the patients regarding the patients' bills- Documenting its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
		Part VI, Line 2 Communities are dynamic systems in which multiple factors interact to impact quality of life and health status In addition to the formal CHNA conducted every 3 years, St Vincent Dunn Hospital participates in a community roundtable called Lawrence County United Way Agencies Coalition whose purpose is to assess needs within the community, prioritize action and work in partnership to address identified challenges The coalition works closely with its member organizations which come from multiple sectors of the community, including local government, business, education, faith communities, public health, health care providers and other social and human service organizations In addition, the coalition works closely with other coalitions as well as the local and state health departments to stay abreast of changing needs within the community by identifying evidence-based and promising practices to address these needs

Identifier	ReturnReference	Explanation
		Part VI, Line 3 St Vincent Dunn Hospital communicates with patients in multiple ways to ensure that those who are billed for services are aware of the hospital's financial assistance program as well as their potential eligibility for local, state or federal programs Signs are prominently posted in each service area, and bills contain a formal notice explaining the hospital's charity care program In addition, the hospital employs financial counselors, health access workers, and enrollment specialists who consult with patients about their eligibility for financial assistance programs and help patients in applying for any public programs for which they may qualify
		Part VI, Line 4 St Vincent Dunn Hospital is located in southern Indiana and serves Lawrence County and surrounding areas The county seat is Bedford, located approximately 75 miles south of Indianapolis Lawrence County is rural, with a population of approximately 46,000 residents Over the past decade, there has been less than 1% population growth in Lawrence County Both the Per Capita Personal Income and Median Household Income are below the state's average

Identifier	ReturnReference	Explanation
		Part VI, Line 5 To provide the highest quality healthcare to all persons in the community, and in keeping with its not-for-profit status, St Vincent Dunn Hospital - delivers patient services, including emergency department services, to all individuals requiring healthcare, without regard to patient race, ethnicity, economic status, insurance status or ability to pay- maintains an open medical staff that allows credentialed physicians to practice at its facilities- trains and educates health care professionals- participates in government-sponsored programs such as Medicaid and Medicare to provide healthcare to the poor and elderly- is governed by a board in which independent persons who are representative of the community comprise a majority
		Part VI, Line 6 As part of the St Vincent Health System, St Vincent Dunn Hospital is dedicated to improving the health status and quality of life for the communities it serves While designated associates at St Vincent Dunn Hospital devote all or a significant portion of their time to leading and administering local community-based programs and partnerships, associates throughout the organization are active participants in community outreach They are assisted and supported by designated St Vincent Health Community Development associates and other support staff who work with each of its healthcare facilities to advocate for and provide technical assistance for community outreach, needs assessments and partnerships as well as to support regional and state-wide programs, community programs sponsored by St Vincent Health in which St Vincent Dunn Hospital participates

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	IN
Community Benefit Report	Form 990, Part III, Line 4a, 4b and 4c	St Vincent Dunn Hospital provides services including a 24-hour, physician-staffed emergency department. Medical specialties available at the facility include orthopedics, ophthalmology, gastroenterology, obstetrics/gynecology and podiatry. Such community-focused programs improve access to healthcare, advocate for the poor and vulnerable, promote health through free education and screenings and help to build better communities by improving quality of life.

Identifier	ReturnReference	Explanation
Community Benefit Overview		St Vincent Dunn Hospital is part of St Vincent Health, a non-profit healthcare system consisting of 22 locally-sponsored ministries serving over 47 counties throughout Central Indiana. Sponsored by Ascension Health, the nation's largest Catholic healthcare system, St Vincent Health is one of the largest healthcare employers in the state. As part of St Vincent Health, the St Vincent Dunn vision is to deliver a continuum of holistic, high-quality health services and improve the lives and health of Indiana individuals and communities, with special attention to the poor and vulnerable. This is accomplished through strong partnerships with businesses, community organizations, local, state and federal government, physicians, St Vincent Dunn associates and others. Working with its partners, and utilizing the CHNA completed every three years, St Vincent Dunn Hospital is committed to addressing community health needs and developing and executing an implementation strategy to meet identified needs to improve health outcomes within the community. Community benefit is not the work of a single department or group within St Vincent Dunn, but is part of the St Vincent mission and cultural fabric. The hospital leadership team provides direction and resources in developing and executing the Implementation Strategy in conjunction with the St Vincent Health Community Development Department, but associates at all levels of the organization contribute to community benefit and health improvement.
Charity Care and Certain Other Community Benefits at Cost		Patient Services for Poor and Vulnerable Hospital and outpatient care is provided to patients that cannot pay for services, including hospitalizations, surgeries, prescription drugs, medical equipment and medical supplies. Patients with income less than 200% of the Federal Poverty level (FPL) are eligible for 100% charity care for services. Patients with incomes at or above 200% of the FPL, but not exceeding 400% of the FPL, receive discounted services based on an income-dependent sliding scale. Hospital financial counselors and health access workers assist patients in determining eligibility and in completing necessary documentation. St Vincent Dunn Hospital is committed to 100% access, and is proactive in providing healthcare that leaves no one behind. Public Program Participation St Vincent Dunn Hospital participates in government programs including Medicaid, SCHIP (Hoosier Healthwise), Healthy Indiana Plan (HIP) and Medicare and assists patients in enrolling for programs for which they are eligible. Per Catholic Health Association guidelines and St Vincent Health's conservative approach, Medicare shortfall is not included as community benefit. Community Health Needs Assessment True community benefit responds to the particular needs and challenges of the community, building on its unique strengths and assets. The hospital leads a community health needs assessment every 3 years. Using a variety of tools, including surveys, key person interviews, focus groups, secondary data, and data analysis professionals, the team identifies community issues and concerns. These are shared with the community at large, and a consensus is reached about priorities and available resources. To provide community input and a basis for collaboration within the community to address health needs, St Vincent leads or participates in a community roundtable or forum. This group brings together individuals and organizations from throughout the community who share a common interest in improving health status and quality of life and provide expertise in a variety of community areas including public health. Tobacco use and obesity have been identified as key community needs. Implementation Strategy Using the CHNA completed in 2013, the hospital developed a 2014-2016 Implementation Strategy to address priority community health needs. These strategies include: 1. Tobacco UseAs a member of the Smoke Free Bedford Coalition, continue to advocate for, and assist with implementation of (when adopted), a comprehensive smoke free air ordinance for the city of Bedford- Prevent youth from initiating the use of tobacco, reduce exposure to secondhand smoke and increase cessation - At least 100 women, who are pregnant and use tobacco, will enroll in the Quit Baby program and at least 50% will be tobacco free by delivery and remain tobacco free for at least 3 months. 2. ObesityIncrease physical activity in order to prevent obesity and reduce the prevalence of chronic health conditions- Promote the L I F E program to the 2 school systems (Mitchell Community Schools and North Lawrence Community Schools), all 16 SVMG physicians and at least 5 youth service organizations in Lawrence County - Promote the Diabetes Education Program to all 16 SVMG physicians and offer 12 series (6 classes per series) each year. Community Health & Wellness CenterSt Vincent Dunn Hospital sponsors the Community Health & Wellness Center, which provides needed healthcare and support to those in the community with little or no insurance. The Center serves all residents of Lawrence County and surrounding areas. Services include obstetrics/gynecology, pediatrics, and adult primary care. The center is also a WIC site which provides nutrition education, health screenings, and health assessments, as well as counseling to pregnant women and children. Health Professions Clinical Training In an effort to prepare future health care professionals, St Vincent Dunn Hospital, in collaboration with area schools, offers a variety of clinical settings and internships for undergraduate and vocational allied health professionals. In fiscal year 2013, the surgery department provided training to a student from Harrison College wherein the student learned and carried out the duties of a scrub tech. Diabetes Education Diabetes is a major and growing health concern in Indiana. If uncontrolled, it can take a significant toll on an individual's health. St Vincent Dunn sponsors a Diabetes Support Group held monthly, free of charge. A registered dietitian addresses problems surrounding living with and managing diabetes. The dietitian assists individuals living with diabetes in gaining a better understanding of their disease, teaching them how to adjust their lifestyles and behaviors to develop diabetes self-management skills that will help them live healthier, longer lives. Community Health EducationSt Vincent Dunn Hospital provides health education on a number of topics and issues facing the local community throughout the year. One such important topic is proper nutrition. Unhealthy eating is taking a toll on the residents of Indiana by contributing to the increasing rates of obesity, diabetes, heart disease and cancer. St Vincent Dunn offers an instructional presentation at the farmers market focusing on the various fruits and vegetables offered. Topics discussed include the nutritional value and instructions for buying and preparing these foods. The registered dietitian assists the public on gaining a better understanding of healthier eating and promotes behaviors to make a positive change for a healthier lifestyle. Wings for the Journey Grief Support GroupThis monthly support group is led by the hospital chaplain, who has many years experience in grief support. The program is free of charge, including resources, and is open to moms, dads and family members who mourn the loss of a child. This group provides a positive, supportive environment for healing. Average attendance is currently six to eight attendees. Community Benefit Cash and In-Kind Contributions In addition to the outreach programs operated by the hospital, the hospital makes cash and in-kind donations to a variety of community organizations focused on improving health status in the community. These take the form of cash donations to outside organizations, the donation of employee time/services to outside organizations and the representation of the hospital on community boards and committees working to improve health status and quality of life within the community.

Identifier	ReturnReference	Explanation
Community Building Activities		Research shows that social determinants and quality of life play a major role in the health status of individuals and communities. Community building activities, which focus on improving the quality of life within a community, ultimately influence and improve health status. Community Building Cash and In-Kind ContributionsThe hospital makes cash and in-kind donations to a variety of community organizations focused on building the community. These take the form of cash donations to outside organizations, the donation of employee time/services to outside organizations and the representation of the hospital on community boards and committees working to improve infrastructure for the community.

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 StVincent Dunn Hospital Inc	Employer identification number 27-2192831
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Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ 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)		
1b	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			No
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?		Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☒ 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			
4a	Receive a severance payment or change-of-control payment?			No
4b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?		Yes	
4c	Participate in, or receive payment from, an equity-based compensation arrangement?			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			
5a	The organization?			No
5b	Any related organization?			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			
6a	The organization?			No
6b	Any related organization?			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			No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III			No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?			

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				
(1) Matt Balla Administrator	(i)	128,241	1,200	1,349	15,631	11,738	158,159	0
	(ii)	0	0	0	0	0	0	0
(2) Deborah W Craton MD Director	(i)	0	0	0	0	0	0	0
	(ii)	133,251	23,239	0	17,068	11,364	184,922	0
(3) Jerry A Laue Director	(i)	0	0	0	0	0	0	0
	(ii)	169,796	56,429	15,530	46,610	17,298	305,663	0
(4) Kim Scherschel MD Director	(i)	0	0	0	0	0	0	0
	(ii)	167,427	51,472	650	26,884	25,807	272,240	0
(5) John Winenger Interim CEO	(i)	0	0	0	0	0	0	0
	(ii)	129,508	37,319	7,775	23,412	1,819	199,833	0
(6) Joseph E Roche Regional Director	(i)	0	0	0	0	0	0	0
	(ii)	256,060	92,076	32,320	48,772	17,472	446,700	0

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
	Part I, Line 1a	St Vincent Dunn Hospital paid for cell phone usage, de minimus gift, and vehicle expense for four of the listed officers/directors, key employees, and highest compensated employees in Part VII. St Vincent Dunn Hospital will only reimburse a business expense when all three (3) of the following IRS requirements are met: 1. The expense must have a business connection (i.e., the expenses must be incurred while performing services on behalf of a SVH Entity), 2. The expense must be adequately substantiated by the Associate within a reasonable period of time, and 3. The Associate must return any excess reimbursement or allowance within a reasonable period of time. St Vincent Dunn Hospital "grossed up" the above applicable non-business expenses and included in the employees' W-2 as additional taxable compensation.
	Part I, Line 4b	All employees and amounts listed are voluntary deferrals or company contributions to various non-qualified deferred compensation plans organized under Code Section 457(B). The exact purpose of each plan varies but they include compensation limitation make-up plans, voluntary deferral plans, deferral of a portion of incentive bonus type plans, etc. No payments were made to listed persons in Part VII under the various non-qualified deferred compensation plans during the year.

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
StVincent Dunn Hospital Inc

Employer identification number
27-2192831

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	St Vincent Dunn Hospital, Inc has a single corporate member, St Vincent Health, Inc
	Form 990, Part VI, Section A, line 7a	St Vincent Dunn Hospital, Inc has a single corporate member, St Vincent Health, Inc who has the ability to elect members to the governing body of St Vincent Dunn Hospital, Inc
	Form 990, Part VI, Section A, line 7b	All decisions that have a material impact to St Vincent Dunn Hospital, Inc 's financial in formation or corporation as a whole are subject to approval by its sole corporate member, St Vincent Health, Inc
	Form 990, Part VI, Section B, line 11	Management, including certain officers, works dilligently to complete the Form 990 and att ached schedules in a thorough manner Management presents the Form 990 to a designated com mittee of the Board to review and answer any questions Prior to filing the returns, all B oard members are provided the Form 990 and management team members are available to answer any Board member questions
	Form 990, Part VI, Section B, line 12c	The organization regularly and consistently monitors and enforces compliance with the conf lict of interest policy in that any director, principal officer, or member of a committee with governing board delegated pow ers, w ho has a direct or indirect financial interest mus t disclose the existence of the financial interest and be given the opportunity to disclos e all material facts to the directors and members of the committee with governing board de legated pow ers considering the proposed transaction or arrangement The remaining individu als on the governing board or committee meeting will decide if conflicts of interest exist Each director, principal officer and member of a committee w ith governing board delegate d powers annually signs a statement which affirms such person has received a copy of the c onflicts of interest policy, has read and understands the policy, has agreed to comply w it h the policy, and understands that the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax exempt purpose
	Form 990, Part VI, Section B, line 15	Compensation determinations of St Vincent Dunn Hospital, Inc 's CEO, executive director, o r top management official are made by a compensation committee of St Vincent Dunn Hospital , Inc and/or St Vincent Health, Inc In determining the compensation of the organization' s CEO, executive director, or top management official, the process included a review and a pproval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision The board, in executive session, reviewed and approved the compensation In review of the compensation, the CEO, executive director, and top manageme nt were compared to other hospitals in the area that hold the same position During the re view and approval of the compensation, documentation of the decision was recorded in the b oard minutes Individuals were not present when their compensation was decided Compensati on determinations of St Vincent Dunn Hospital, Inc 's other officers or key employees are made by a compensation committee of St Vincent Dunn Hospital, Inc and/or St Vincent Healt h, Inc In determining compensation of other officers or key employees of the organization , the process included a review and approval by independent persons, comparability data, a nd contemporaneous substantiation of the deliberation and decision The board, in executiv e session, reviewed and approved the compensation In the review of the compensation, the other officers or key employees of the organization were compared to other hospitals' empl oyees in the area that hold the same position During the review and approval of the compe nsation, documentation of the decision was recorded in the board minutes
	Form 990, Part VI, Section C, line 19	The organization will provide any documents open to public inspection upon request
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	FAS 158 pension liability -265,282
Tax Exempt Bond Issuance	Part IV, Line 24A	St Vincent Dunn Hospital, Inc is a health facility that is part of Ascension Health Syste m Ascension Health is the borrow er for tax exempt hospital revenue bonds St Vincent Dunn Hospital, Inc holds an intercompany note payable with Ascension Health, and this informa tion is reported on the balance sheet

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
StVincent Dunn Hospital Inc

Employer identification number
27-2192831

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) SVH Real Estate Inc 8425 Harcourt Road Indianapolis, IN 46260 20-5002285	Real estate holding company	IN	StVincent Health Inc	C	2,784	2,969,423	100 000 %	Yes	
(2) St Mary's Medical Group Inc 3700 Washington Avenue Evansville, IN 47750 35-2076827	Investment	IN	St Mary's Health Services Inc	C	-641,423	742	100 000 %	Yes	

Part V

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

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

	Yes	No
1a		No
1b	Yes	
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o		No
1p		No
1q		No
1r		No
1s		No

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

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

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

[illegible]

Software ID:
Software Version:
EIN: 27-2192831
Name: StVincent Dunn Hospital Inc

Part VII Supplemental Information

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

Identifier		Return Reference		Explanation								
Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership												
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Breast MRI Leasing Company LLC 10330 N Meridian St Ste 430N Indianapolis, IN 46290 42-6662493	Sale and rental services	IN	StVincent Hospital and Health Care Center Inc	Related	230,642	43,329		No		Yes		50 000 %
Carmel Ambulatory Surgery Center LLC 13421 Old Meridian St Ste 150 Carmel, IN 46032 32-0014795	Ambulatory surgery center	IN	StVincent Carmel Hospital Inc	Related	5,892,459	1,896,555		No		Yes		45 000 %
Cooperative Managed Care Services LLC 9045 River Road Ste 250 Indianapolis, IN 46240 35-1999227	Case management	IN	StVincent Hospital and Health Care Center Inc	Unrelated	212,659	2,119,265		No		Yes		50 000 %
Endoscopy Center LLC 13421 Old Meridian St Ste 150 Carmel, IN 46032 32-0029881	Endoscopy center	IN	StVincent Carmel Hospital Inc	Related	681,952	357,300		No			No	51 000 %
Hancock Physician Network LLC 801 N State Street Greenfield, IN 46140 35-2051598	Primary care physician practices	IN	StVincent Hospital and Health Care Center Inc	Related	-2,692,272	2,094,475		No		Yes		50 000 %
HCH SVH Cath Lab Services LLC 1000 N 16th Street New Castle, IN 47362 45-2087950	Cath lab services	IN	StVincent Health Inc	Related	-229,738	1,629,927		No		Yes		50 000 %
Meridian Heights Associates LLC 6100 W 96th Street Ste 250 Indianapolis, IN 46278 26-4020296	Real estate holding	IN	StVincent Carmel Hospital Inc	Related		3,029,284		No		Yes		50 000 %
Neuro Oncology Equipment LLC 10330 N Meridian St Ste 430N Indianapolis, IN 46290 74-3103803	Sale and rental services	IN	StVincent Hospital and Health Care Center Inc	Related	151,678	1,684,704		No		Yes		50 000 %
StVincent HealthUSP LLC 15305 Dallas Pkwy Ste 1600 Addison, TX 75001 20-3749962	Ambulatory surgery center	IN	StVincent Health Inc	Related	136,436	387,939		No		Yes		50 000 %
StVincent Heart Center of Indiana LLC 10580 N Meridian Street Indianapolis, IN 46290 36-4492612	Heart hospital	IN	Central Indiana Health System Cardiac Services Inc	Related	20,552,234	78,811,464		No			No	74 080 %
Women's Physician Surgery Center LLC 8081 Township Line Road Indianapolis, IN 46260 35-2086841	Ambulatory surgery center	IN	StVincent Hospital and Health Care Center Inc	Related	-11,530	252,917		No			No	58 900 %
Ambulatory Care Center LLC 1125 Professional Blvd Evansville, IN 47714 35-2006018	OP Surgery	IN	St Mary's Health Services Inc	Related	4,879,396	4,549,444		No		Yes		50 000 %
Seton Health Services LLC 3700 Washington Avenue Evansville, IN 47750 27-0451316	Equipment rental	IN	St Mary's Health Services Inc	Related	36,943	99,375		No		Yes		50 000 %
St Mary's Peripheral Vascular Services Management Co LLC 3700 Washington Avenue Evansville, IN 47750 20-5062635	Management services	IN	St Mary's Medical Center of Evansville Inc	Related	211,137	156,690		No		Yes		75 000 %

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2012

Attachment
Sequence No **179**

Name(s) shown on return
StVincent Dunn Hospital Inc

Business or activity to which this form relates
Form 990 Page 10

Identifying number

27-2192831

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6				
7	Listed property Enter the amount from line 29	7		
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9	Tentative deduction Enter the smaller of line 5 or line 8	9		
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10		
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	938,956
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No						24b If "Yes," is the evidence written? ☐ Yes ☐ No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles) . . .	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year . . .												
32 Total other personal(noncommuting) miles driven . . .												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use? . . .												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . .		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions)					
43 Amortization of costs that began before your 2012 tax year				43	
44 Total. Add amounts in column (f) See the instructions for where to report				44	13,966

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

St Vincent Health, Inc
Member of Ascension Health, a subsidiary
of Ascension Health Alliance
Years Ended June 30, 2013 and 2012
With Reports of Independent Auditors

Ernst & Young LLP



St. Vincent Health, Inc.

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2013 and 2012

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Report of Independent Auditors

The Board of Directors
St Vincent Health, Inc

We have audited the accompanying consolidated financial statements of St Vincent Health, Inc, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, 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 financial statements in conformity 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 financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of St Vincent Health, Inc at June 30, 2013 and 2012, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

As discussed in Note 1 to the consolidated financial statements, St Mary's Health, Inc changed its corporate membership from Ascension Health to St Vincent Health, Inc , St Vincent Health, Inc retrospectively adjusted its 2012 consolidated financial statements to include the historical operations and historical balances of St Mary's Health, Inc for comparative purposes

As discussed in Note 2 to the consolidated financial statements, St Vincent Health, Inc changed the presentation of the provision for bad debts as a result of adopting the amendments to the FASB Accounting Standards Codification resulting from Accounting Standards Update 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowances for Doubtful Accounts for Certain Health Care Entities*, effective July 1, 2012

Ernst + Young LLP

September 13, 2013

St. Vincent Health, Inc.

Consolidated Balance Sheets
(Dollars in Thousands)

	June 30	
	2013	2012
	As Adjusted	
Assets		
Current assets		
Cash and cash equivalents	\$ 49,042	\$ 39,436
Short-term investments	33,058	34,820
Interest in investments held by Ascension Health Alliance	—	45,690
Accounts receivable, less allowances for doubtful accounts (\$104,389 and \$104,451 at June 30, 2013 and 2012, respectively)	357,725	329,165
Current portion of assets limited as to use	2,425	2,647
Estimated third-party payor settlements	9,186	51,162
Inventories	35,044	29,469
Other	49,251	50,945
Total current assets	535,731	583,334
Assets limited as to use and other long-term investments	88,256	78,746
Interest in investments held by Ascension Health Alliance	2,467,563	2,209,977
Property and equipment		
Land and improvements	78,264	82,656
Building and equipment	1,855,697	1,825,213
Construction in progress	57,894	41,074
Less accumulated depreciation	1,368,515	1,333,775
Total property and equipment, net	623,340	615,168
Other assets		
Goodwill and other intangible assets	189,675	190,473
Investment in unconsolidated entities	82,832	77,766
Physician guarantee asset	41,779	22,624
Other	35,743	28,586
Total other assets	350,029	319,449
Total assets	\$ 4,064,919	\$ 3,806,674

	June 30	
	2013	2012
	As Adjusted	
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 6,804	\$ 12,892
Accounts payable and accrued liabilities	282,005	311,833
Estimated third-party payor settlements	58,374	47,258
Current portion of self-insurance liabilities	7,413	4,664
Other	18,875	15,535
Total current liabilities	373,471	392,182
Noncurrent liabilities		
Long-term debt	465,879	472,491
Pension and other postretirement liabilities	100,665	104,665
Physician guarantee liability	41,628	22,557
Other	43,162	35,590
Total noncurrent liabilities	651,334	635,303
Total liabilities	1,024,805	1,027,485
Net assets		
Unrestricted		
Controlling interest	2,954,802	2,700,690
Noncontrolling interests	15,766	14,092
Unrestricted net assets	2,970,568	2,714,782
Temporarily restricted – controlling interest	52,357	47,742
Permanently restricted – controlling interest	17,189	16,665
Total net assets	3,040,114	2,779,189
 Total liabilities and net assets	 <u>\$ 4,064,919</u>	 <u>\$ 3,806,674</u>

See accompanying notes.

St. Vincent Health, Inc.

Consolidated Statements of Operations and Changes in Net Assets
(Dollars in Thousands)

	Year Ended June 30	
	2013	2012
	As Adjusted	
Operating revenue		
Net patient service revenue	\$ 2,722,974	\$ 2,650,242
Less provision for doubtful accounts	115,480	121,071
Net patient service revenue, less provision for doubtful accounts	2,607,494	2,529,171
Other revenue	128,431	122,455
Income from unconsolidated entities, net	20,639	20,741
Net assets released from restrictions for operations	4,595	4,397
Total operating revenue	2,761,159	2,676,764
Operating expenses		
Salaries and wages	1,074,841	1,061,514
Employee benefits	261,330	251,752
Purchased services	294,490	234,379
Professional fees	139,196	133,501
Supplies	348,610	352,686
Insurance	11,184	10,943
Interest	15,549	18,263
Depreciation and amortization	112,205	101,383
Medicaid tax	98,748	74,073
Other	237,929	235,171
Total operating expenses before impairment, restructuring, and nonrecurring gains (losses), net	2,594,082	2,473,665
Income from operations before impairment, restructuring, and nonrecurring gains (losses), net	167,077	203,099
Impairment, restructuring, and nonrecurring gains (losses), net	(11,499)	69,256
Income from operations	155,578	272,355
Nonoperating gains (losses)		
Investment return	180,105	(41,016)
Income (loss) from unconsolidated entities	796	(2,478)
Other	(8,162)	(6,907)
Total nonoperating gains (losses), net	172,739	(50,401)
Excess of revenues and gains over expenses and losses	328,317	221,954
Less noncontrolling interests	13,479	11,751
Excess of revenues and gains over expenses and losses attributable to controlling interest	314,838	210,203

Continued on next page

St. Vincent Health, Inc.

Consolidated Statements of Operations and Changes in Net Assets (continued)
(Dollars in Thousands)

	Year Ended June 30	
	2013	2012
	As Adjusted	
Unrestricted net assets, controlling interest		
Excess of revenues and gains over expenses and losses	\$ 314,838	\$ 210,203
Pension and other postretirement liability adjustments	4,938	(66,224)
Transfers to sponsor and other affiliates, net	(68,781)	(48,693)
Net assets released from restrictions for property acquisitions	2,857	4,177
Other	260	821
Increase in unrestricted net assets, controlling interest	254,112	100,284
Unrestricted net assets, noncontrolling interest		
Excess of revenues and gains over expenses and losses	13,479	11,751
Distributions of capital	(11,808)	(11,004)
Other	3	63
Increase in unrestricted net assets, noncontrolling interest	1,674	810
Temporarily restricted net assets, controlling interest		
Contributions and grants	10,066	9,875
Net change in unrealized gains/losses on investments	1,287	(1,604)
Investment return	1,263	1,599
Net assets released from restrictions	(7,452)	(8,574)
Other	(549)	(767)
Increase in temporarily restricted net assets, controlling interest	4,615	529
Permanently restricted net assets, controlling interest		
Contributions	331	102
Net change in unrealized gains/losses on investments	85	(117)
Investment return	131	110
Other	(23)	(48)
Increase in permanently restricted net assets, controlling interest	524	47
Increase in net assets	260,925	101,670
Net assets, beginning of the year	2,779,189	2,677,519
Net assets, end of the year	\$ 3,040,114	\$ 2,779,189

See accompanying notes

St. Vincent Health, Inc.

Consolidated Statements of Cash Flows

(Dollars in Thousands)

	Year Ended June 30	
	2013	2012
	As Adjusted	
Operating activities		
Increase in net assets	\$ 260,925	\$ 101,670
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	112,205	101,383
Provision for doubtful accounts	115,480	121,071
Deferred pension costs	(4,938)	66,224
Interest, dividends, and net (gains) losses on investments	(181,477)	42,737
Loss on sale of assets defeasance of debt	121	115
Impairment and nonrecurring losses (gains), net	11,499	(69,256)
Transfers to sponsor and other affiliates, net	68,781	48,693
Restricted contributions, investment return, and other	(11,219)	(10,871)
Income from unconsolidated entities, net	(21,435)	(18,263)
Distributions from unconsolidated entities	22,745	23,001
Noncontrolling interest activity	11,805	10,941
(Increase) decrease in		
Short-term investments	1,762	2,273
Accounts receivable	(144,040)	(139,009)
Inventories and other current assets	(4,075)	(14,261)
Investments, including interest in investments held by Ascension Health Alliance	(36,957)	(200,206)
Other assets	(7,155)	(1,888)
Increase (decrease) in		
Accounts payable and accrued liabilities	(42,151)	10,369
Estimated third-party payor settlements, net	53,092	(27,097)
Other current liabilities	10,748	(566)
Other noncurrent liabilities	8,450	27,827
Net cash provided by operating activities	224,166	74,887
Investing activities		
Property and equipment and software additions	(122,974)	(122,276)
Proceeds from sale of property and equipment and other assets	4,671	218
Capital contributions to unconsolidated entities	(6,376)	(5,702)
Acquisition of assets	(304)	(5,038)
Net cash used in investing activities	(124,983)	(132,798)
Financing activities		
Issuance of long-term debt	192	—
Repayment of long-term debt	(12,892)	(3,451)
Distributions to noncontrolling interest partners	(11,808)	(11,004)
Other noncontrolling interest activity	3	63
Other financing activities	(7,510)	(7,614)
Transfers to sponsor and other affiliates, net	(68,781)	(48,693)
Restricted contributions, investment return, and other	11,219	10,871
Net cash used in financing activities	(89,577)	(59,828)
Net increase (decrease) in cash and cash equivalents	9,606	(117,739)
Cash and cash equivalents at beginning of year	39,436	157,175
Cash and cash equivalents at end of year	\$ 49,042	\$ 39,436

See accompanying notes

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (Dollars in Thousands)

Years Ended June 30, 2013 and 2012

1. Organization and Mission

Organizational Structure

St Vincent Health, Inc (the Corporation) is a member of Ascension Health. In December 2011, Ascension Health Alliance became the sole corporate member and parent organization of Ascension Health, a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 23 of the United States and the District of Columbia. In addition to serving as the sole corporate member of Ascension Health, Ascension Health Alliance serves as the member or shareholder of various other subsidiaries. Ascension Health Alliance, its subsidiaries, and the Health Ministries are referred to collectively from time to time hereafter as the System.

Ascension Health Alliance is sponsored by Ascension Health Ministries, a Public Juridic Person. The participating entities of Ascension Health Ministries are the Daughters of Charity of St Vincent de Paul in the United States, St. Louise Province, the Congregation of St. Joseph, the Congregation of the Sisters of St. Joseph of Carondelet, the Congregation of Alexian Brothers of the Immaculate Conception Province – American Province, and the Sisters of the Sorrowful Mother of the Third Order of St. Francis of Assisi – US/Caribbean Province.

The Corporation, located in Indianapolis, Indiana, is a nonprofit acute care hospital system. The Corporation's hospitals provide inpatient, outpatient, and emergency care services for the residents of central and southern Indiana, southeastern Illinois, and western Kentucky. Admitting physicians are primarily practitioners in the local area. The Corporation is related to Ascension Health's other sponsored organizations through common control. Substantially all expenses of Ascension Health are related to providing health care services.

The Corporation is continuing to enhance its development as an integrated health care delivery system through relationships and affiliations with other providers, practitioners, and insurers throughout the states of Indiana and Ohio. In this connection, the Corporation has formed separate affiliation arrangements with Cardinal Health System, Inc. (Delaware County) and Columbus Regional Hospital, Inc. (Bartholomew County) to develop joint services in the communities they commonly serve. In addition, the Corporation entered into an agreement with Cincinnati Children's Medical Center to enhance the pediatric subspecialty services to Peyton Manning Children's Hospital at St. Vincent. The Corporation has also entered into an agreement with the Cleveland Clinic to manage the renal transplant program at the St. Vincent Indianapolis Hospital. None of these affiliations have resulted in significant asset transfers and have not resulted in consolidation of the related entities.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

The Corporation includes the following not-for-profit hospitals and health care entities

Acute Care Hospitals:

St. Vincent Hospital and Health Care Center, Inc., d b a St. Vincent Hospital and Health Services (SVHHS) includes the following hospitals in Indianapolis, Indiana

St. Vincent Indianapolis Hospital
St. Vincent Women's Hospital
St. Vincent Stress Center
St. Vincent Medical Center Northeast
Peyton Manning Children's Hospital at St. Vincent

- *St. Vincent Carmel Hospital, Inc. (St. Vincent Carmel)* Carmel, Indiana
- *St. Joseph Hospital & Health Center, Inc. (St. Joseph-Kokomo)* Kokomo, Indiana
- *St. Vincent Anderson Regional Hospital, Inc. (formerly Saint John's Health System (Anderson))* Anderson, Indiana
- *St. Vincent Seton Specialty Hospital, Inc. (Seton)* Seton is a long-term acute care hospital with locations in Indianapolis and Lafayette, Indiana
- *St. Mary's Medical Center of Evansville, Inc. (SMMC)*: SMMC is an acute care hospital located in Evansville, Indiana
- *St. Vincent Fishers Hospital, Inc. (Fishers)* Fishers, Indiana

The following acute care facilities are designated by Medicare as critical access hospitals

- *St. Vincent Williamsport Hospital, Inc. (Williamsport)*: Williamsport is an acute care hospital located in Williamsport, Indiana
- *St. Vincent Jennings Hospital, Inc. (Jennings)*: Jennings is an acute care hospital located in North Vernon, Indiana
- *St. Vincent Frankfort Hospital, Inc. (Frankfort)*: Frankfort is an acute care hospital located in Frankfort, Indiana
- *St. Vincent Randolph Hospital, Inc. (Randolph)*: Randolph is an acute care hospital located in Winchester, Indiana
- *St. Vincent Clay Hospital, Inc. (Clay)*: Clay is an acute care hospital located in Brazil, Indiana
- *St. Vincent Mercy Hospital (Mercy)*: Mercy is an acute care hospital located in Elwood, Indiana

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

- *St. Vincent Salem Hospital, Inc. (Salem)*: Salem is an acute care hospital located in Salem, Indiana
- *St. Vincent Dunn Hospital, Inc. (Dunn)*: Dunn is an acute care hospital located in Bedford, Indiana
- *St. Mary's Warrick Hospital, Inc. (Warrick)*: Warrick is an acute care hospital located in Boonville, Indiana

Physician Groups:

- *St. Vincent Medical Group, Inc. (SVMG)*: SVMG is the Corporation's multi-specialty physician network consisting of primary care, cardiology physicians, cardiovascular surgeons, remote care management, and other specialists located in Indianapolis, Indiana
- *St. Mary's Medical Group, LLC (SMMG)*: SMMG is St. Mary's parent company for four physician groups that include primary care, specialty care, internal medicine, cardiology physicians, and cardiovascular surgeons located in Evansville, Indiana

Other Health Care Entities:

- *Central Indiana Health System Cardiac Services, Inc. (CIHSCS)* CIHSCS is a 49% joint venture partner in Lafayette Heart Program Holdings, LLC, a cardiac program in Lafayette, Indiana. CIHSCS also owns a controlling 74.1% of St. Vincent Heart Center of Indiana, LLC (SVHCI), a freestanding cardiac hospital in Carmel, Indiana
- *St. Vincent Hospital Foundation, Inc., St. Mary's Medical Center Foundation, Inc., St. Mary's Warrick Hospital Foundation, Inc., St. Vincent Anderson Regional Hospital Foundation, Inc. (formerly Saint John's Foundation, Inc.), St. Joseph Foundation of Kokomo, Indiana, Inc., St. Vincent Frankfort Hospital Foundation, Inc., St. Vincent Randolph Hospital Foundation, Inc., St. Vincent Williamsport Hospital Foundation, Inc., St. Vincent Jennings Hospital Foundation, Inc., St. Vincent Clay Hospital Foundation, Inc., and St. Vincent Mercy Hospital Foundation, Inc. (collectively, the Foundations)*: The Foundations provide fund-raising efforts to support the charitable, religious, scientific, and educational purposes of charitable works of SVHHS, SMMC, Anderson, St. Joseph-Kokomo, Frankfort, Randolph, Williamsport, Jennings, Clay, Mercy, and other health facilities in accordance with the mission and values of Ascension Health

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

- *St. Vincent Health, Inc. (SVH)* SVH provides the corporate support functions for the Corporation
- *St. Mary's Health, Inc. (St. Mary's)*: St Mary's provides corporate office support functions for St Mary's companies in Evansville, Indiana
- *St. Vincent New Hope, Inc. (New Hope)* New Hope is a residential treatment facility primarily providing residential and rehabilitation services for adults with a variety of developmental disabilities and is located in Indianapolis, Indiana
- *SVH Real Estate, Inc. (SVH Real Estate)*: SVH Real Estate is a real estate holding company that holds land for future expansion of health care services and operates a medical office building that provides health care services
- *St. Vincent Health, Wellness and Preventive Care Institute, Inc. (Wellness)* Wellness is a public benefit corporation established to provide health, wellness, and preventive care services to patients primarily in central and southern Indiana
- *Quality Healthcare Solutions, LLC DBA Navion Healthcare Solutions (Navion)* Navion aims to optimize patient care with its physicians and hospital partners by advancing quality, improving operational performance, and reducing costs through data-driven solutions Navion's services include data management and abstraction, performance improvement, service line management, and consulting.
- *St. Mary's At Home, Inc. (SMAH)*: SMAH is a home health organization that provides nursing and therapy services
- *St. Mary's Building Corporation (SMBC)* SMBC manages the St Mary's office buildings
- *St. Mary's Breast Center, LLC (SMFW)*: SMFW provides breast screenings and diagnostic services and an array of women's wellness services
- *Ambulatory Care Center, LLC (ACC)*: ACC is a consolidated joint venture with Evansville area physicians, which provides outpatient surgery services

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

- *St. Mary's Acute Dialysis Services, LLC (SMAD)*: SMAD provides inpatient acute dialysis services
- *St. Mary's Peripheral Vascular Services, LLC (PV Lab)*: PV Lab provides peripheral vascular services to patients
- *St. Mary's CARE Partners, Inc. (Care Partners)*: Care Partners is a clinically integrated physician hospital organization
- *St. Mary's Warrick EMS, Inc. (EMS)*: EMS provides ambulance services

Acquisitions and Change in Corporate Membership

As of July 1, 2012, St Mary's Health System of Americas, Inc changed its name to St Mary's Health, Inc St Mary's changed its corporate membership from Ascension Health to St Vincent Health, Inc The Corporation retrospectively adjusted its 2012 consolidated financial statements to include the historical operations and historical balances of St Mary's for comparative purposes This adjustment increased the 2012 income from operations by \$62,347, excess of revenues and gains over expenses and losses by \$53,857, total assets by \$696,182, total liabilities by \$248,201, and net assets by \$447,981

The Corporation purchased CorVasc MD's, PC (CorVasc), a cardiovascular physician group, effective July 1, 2011, for a total purchase price of \$2,907 CorVasc is operated under the Corporation's subsidiary SVMG

The Corporation purchased Women's Health Alliance, PC (WHA) and Coest Laboratories, Inc (COEST) effective April 1, 2012, for a total purchase price of \$1,548 WHA is a group of obstetrics and gynaecology physicians WHA and COEST are operated under the Corporation's subsidiary St Vincent Carmel

Consistent with the Corporation's policy and historical practice, the Corporation utilized independent third-party appraisers and advisors in estimating the fair market value of acquired assets and liabilities assumed, as well as the commercial reasonableness of the transactions

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

Mission

The System directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing and dedicates its resources to spiritually centered care that sustains and improves the health of the individuals and communities it serves. In accordance with the System's mission of service to those persons living in poverty and other vulnerable persons, each Health Ministry accepts patients regardless of their ability to pay. The System uses four categories to identify the resources utilized for the care of persons living in poverty and community benefit programs:

- Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured.
- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons.
- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome.
- Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the persons living in poverty, including health promotion and education, health clinics and screenings, and medical research.

Discounts are provided to all uninsured patients, including those with the means to pay. Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and community benefit programs. The cost of providing care to persons living in poverty and community benefit programs is estimated using internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association and the Internal Revenue Service.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

The amount of traditional charity care provided, determined on the basis of cost, was approximately \$86,052 and \$83,107 for the years ended June 30, 2013 and 2012, respectively. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying supplementary information.

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by the Corporation or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where the Corporation does not have operating control are recorded under the equity or cost method of accounting. For entities recorded under the equity or cost method of accounting, the following table reflects the Corporation's interest in unconsolidated entities in the consolidated balance sheets, as well as income or loss for such entities included in the consolidated excess of revenues and gains over expenses and losses in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

The Corporation's equity in the net income (loss) of unconsolidated entities is recorded in other operating revenue if the investment relates to providing health care services and is recorded in other nonoperating gains (losses) if the investment relates to activities not related to providing health care services. The Corporation recorded \$20,639 and \$20,741 in other operating revenue for the years ended June 30, 2013 and 2012, respectively. The Corporation recorded \$796 and \$(2,478) in other nonoperating gains (losses) for the years ended June 30, 2013 and 2012, respectively.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

	Investment Recorded in Consolidated Balance Sheets as of June 30		Effect on Consolidated Excess of Revenues and Gains Over Expenses and Losses for the Year Ended June 30	
	2013	2012	2013	2012
Mid America Clinical Laboratories, LLC	\$ 7,124	\$ 5,664	\$ 2,996	\$ 2,659
Naab Road Surgery Center, LLC	1,491	1,678	3,080	3,356
The Surgery Center of Indianapolis, LLC	1,910	1,735	2,634	2,411
Advantage Health Solutions, Inc	9,214	6,237	1,352	(2,143)
Carmel Ambulatory Surgery Center, LLC	1,444	2,008	4,812	5,785
Lafayette Heart Program Holdings, LLC	8,000	8,000	884	—
Indiana Orthopaedic Hospital, LLC	40,475	39,824	6,784	6,012
Rehabilitation Hospital of Indiana, Inc	2,050	1,569	481	1,356
Other	11,124	11,051	(1,588)	(1,173)
	<u>\$ 82,832</u>	<u>\$ 77,766</u>	<u>\$ 21,435</u>	<u>\$ 18,263</u>

The Corporation purchased an equity interest in Indiana Orthopaedic Hospital, LLC effective October 23, 2009, for a purchase price of \$40,000. The transaction resulted in \$37,788 of goodwill. As of July 1, 2010, the remaining goodwill balance of \$36,109 is no longer amortized and is maintained within the investment in unconsolidated entities in the accompanying Consolidated Balance Sheets.

Use of Estimates

Management has made estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Carrying values of financial instruments classified as current assets and current liabilities approximate fair value. The fair values of financial instruments classified as other than current assets and current liabilities are disclosed in the Fair Value Measurements, Long-Term Debt, Pension Plans, and Related-Party Transactions notes.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits with original maturities of three months or less

Interest in Investments held by Ascension Health Alliance, Investments and Investment Return

Prior to April 2012, the Corporation held a significant portion of its investments through the Ascension Legacy Portfolio (formerly the Health System Depository, or HSD), an investment pool of funds in which the System and a limited number of nonprofit health care providers participated. The Ascension Legacy Portfolio investments were managed primarily by external investment managers within established investment guidelines. The value of the Corporation's investment in the Ascension Legacy Portfolio represented the Corporation's pro rata share of the Ascension Legacy Portfolio's funds held for participants.

During the year ended June 30, 2012, the CHIMCO Alpha Fund, LLC (Alpha Fund) was created to hold primarily all investments previously held through the Ascension Legacy Portfolio. Catholic Healthcare Investment Management Company (CHIMCO), a wholly owned subsidiary of Ascension Health Alliance, acts as a manager and serves as the principal investment advisor for the Alpha Fund, overseeing the investment strategies offered to the Alpha Fund's members. In April 2012, a significant portion of the assets in the Ascension Legacy Portfolio was transferred to the Alpha Fund, in which Ascension Health Alliance has an investment interest, as a member of the Alpha Fund. Ascension Health Alliance invests funds in the Alpha Fund on behalf of the Corporation. As of June 30, 2013 and 2012, the Corporation has an interest in investments held by Ascension Health Alliance, which is reflected in the Consolidated Balance Sheets, and represents the Corporation's pro rata share of Ascension Health Alliance's investment interest in the Alpha Fund.

The Corporation also invests in cash and short-term investments, U.S. government obligations, corporate obligations, marketable equity securities, international securities, and real estate investments that are locally managed. Most of these funds are held in locally managed foundations where the Corporation has control over foundation assets.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

The Corporation reports its interest in investments held by Ascension Health Alliance in the accompanying Consolidated Balance Sheets as short or long term, based on liquidity needs, which, prior to June 30, 2013, were directed by the Corporation and as of June 30, 2013, are directed by Ascension Health Alliance. The Corporation's interest in investments held by Ascension Health Alliance are also classified based on whether such investments are restricted by law or donors or designated for specific purposes by a governing body of the Corporation. The Corporation reports its other investments, including Foundation investments in the accompanying Consolidated Balance Sheets based upon the long or short term nature of the investments and whether such investments are restricted by law or donors or designated for specific purposes by a governing body of the Corporation.

The Corporation's investments, including its interest in investments held by Ascension Health Alliance, are measured at fair value and are classified as trading securities. The Alpha Fund's and the Ascension Legacy Portfolio's investments that are required to be recorded at fair value are classified as trading securities and include pooled short term investment funds, U.S. government, state, municipal, and agency obligations, corporate and foreign fixed income securities, asset-backed securities, and equity securities. The Alpha Fund's and the Ascension Legacy Portfolio's investments also include alternative investments and other investments, which are valued based on the net asset value of the investments. In addition, the Alpha Fund participates, and the Ascension Legacy Portfolio participated, in securities lending transactions whereby a portion of its investments is loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned.

Purchases and sales of investments are accounted for on a trade-date basis. Investment returns are comprised of dividends, interest, and gains and losses on the Corporation's investments, as well as the Corporation's return on its interest in investments held by Ascension Health Alliance, and are reported as nonoperating gains (losses) in the Consolidated Statements of Operations and Changes in Net Assets, unless the return is restricted by donor or law.

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value utilizing the first-in, first-out (FIFO) method.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Intangible Assets

Intangible assets primarily consist of goodwill and capitalized computer software costs, including software internally developed. Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage (expensed), application development stage (capitalized), or post-implementation stage (expensed). Intangible assets are included in other noncurrent assets on the Consolidated Balance Sheets and are comprised of the following:

	June 30	
	2013	2012
Goodwill	\$ 103,999	\$ 103,838
Capitalized computer software costs	161,610	142,533
Accumulated amortization computer software costs	(91,204)	(74,396)
Other finite life intangibles	25,002	25,002
Accumulated amortization of other finite life intangibles	(9,732)	(6,504)
Total intangible assets	<u>\$ 189,675</u>	<u>\$ 190,473</u>

Intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily capitalized computer software costs and other intangibles, are amortized over their expected useful lives.

Computer software costs are amortized over a range of 3 to 7 years. Other finite life intangibles include lease acquisition costs and assumed contracts and are amortized over a range of 5 to 15 years. Total amortization expense for 2013 and 2012 was \$20,946 and \$20,515, respectively. The five-year amortization of computer software and other finite life intangibles is as follows: 2014 – \$19,005, 2015 – \$16,201, 2016 – \$15,201, 2017 – \$10,772, and 2018 – \$8,325.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift. Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2013 and 2012 was \$91,259 and \$80,868, respectively. Additional depreciation expense of \$9,989 related to St. Mary's property and equipment was recorded during 2013 but related to previous years' activity and was an immaterial correction of an error. The Corporation has not restated the prior year consolidated financial statements due to immateriality.

Estimated useful lives by asset category are as follows: land improvements – 10 to 25 years, buildings – 20 to 40 years, and equipment – 3 to 20 years. Interest costs incurred as part of related construction are capitalized during the period of construction. Net interest capitalized in 2013 and 2012 was \$877 and \$175, respectively.

Several capital projects have remaining construction and related equipment purchase commitments of \$20,921 as of June 30, 2013.

The Corporation recognizes the fair value of asset retirement obligations, including conditional asset retirement obligations, if the fair value can be reasonably estimated, in the period in which the liability is incurred. Asset retirement obligations include, but are not limited to, certain types of environmental issues that are legally required to be remediated upon an asset's retirement, as well as contractually required asset retirement obligations. Conditional asset retirement obligations are obligations whose settlement may be conditional on a future event and/or where the timing or method of such settlement may be uncertain. Subsequent to initial recognition, accretion expense is recognized until the asset retirement liability is estimated to be settled.

The Corporation's most significant asset retirement obligation relates to required future asbestos remediation in certain hospital buildings. Asset retirement obligations of \$9,527 and \$9,053 as of June 30, 2013 and 2012, respectively, are recorded in other noncurrent liabilities in the accompanying Consolidated Balance Sheets. During 2013, \$3 of retirement obligations were incurred and settled. Accretion expense of \$477 and \$455 was recorded in 2013 and 2012, respectively.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Noncontrolling Interest

The consolidated financial statements include all assets, liabilities, revenue, and expenses of less than 100% owned or controlled entities the Corporation controls in accordance with applicable accounting guidance. Accordingly, the Corporation has reflected a noncontrolling interest for the portion of net assets not owned or controlled by the Corporation separately on the Consolidated Balance Sheets.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, which includes endowment funds. Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes, primarily to purchase equipment and to provide charity care and other health and educational services. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted.

Performance Indicator

The performance indicator is the excess of revenues and gains over expenses and losses. Changes in unrestricted net assets that are excluded from the performance indicator primarily include pension and other postretirement liability adjustments, transfers to or from sponsors and other affiliates, net assets released from restrictions for property acquisitions, contributions of property and equipment, and other transfers between funds.

Operating and Nonoperating Activities

The Corporation's primary mission is to meet the health care needs in its market area through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, long-term care, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to the Corporation's primary mission are considered to be nonoperating, consisting primarily of investment return and income (loss) from certain unconsolidated joint ventures, offset by grants or donations made to other tax-exempt entities.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Net Patient Service Revenue, Accounts Receivable, and Allowance for Doubtful Accounts

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by \$11,999 and \$26,248 for the years ended June 30, 2013 and 2012, respectively.

The percentage of net patient service revenue earned by payor for the years ended June 30, 2013 and 2012, is as follows:

	Year Ended June 30	
	2013	2012
Medicare	28.7%	29.1%
Medicaid	9.5	8.0
HMO/PPO	20.6	21.8
Blue Cross	29.4	29.0
Commercial	8.1	8.5
Self-pay and other	3.7	3.6
	100.0%	100.0%

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable, less allowance for doubtful accounts, at June 30, 2013 and 2012, are as follows:

	June 30	
	2013	2012
Medicare	18.1%	17.7%
Medicaid	8.8	8.1
HMO/PPO	20.6	20.6
Blue Cross	19.4	17.7
Commercial	5.5	6.1
Self-pay and other	27.6	29.8
	100.0%	100.0%

The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Corporation follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health. Accounts receivable are written off after collection efforts have been followed in accordance with the Corporation's policies. See Adoption of New Accounting Standards section for change in accounting presentation of provision for doubtful accounts in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

The Corporation has an agreement to transfer certain patient receivables with recourse to a third party in exchange for cash at a discounted rate. The Corporation is deemed to have retained the risk of ownership of the receivables, which serve as collateral for the cash advanced to the Corporation, and the Corporation continues to reflect the receivables and related liability to the third party on its Consolidated Balance Sheets. As of June 30, 2013 and 2012, receivables subject to this arrangement were \$23,616 and \$24,323, respectively, and are included in other current assets. The Corporation estimates its recourse obligation, which is reflected in accounts payable and other accrued liabilities.

Hospital Assessment Fee

The Indiana Hospital Association (IHA) and the Office of Medicaid Policy and Planning (OMPP) worked together to develop and implement a hospital assessment fee program as enacted by the 2011 Session of the Indiana General Assembly. The Centers for Medicare and Medicaid Services (CMS) approved the state plan amendment necessary to implement these changes with an effective date of July 1, 2011. The program continued through June 30, 2013, and has been renewed by the Hospital Assessment Fee Committee, subject to CMS approval, for another four-year period through June 30, 2017. Under this program, OMPP will collect an assessment fee from eligible hospitals (the Medicaid tax). The Medicaid tax will be used in part to increase reimbursement to eligible hospitals for services provided in both fee-for-service and managed care programs and as the state share of disproportionate share hospital (DSH) payments. During 2013 and 2012, the Corporation incurred \$98,748 and \$74,073, respectively, in Medicaid tax under this program, which is reflected in total operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets. The Corporation earned additional Hospital Assessment Fee (HAF) reimbursement of \$147,988 and \$126,488 in 2013 and 2012, respectively, which is reflected in net patient service revenue in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

The Corporation accounts for HITECH incentive payments as a gain contingency. Income from Medicare incentive payments is recognized as revenue after the Corporation has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended. The Corporation recognized revenue from Medicaid incentive payments after it adopted certified EHR technology. Incentive payments totaling \$13,661 and \$4,243 for the years ended June 30, 2013 and 2012, respectively, are included in total operating revenue in the accompanying Consolidated Statements of Operations and Changes in Net Assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Corporation's compliance with the meaningful use criteria is subject to audit by the federal government.

Impairment, Restructuring, and Nonrecurring Gains (Losses)

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on future discounted net cash flows or other estimates of fair value.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

During the years ended June 30, 2013 and 2012, the Corporation recorded total impairment, restructuring, and nonrecurring (losses) and gains of \$(11,499) and \$69,256, respectively. For the year ended June 30, 2013, this amount was comprised of restructuring and nonrecurring expenses primarily related to severance for reduction in force and other retention payments. For the year ended June 30, 2012, this amount was comprised of long-lived asset impairments of \$(4,887) related to the termination of an information technology service contract and impairment of an office building offset by a nonrecurring pension curtailment gain of approximately \$74,143.

Income Taxes

The member health care entities of the Corporation, an Indiana not-for-profit corporation, are primarily tax-exempt organizations under Internal Revenue Code (the Code) Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a). The Corporation accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

At June 30, 2013, the Corporation has a net operating loss carryforward of \$57,840, which results in a deferred tax asset of \$23,613 for federal and state income tax purposes. These losses expire in varying amounts from 2015 through 2032. A valuation allowance has been recorded for the full amount of the deferred asset related to the net operating loss carryforwards due to the uncertainty regarding their use.

SVHCI members have elected, under the applicable provisions of the Code, to be taxed as a partnership, whereby taxable income is taxed directly to the members and not to SVHCI. The allocable share of earnings from SVHCI is also exempt from income tax because it is related to the Corporation's tax-exempt purpose. Accordingly, the consolidated financial statements do not include any provision for federal or state income taxes.

Regulatory Compliance

Various federal and state agencies have initiated investigations regarding reimbursement claimed by certain members of the Corporation. The investigations are in various stages of discovery, and the ultimate resolution of these matters, including the liabilities, if any, cannot be readily determined, however, in the opinion of management, the results of these investigations will not have a material adverse impact on the consolidated financial statements of the Corporation.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Reclassifications

Certain reclassifications were made to the 2012 accompanying consolidated financial statements to conform to the 2013 presentation. Such reclassifications had no impact on the change in net assets.

Subsequent Events

The Corporation evaluates the impact of subsequent events, which are events that occur after the Consolidated Balance Sheet date but before the financial statements are issued, for potential recognition or disclosure in the consolidated financial statements as of the Consolidated Balance Sheet date. For the year ended June 30, 2013, the Corporation evaluated subsequent events through September 13, 2013, representing the date on which the accompanying audited consolidated financial statements were available to be issued. During this period, there were no subsequent events that required recognition or disclosure in the accompanying consolidated financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure.

Adoption of New Accounting Standards

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debt and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU 2011-07 requires healthcare entities that recognize significant amounts of patient service revenue at the time services are rendered to present the provision for doubtful accounts related to patient service revenue adjacent to patient service revenue in the Statements of Operations and Changes in Net Assets rather than as operating expense. Additional disclosures relating to sources of patient service revenue and the allowance for doubtful accounts are also required. This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011.

The Corporation recognizes a significant amount of patient service revenue at the time services are rendered even though the patient's ability to pay is not initially assessed. The Corporation adopted this guidance as of July 1, 2012, and retrospectively applied the presentation requirements to all periods presented. The adoption of this guidance resulted in the reclassification of the Corporation's provision for doubtful accounts for the year ended June 30, 2012, decreasing total operating revenue and total operating expenses before impairment, restructuring and nonrecurring gains (losses), net by \$121,071.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

3. Cash and Cash Equivalents, Interest in Investments Held by Ascension Health Alliance, and Assets Limited as to Use and Other Long-term investments

At June 30, 2013 and 2012, the Corporation's investments are comprised of its interest in investments held by Ascension Health Alliance and certain other investments, including investments held and managed by the Foundations Board-designated investments represent investments designated by resolution of the Board of Trustees to put amounts aside primarily for future capital expansion and improvements Assets limited as to use primarily include investments restricted by donors The Corporation's cash, cash equivalents, interest in investments held by Ascension Health Alliance, and assets limited as to use and other long-term investments are reported in the accompanying Consolidated Balance Sheets as presented in the following table

	June 30	
	2013	2012
Cash and cash equivalents	\$ 49,042	\$ 39,436
Short-term investments	33,058	34,820
Current portion of assets limited as to use	2,425	2,647
Assets limited as to use and other long-term investments		
Board-designated investments	18,710	14,339
Temporarily or permanently restricted	60,659	59,186
Other long-term investments	8,887	5,221
Total assets limited as to use and other long-term investments	88,256	78,746
Interest in investments held by Ascension Health Alliance	2,467,563	2,255,667
Total	\$ 2,640,344	\$ 2,411,316

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

3. Cash and Cash Equivalents, Interest in Investments Held by Ascension Health Alliance, and Assets Limited as to Use and Other Long-term investments (continued)

The composition of cash and investments classified as cash and cash equivalents, short-term investments, assets limited as to use, and other investments is summarized as follows

	June 30	
	2013	2012
Cash and cash equivalents	\$ 59,345	\$ 44,875
Short-term investments	33,271	35,561
U S government, state, municipal, and agency obligations	1,998	3,189
Corporate and foreign fixed income securities	19,929	19,178
Asset-backed securities	190	111
Equity securities	41,477	36,884
International securities	11,084	10,625
Alternative investments and other investments	1,856	1,660
Other assets limited as to use	3,631	3,566
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and other long-term investments	172,781	155,649
Interest in investments held by Ascension Health Alliance	2,467,563	2,255,667
Cash and cash equivalents, short-term investments, interest in investments held by Ascension Health Alliance, assets limited as to use, and other long-term investments	<u>\$ 2,640,344</u>	<u>\$ 2,411,316</u>

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

3. Cash and Cash Equivalents, Interest in Investments Held by Ascension Health Alliance, and Assets Limited as to Use and Other Long-term investments (continued)

As of June 30, 2013 and 2012, the composition of total Alpha Fund and Ascension Legacy Portfolio investments is as follows

	June 30	
	2013	2012
Cash, cash equivalents, and short-term investments	3.3%	4.7%
U S government obligations	24.7	32.1
Asset-backed securities	8.6	10.3
Corporate and foreign fixed income investments	12.0	9.0
Equity securities	17.4	13.1
Alternative investments and other investments		
Private equity and real estate funds	5.8	5.7
Hedge funds	21.9	18.7
Commodities funds and other investments	6.3	6.4
	100.0%	100.0%

Investment return recognized by the Corporation is summarized as follows

	Year Ended June 30	
	2013	2012
Return (loss) on interest in investments held by Ascension Health Alliance and investment return in Ascension Legacy Portfolio	\$ 172,784	\$ (43,140)
Interest and dividends	3,647	2,210
Net gains (losses) on investments reported at fair value	5,286	(1,561)
Restricted investment income	1,154	1,463
Total investment return (loss)	\$ 182,871	\$ (41,028)
Investment return (loss) included in nonoperating gains (losses)	\$ 180,105	\$ (41,016)
Increase (decrease) in restricted net assets	2,766	(12)
Total investment return (loss)	\$ 182,871	\$ (41,028)

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurements

The Corporation categorizes, for disclosure purposes, assets and liabilities measured at fair value in the consolidated financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs that are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of the asset or liability. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Corporation follows the three-level fair value hierarchy to categorize these assets and liabilities recognized at fair value at each reporting period, which prioritizes the inputs used to measure such fair values. Level inputs are defined as follows:

Level 1 – Quoted prices (unadjusted) that are readily available in active markets or exchanges for identical assets or liabilities on the reporting date.

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 pricing inputs include prices quoted for similar assets and liabilities in active markets or exchanges or prices quoted for identical or similar assets and liabilities in markets that are not active. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Significant pricing inputs that are unobservable for the asset or liability, including assets or liabilities for which there is little, if any, market activity for such asset or liability. Inputs to the determination of fair value for Level 3 assets and liabilities require management judgment and estimation.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurements (continued)

As of June 30, 2013 and 2012, the Level 2 and Level 3 assets and liabilities listed in the fair value hierarchy tables on the following pages utilize the following valuation techniques and inputs

Cash and cash equivalents and short-term investments

Short-term investments designated as Level 2 investments primarily consist of commercial paper, whose fair value is based on amortized cost. Significant observable inputs include security cost, maturity, and credit rating, interest rate, and par value. Cash and cash equivalents and additional short-term investments include certificates of deposit, whose fair value is based on cost plus accrued interest. Significant observable inputs include security cost, maturity, and relevant short-term interest rates.

Pooled short-term investment funds

The fair value of pooled short-term investment funds is based on cost plus guaranteed, annuity contract-based interest rates. Significant unobservable inputs to the guaranteed rate include the fair value and average duration of the portfolio of investments underlying the annuity contract, the contract value and the annualized weighted-average yield to maturity of the underlying investment portfolio.

U.S. government, state, municipal, and agency obligations

The fair value of investments in U.S. government, state, municipal, and agency obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate and foreign fixed income securities

The fair value of investments in U.S. and international corporate bonds, including commingled funds that invest primarily in such bonds, and foreign government bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurements (continued)

Asset-backed securities

The fair value of U S agency and corporate asset-backed securities is primarily determined using techniques consistent with the income approach. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes.

Equity securities

The fair value of investments in U S and international equity securities is primarily determined using the calculated net asset value. The values for underlying investments are fair value estimates determined by external fund managers based on operating results, balance sheet stability, growth, and other business and market sector fundamentals.

Alternative investments and other investments

Alternative investments consist of hedge funds, private equity funds, commodity funds, and real estate partnerships. The fair value of alternative investments is primarily determined using techniques consistent with both the market and income approaches, based on the Corporation's estimates and assumptions in the absence of observable market data. The market approach considers comparable company, comparable transaction, and company-specific information, including, but not limited to, restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers or acquisitions, and current financial position and operating results. The income approach considers the projected operating performance of the portfolio company.

Other alternative investments are valued using net asset values, which approximate fair value, as determined by an external fund manager based on quoted market prices, operating results, balance sheet stability, growth, and other business and market sector fundamentals.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurements (continued)

As discussed in Notes 2 and 3, the Corporation has an interest in investments held by Ascension Health Alliance and certain other investments, such as those investments held and managed by foundations. As of June 30, 2013, 20%, 43%, and 37% of total Alpha Fund assets that are measured at fair value on a recurring basis were measured based on Level 1, Level 2, and Level 3 inputs, respectively, while 0%, 100%, and 0% of total Alpha Fund liabilities that are measured at fair value on a recurring basis were measured at such fair values based on Level 1, Level 2, and Level 3 inputs, respectively.

As of June 30, 2012, 17%, 52%, and 31% of total Alpha Fund assets that were measured at fair value on a recurring basis were measured based on Level 1, Level 2, and Level 3 inputs, respectively, while 0%, 100%, and 0% of total Alpha Fund liabilities that were measured at fair value on a recurring basis were measured based on Level 1, Level 2, and Level 3 inputs, respectively.

The following table summarizes fair value measurements, by level, at June 30, 2013, for all financial assets measured at fair value on a recurring basis in the Corporation's consolidated financial statements.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Cash and cash equivalents	\$ 9,682	\$ 621	\$ —	\$ 10,303
Short-term investments	7,449	25,822	—	33,271
U S government, state, municipal, and agency obligations	—	1,998	—	1,998
Corporate and foreign fixed income securities	—	19,929	—	19,929
Asset-backed securities	—	190	—	190
Equity securities	38,228	3,249	—	41,477
International securities	11,084	—	—	11,084
Subtotal of assets at fair value	66,443	51,809	—	118,252
Assets not measured at fair value				<u>54,529</u>
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and other long-term investments				<u>\$ 172,781</u>
Benefit plan assets, included in other noncurrent assets, invested in				
Equity securities	\$ 20,037	\$ —	\$ —	\$ 20,037
Pooled short-term investment funds	\$ —	\$ —	\$ 5,104	\$ 5,104

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2012, for all financial assets measured at fair value on a recurring basis in the Corporation's consolidated financial statements

	Level 1	Level 2	Level 3	Total
June 30, 2012				
Cash and cash equivalents	\$ 4.976	\$ 294	\$ —	\$ 5.270
Short-term investments	11.131	24.430	—	35.561
U S government, state, municipal, and agency obligations	—	3.189	—	3.189
Corporate and foreign fixed income securities	—	19.178	—	19.178
Asset-backed securities	—	111	—	111
Equity securities	33.855	3.029	—	36.884
International securities	10.625	—	200	10.825
Subtotal of assets at fair value	60.587	50.231	200	111.018
Assets not measured at fair value				<u>44.631</u>
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and other long-term investments				<u>\$ 155.649</u>
Benefit plan assets, included in other noncurrent assets, invested in				
Equity securities	\$ 14.096	\$ —	\$ —	\$ 14.096
Pooled short-term investment funds	\$ —	\$ —	\$ 4.471	\$ 4.471

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Fair Value Measurements (continued)

Assets and liabilities classified as Level 1 are valued using unadjusted quoted market prices for identical assets or liabilities in active markets. The Corporation uses techniques consistent with the market approach and income approach for measuring fair value of its Level 2 and Level 3 assets and liabilities. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach generally converts future amounts (cash flows or earnings) to a single present value amount (discounted).

During the years ended June 30, 2013 and 2012, the changes in the fair value of the foregoing assets measured using significant unobservable inputs (Level 3) were comprised of the following. Transfers in or out of Level 3 are recognized as of the beginning of the reporting period. The balance at July 1, 2011, was \$3,578, purchases, issuances, and settlements were \$559, and transfers into Level 3 were \$334. The balance at July 1, 2012, was \$4,471, purchases, issuances, and settlements were \$1,126, and transfers out of Level 3 were \$493, resulting in an ending balance at June 30, 2013, of \$5,104.

5. Long-Term Debt

Long-term debt consists of the following:

	June 30	
	2013	2012
Intercompany debt with Ascension Health Alliance, payable in installments through November 2053, interest (3.54% and 3.79% at June 30, 2013 and 2012, respectively) adjusted based on the prevailing blended market interest rate of underlying debt obligations	\$ 472,683	\$ 476,216
Notes payable with The Care Group, LLC and other related entities, paid July 2, 2012, interest at 4.25%	—	9,167
	472,683	485,383
Less current portion	6,804	12,892
Long-term debt, less current portion	\$ 465,879	\$ 472,491

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

5. Long-Term Debt (continued)

Scheduled principal repayments of long-term debt are as follows

Year ending June 30	
2014	\$ 6,804
2015	6,638
2016	5,622
2017	6,817
2018	6,884
Thereafter	439,918
Total	<u>\$ 472,683</u>

Certain members of Ascension Health Alliance formed the Ascension Health Credit Group (Senior Credit Group). Each Senior Credit Group member is identified as either a senior obligated group member, a senior designated affiliate, or a senior limited designated affiliate. Senior obligated group members are jointly and severally liable under a Senior Master Trust Indenture (Senior MTI) to make all payments required with respect to obligations under the Senior MTI and may be entities not controlled directly or indirectly by Ascension Health Alliance. Though senior designated affiliates and senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI, Ascension Health Alliance may cause each senior designated affiliate to transfer such amounts as are necessary to enable the obligated group to comply with the terms of the Senior MTI, including repayment of the outstanding obligations. Additionally, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health Alliance with stipulated repayment terms and conditions, each subject to the governing law of the senior limited designated affiliate's state of incorporation. The Corporation is a senior obligated group member under the terms of the Senior MTI.

Pursuant to a Supplemental Master Indenture dated February 1, 2005, senior obligated group members, which are operating entities, have pledged and assigned to the Master Trustee a security interest in all of their rights, title, and interest in their pledged revenues and proceeds thereof.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

5. Long-Term Debt (continued)

A Subordinate Credit Group, which is comprised of subordinate obligated group members, subordinate designated affiliates, and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (the Subordinate MTI). The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by Ascension Health Alliance. Though subordinate designated affiliates and subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI, Ascension Health Alliance may cause each subordinate designated affiliate to transfer such amounts as are necessary to enable the obligated group members to comply with the terms of the Subordinate MTI, including payment of the outstanding obligations. Additionally, each subordinate limited designated affiliate has an independent subordinate limited designated affiliate agreement and promissory note with Ascension Health Alliance, with stipulated repayment terms and conditions, each subject to the governing law of the subordinate limited designated affiliate's state of incorporation. The Corporation is a subordinate obligated group member under the terms of the Subordinate MTI.

The borrowing portfolio of the Senior and Subordinate Credit Group includes a combination of fixed and variable rate hospital revenue bonds, commercial paper and other obligations, the proceeds of which are in turn loaned to the Senior and Subordinate Credit Group members subject to a long-term amortization schedule of 1 to 39 years.

Certain portions of Senior and Subordinate Credit Groups borrowings may be periodically subject to interest rate swap arrangements to effectively convert borrowing rates on such obligations from a floating to a fixed interest rate or vice versa based on market conditions. Additionally, Senior and Subordinate Credit Groups borrowings may, from time to time, be refinanced or restructured in order to take advantage of favorable market interest rates or other financial opportunities. Any gain or loss on refinancing, as well as any bond premiums or discounts, are allocated to the Senior and Subordinate Credit Groups members based on their pro rata share of the Senior and Subordinate Credit Groups' obligations. Senior and Subordinate Credit Groups refinancing transactions rarely have a significant impact on the outstanding borrowings or intercompany debt amortization schedule of any individual Senior and Subordinate Credit Group member.

The carrying amounts of intercompany debt with Ascension Health Alliance and other debt approximate fair value based on a portfolio market valuation provided by a third party.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

5. Long-Term Debt (continued)

The Senior and Subordinate Credit Groups financing documents contain certain restrictive covenants, including a debt service coverage ratio

As of June 30, 2013, the Senior Credit Group has a line of credit of \$1,000,000, which may be used as a source of funding for unremarketed variable rate debt (including commercial paper) or for general corporate purposes, toward which bank commitments totaling \$1,000,000 extend to November 9, 2014. As of June 30, 2013 and 2012, there were no borrowings under the line of credit.

As of June 30, 2013, the Subordinate Credit Group has a \$75,000 revolving line of credit related to its letters of credit program, toward which a bank commitment of \$75,000 extends to November 27, 2013. As of June 30, 2013, \$49,990 of letters of credit had been extended under the revolving line of credit, although there were no borrowings under any of the letters of credit.

The outstanding principal amount of all hospital revenue bonds is \$5,196,235, which represents 40% of the combined unrestricted net assets of the Senior and Subordinate Credit Groups members at June 30, 2013.

Guarantees are contingent commitments issued by the Senior and Subordinate Credit Groups generally to guarantee the performance of a sponsored organization or an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and similar transactions. The term of the guarantee is equal to the term of the related debt, which can be as short as 30 days or as long as 27 years. The maximum potential amount of future payments the Senior and Subordinate Credit Groups could be required to make under its guarantees and other commitments at June 30, 2013, is approximately \$377,000.

During the years ended June 30, 2013 and 2012, interest paid was \$16,426 and \$18,438, respectively. Capitalized interest was \$877 and \$175 for the years ended June 30, 2013 and 2012, respectively.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Pension Plans

The Corporation participates in the Ascension Health Pension Plan, the Ascension Health Defined Contribution Plan, and the St. Vincent Heart Center of Indiana Retirement Plan. Details of these plans are as follows:

Ascension Health Pension Plan

The Corporation participates in the Ascension Health Pension Plan (the Ascension Plan), a noncontributory defined benefit pension plan that covers substantially all eligible employees of certain System entities. Benefits are based on each participant's years of service and compensation. The Ascension Plan's assets are invested in the Ascension Health Master Pension Trust (the Trust), a master trust consisting of cash and cash equivalents, equity, fixed income funds, and alternative investments. The Trust also invests in derivative instruments, the purpose of which is to economically hedge the change in the net funded status of the Ascension Plan for a significant portion of the total pension liability that can occur due to changes in interest rates. Contributions to the Ascension Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants. Net periodic pension cost of \$2,252 in 2013 and \$20,417 in 2012 was charged to the Corporation. The service cost component of net periodic pension cost charged to the Corporation is actuarially determined, while all other components are allocated based on the Corporation's pro rata share of Ascension Health's overall projected benefit obligation.

During the year ended June 30, 2012, the System approved and communicated to employees a redesign of associate retirement benefits, which affects the Ascension Plan and provides an enhanced comprehensive defined contribution plan. These changes became effective January 1, 2013. These changes resulted in the Corporation's recognition of a nonrecurring curtailment gain of \$74,143 during the year ended June 30, 2012. These changes also resulted in one-time decreases to the projected benefit obligation of \$89,004. The projected benefit obligation is included in pension and other postretirement liabilities in the Accompanying Consolidated Balance Sheets.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

6. Pension Plans (continued)

The assets of the Ascension Plan are available to pay the benefits of eligible employees of all participating entities. In the event participating entities are unable to fulfill their financial obligations under the Ascension Plan, the other participating entities are obligated to do so. As of June 30, 2013, the Ascension Plan had a net unfunded liability of \$187,362. The Corporation's allocated share of the Ascension Plan's net unfunded liability reflected in the accompanying Consolidated Balance Sheets at June 30, 2013 and 2012, was \$100,665 and \$104,665, respectively. As a result of updating the funded status of the Plan, Ascension Health transferred an additional pension liability of \$3,742 and \$43,453 to the Corporation during 2013 and 2012, respectively. These transfers are included in pension and other postretirement liability adjustments in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

As of June 30, 2013 and 2012, the fair value of the Ascension Plan's assets available for benefits was \$3,849,706 and \$3,948,293, respectively. As discussed in the Fair Value Measurements note, the Corporation, as well as the System, follows a three-level hierarchy to categorize assets and liabilities measured at fair value. In accordance with this hierarchy, as of June 30, 2013, 21%, 39%, and 40% of the Ascension Plan's assets that were measured at fair value on a recurring basis were categorized as Level 1, Level 2, and Level 3, respectively. With respect to the Ascension Plan's liabilities measured at fair value on a recurring basis, 0%, 0%, and 100% were categorized as Level 1, Level 2, and Level 3, respectively, as of June 30, 2013. Additionally, as of June 30, 2012, 16%, 51%, and 33% of the Ascension Plan's assets that were measured at fair value on a recurring basis were categorized as Level 1, Level 2, and Level 3, respectively. With respect to the Ascension Plan's liabilities measured at fair value on a recurring basis, 6%, 87%, and 7% were categorized as Level 1, Level 2, and Level 3, respectively, as of June 30, 2012.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Pension Plans (continued)

Ascension Health Defined Contribution Plan

The Corporation participates in the Ascension Health Defined Contribution Plan (the Defined Contribution Plan), a contributory and noncontributory, defined contribution plan sponsored by Ascension Health that covers all eligible associates. There are three primary types of contributions to the Defined Contribution Plan: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary. These benefits are funded annually, and participants become fully vested over a period of time. Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period, and participants become fully vested in all employer contributions immediately. Defined contribution expense, representing both employer automatic contributions and employer matching contributions (including the St. Vincent Heart Center of Indiana Retirement Plan amounts), was \$33,250 and \$18,713 for the years ended June 30, 2013 and 2012, respectively.

St. Vincent Heart Center of Indiana Retirement Plan

Through September 30, 2012, SVHCI had a defined contribution retirement plan that covered substantially all employees. SVHCI made nonelective contributions that were based on the participating employee's compensation. Employees were immediately vested in this portion of the plan. In addition, SVHCI matched the participating employee's elective 401(k) contributions up to 3% of the employee's compensation. Vesting in SVHCI matching contributions was based on years of service, and such contributions were 100% vested to the employee after five years of service. Effective September 30, 2012, the St. Vincent Heart Center of Indiana Retirement Plan was frozen, all participant balances became fully vested, and the Plan assets were transferred to the Ascension Health Defined Contribution Plan (with the same benefits as the Ascension Health Defined Contribution Plan noted above).

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Self-Insurance Programs

The Corporation participates in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Actuarially determined amounts, discounted at 6%, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at 6% in 2013 and 2012. In the event that sufficient funds are not available from the self-insurance programs, each participating entity may be assessed its pro rata share of the deficiency. If contributions exceed the losses paid, the excess may be returned to participating entities.

Professional and General Liability Programs

The Corporation participates in Ascension Health's professional and general liability self-insured program. Professional liability coverage is provided on an occurrence basis through a wholly owned on-shore trust with a self-insured retention of \$250 per occurrence and up to \$7,500 in aggregate in compliance with participation in the Patient Compensation Fund. The Patient Compensation Fund applies to claims in excess of the primary self-insured limit. General liability coverage is provided on a claims-made basis through a wholly owned on-shore trust and offshore captive insurance company, Ascension Health Insurance, Ltd. (AHIL), with a self-insured retention of \$10,000 per occurrence with no aggregate. Excess coverage is provided through AHIL with limits up to \$185,000. AHIL also retains a 20% quota share of the first \$25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers. The Corporation has a deductible of up to \$100 for both professional and general liability claims. One entity obtains professional liability coverage through a commercial policy on a claims-made basis with limits up to \$250 per occurrence and \$750 in aggregate in compliance with participation in the Patient Compensation Fund. The Patient Compensation Fund applies to claims in excess of the primary limit.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

7. Self-Insurance Programs (continued)

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is professional and general liability expense of \$4,588 and \$4,711 for the years ended June 30, 2013 and 2012, respectively. For the year ended June 30, 2013, the expense has been reduced by \$5,660 of excess premiums previously retained by Ascension Health's professional and general liability self-insured program which has been returned to the Health Ministry. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are liabilities for deductibles and reserves for claims incurred but not yet reported of \$5,816 and \$4,664 at June 30, 2013 and 2012, respectively.

In addition, the Corporation maintains professional and general liability insurance coverage for its physician groups through outside insurance agencies. Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is professional and general liability expense related to physician coverage of \$3,336 and \$3,330 for the years ended June 30, 2013 and 2012, respectively.

Workers' Compensation

The Corporation participates in Ascension Health's workers' compensation program, which provides occurrence coverage through a grantor trust. The trust provides coverage up to \$1,000 per occurrence with no aggregate. On July 1, 2012, the Corporation implemented a \$100 deductible, thereby assuming responsibility for indemnity and expenses for each and every claim occurring and reported after that date, up to the deductible amount. The trust provides a mechanism for funding the workers' compensation obligations of its members. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and reflect both claims reported and claims incurred but not reported.

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is workers' compensation expense of \$4,672 and \$6,284 for the years ended June 30, 2013 and 2012, respectively. Included in current self-insurance liabilities on the accompanying Consolidated Balance Sheets are workers' compensation loss reserves of \$1,597 and \$0 at June 30, 2013 and 2012, respectively.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

7. Self-Insurance Programs (continued)

Medical and Dental Claims

The Corporation is self-insured for medical and dental claims. The Corporation estimates its liability for covered medical and dental claims, including claims incurred but not reported, based upon historical costs incurred and payment processing experience. At June 30, 2013 and 2012, the liability for such covered medical and dental claims was \$12,235 and \$12,769, respectively, and is included in accounts payable and accrued liabilities in the accompanying Consolidated Balance Sheets.

8. Lease Commitments

Future minimum payments under noncancelable operating leases with terms of one year or more are as follows:

Year ending June 30	
2014	\$ 35,607
2015	31,733
2016	25,008
2017	21,415
2018	14,273
Thereafter	27,571
Total	<u>\$ 155,607</u>

The Corporation has subleased certain of its space under the operating leases reported above. Total future minimum rents to be received under noncancelable subleases with terms of one year or more are \$1,618.

In addition, the Corporation is a lessor under certain operating lease agreements, primarily ground leases related to third party owned medical office buildings (MOBs) on land owned by the Corporation. The Corporation also leases space to others in some buildings it owns. Future minimum rental receipts under all noncancelable operating leases with terms of one year or more are as follows:

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

8. Lease Commitments (continued)

Year ending June 30	
2014	\$ 2,430
2015	2,239
2016	1,924
2017	1,498
2018	1,343
Thereafter	38,977
Total	<u>\$ 48,411</u>

Rental expense under operating leases amounted to \$63,959 and \$63,101 in 2013 and 2012, respectively

In May 2003, the Corporation sold various outpatient and professional MOB's to a real estate investment trust (REIT) and contemporaneously leased back certain space in those buildings to support ongoing ministry operations for a period of 12 years with leases extending through 2015. These space leases are being accounted for as operating leases based on their terms, and future minimum lease payments under these leases are included in the amounts reported above. The building sales were accounted for as sale-leaseback transactions, and as such, certain gains on the sales were deferred. As of June 30, 2013 and 2012, net deferred gains of \$502 and \$1,050, respectively, were included in other noncurrent liabilities in the accompanying Consolidated Balance Sheets. These gains are being recognized as operating income over the related leaseback terms. In connection with that sale, the Corporation entered into a long-term ground lease for the property underlying the buildings, whereby the REIT is able to take control of the buildings for 50 years with one 25-year renewal at the option of the REIT.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Related-Party Transactions

The Corporation utilizes various centralized programs and overhead services of the System or its other sponsored organizations, including risk management, retirement services, treasury, debt management, executive management support, internal audit services, administrative services, biomedical engineering, supply chain, and information technology services. The charges allocated to the Corporation for these services represent both allocations of common costs and specifically identified expenses that are incurred by the System on behalf of the Corporation. Allocations are based on relevant metrics such as the Corporation's pro rata share of revenues, certain costs, debt, or investments to the consolidated totals of the System. The amounts charged to the Corporation for these services may not necessarily result in the net costs that would be incurred by the Corporation on a stand-alone basis. The charges allocated to the Corporation were \$146,224 and \$136,171 for the years ended June 30, 2013 and 2012, respectively.

In addition to the charges discussed above, the Corporation made payments to the System of \$40,841 and \$42,691 for the years ended June 30, 2013 and 2012, respectively, representing the Corporation's share of costs to fund a System-wide information technology and process standardization project that is expected to continue through December 2015. Also, during the years ending June 30, 2013 and 2012, the Corporation transferred cash and investments of \$27,940 and \$6,002, respectively, in support of Ascension Health's strategic initiatives and Sister Services. These payments are included in transfers to sponsor and other affiliates, net, in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

The Corporation purchased \$48,103 and \$31,008 of laboratory services in 2013 and 2012, respectively, from Mid America Clinical Laboratories, LLC (MACL). SVHHS is a 25% owner of MACL.

The Corporation paid \$88 and \$577 to Suburban Health Organization (SHO) in 2013 and 2012, respectively, for items such as physician recruitment dues, third-party administration services, and network development. SHO processed \$30,424 and \$45,303 in claim payments for the Corporation in 2013 and 2012, respectively. SVH is a Class D stockholder of SHO.

The Corporation paid \$1,697 and \$1,688 to NeuroOncology Equipment, LLC (Novalis) in 2013 and 2012, respectively, for rental of equipment. SVHHS is a 50% owner of Novalis.

The Corporation paid \$1,678 and \$1,800 to United Hospital Services, LLC (UHS) in 2013 and 2012, respectively, for laundry services. SVHHS is a 16.7% owner of UHS.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

9. Related-Party Transactions (continued)

The Corporation paid \$615 to Breast MRI Leasing Company, LLC (Breast MRI) in both 2013 and 2012 for rental of equipment. SVHHS is a 50% owner of Breast MRI.

The Corporation paid \$3,100 and \$2,400 to Orthopaedic Consulting Services, LLC (OCS) in 2013 and 2012, respectively, for management fees. SVHHS is a 5% owner of OCS.

The Corporation paid \$2,435 and \$0 to Women's Services Management, LLC (WSM) in 2013 and 2012, respectively, for management fees. SVHHS is a 5% owner of WSM.

The Corporation participates in a joint venture arrangement for the operation of the Rehabilitation Hospital of Indiana, Inc. (RHI), a free-standing, not-for-profit, comprehensive rehabilitation facility. The Corporation is a 49% owner and guarantees 50% of the outstanding bonds and line of credit amounts (\$8,035 at June 30, 2013), using a supporting letter of credit for payment of principal and interest on certain debt issued on behalf of RHI. The guarantee extends through the term of the debt and expires on November 1, 2020. A long-term liability has been recorded in the accompanying Consolidated Balance Sheets of \$85 and \$90 in 2013 and 2012, respectively, representing the fair value of this guarantee determined using a discounted cash flow analysis. The Corporation also made a working capital loan of \$1,500 to RHI on June 1, 2010.

The Corporation is a 34.5% owner of Advantage Health Solutions, Inc. (Advantage). SVHHS is a 50% guarantor on the minimum statutory net worth requirement with the Indiana Department of Insurance. The guarantee amount was \$4,544 at June 30, 2013, however, because Advantage is well in excess of the minimum statutory net worth requirements, the Corporation estimates the fair value of this guarantee to be zero.

As part of the formation of the Meridian Heights Associates, LLC joint venture with St. Vincent Carmel, St. Vincent Carmel pledged 9.51 acres of land as collateral for the financing of the joint venture. St. Vincent Carmel is a 50% owner of the Meridian Heights Associates, LLC joint venture.

The Corporation provides professional services to some of its joint ventures. The revenue received for these services was \$38,260 and \$41,747 in 2013 and 2012, respectively, and is included in other revenue in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Contingencies and Commitments

In addition to professional liability claims, the Corporation is involved in litigation and regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the Corporation's Consolidated Balance Sheets.

In March 2013, Ascension Health Alliance and some of its subsidiaries were named as defendants to litigation surrounding the Church Plan status of the Ascension Plan. The Corporation does not believe that this matter will have a material adverse effect on the Corporation's consolidated financial position or results of operations.

In September 2010, Ascension Health received a letter from the U.S. Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable cardioverter defibrillators were provided to certain Medicare beneficiaries in accordance with national coverage criteria. In connection with this nationwide review, the Corporation will be reviewing applicable medical records for response to the DOJ. The DOJ's investigation spans a time frame beginning in 2004 and extending through the present time. Through September 13, 2013, the DOJ has not asserted any claims against the Corporation. Ascension Health and the Corporation continue to fully cooperate with the DOJ in its investigation.

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Contingencies and Commitments (continued)

The Corporation enters into agreements with nonemployed physicians that include minimum revenue guarantees. These guarantees provide financial incentives to induce physicians to relocate their practices to a health ministry that serves an area with a demonstrated community need. Guarantees are designed to assist a physician in establishing a viable medical practice in a community in order to promote the health of the community. The Corporation agrees to make payments to the physician at the end of specific time periods if the gross receipts generated by the practice do not equal or exceed a specific dollar amount. The Corporation has also entered into agreements with physician groups to provide emergency room, anesthesia, orthopaedic trauma with Orthopaedics Indianapolis, P.C. (80% owner of Indiana Orthopaedic Hospital, LLC), and obstetrics emergency department coverage in areas with a demonstrated community need. The Corporation guarantees to cover the costs of providing coverage if there are not sufficient patient billings that exceed the cost of providing the coverage. The carrying amounts of the liability for the Corporation's obligation under these guarantees were \$41,628 and \$22,557 at June 30, 2013 and 2012, respectively, and are included in noncurrent liabilities in the accompanying Consolidated Balance Sheets. The corresponding deferred charges of \$41,779 and \$22,624 at June 30, 2013 and 2012, respectively, are included in other assets in the accompanying Consolidated Balance Sheets and are amortized to expense over the term of the related guarantee.

The maximum amount of future payments that the Corporation could be required to make under these guarantees is \$91,373. However, the Corporation is entitled to proceeds of receivables collected to offset guarantee amounts paid, which reduces the total maximum guarantee amount.

The Corporation has certain supply commitments totaling \$2,974 at June 30, 2013.

Supplementary Information

Report of Independent Auditors on Supplementary Information

The Board of Directors
St Vincent Health, Inc

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidating Balance Sheet as of June 30, 2013, Consolidating Statement of Operations and Changes in Net Assets for the year ended June 30, 2013, and Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs for the years ended June 30, 2013 and 2012, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

September 13, 2013

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	Consolidated St Vincent Health	Reclassifications and Eliminations	St Vincent Health, Inc	SVH Real Estate, Inc	St. Vincent Health, Wellness & Preventive Care Institute, Inc	St Joseph Hospital & Health Center, Inc	St Vincent Anderson Regional Hospital, Inc
Assets							
Current assets							
Cash and cash equivalents	\$ 49,042	\$ -	\$ 2,997	\$ 28	\$ -	\$ 346	\$ 565
Short-term investments	33,058	-	-	-	-	4,783	-
Accounts receivable less allowances for doubtful accounts of \$104,389	357,725	-	-	-	36	19,894	27,329
Current portion of assets limited as to use	2,425	-	-	-	-	-	357
Estimated third-party payor settlements	9,186	-	-	-	-	437	360
Inventories	35,044	-	7	-	-	2,307	3,995
Other	49,251	(23,726)	19,312	29	169	893	3,911
Total current assets	535,731	(23,726)	22,316	57	205	28,660	36,517
Assets limited as to use and other long-term investments	88,256	-	-	-	33	1,307	4,834
Interest in investments held by Ascension Health Alliance	2,467,563	-	20,388	-	54	142,733	74,804
Property and equipment							
Land and improvements	78,264	-	1,084	600	-	3,016	6,861
Building and equipment	1,855,697	-	93,165	1,744	-	136,094	119,567
Construction-in-progress	57,894	-	2,204	-	-	2,184	3,078
Less accumulated depreciation	1,368,515	-	77,322	7	-	108,406	94,570
Total property and equipment net	623,340	-	19,131	2,337	-	32,888	34,936
Other assets							
Goodwill and other intangible assets	189,675	-	68,586	-	-	144	4
Investment in unconsolidated entities	82,832	-	14,118	-	-	308	-
Physician guarantee asset	41,779	-	-	-	-	658	1,645
Other	35,743	(35,612)	54,449	535	-	134	168
Total other assets	350,029	(35,612)	137,153	535	-	1,244	1,817
Total assets	\$ 4,064,919	\$ (59,338)	\$ 198,988	\$ 2,929	\$ 292	\$ 206,832	\$ 152,908

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	CIHSCS and CIHS New co, LLC	St Vincent Heart Center of Indiana, LLC	St Vincent Hospital and Health Care Center, Inc	St Vincent Hospital Foundation, Inc	St. Vincent Fishers Hospital, Inc	St Vincent Carmel Hospital, Inc	St. Vincent Mercy Hospital
Assets							
Current assets							
Cash and cash equivalents	\$ 552	\$ 14,982	\$ 6,710	\$ 616	\$ 997	\$ 973	\$ 327
Short-term investments	–	24,238	–	3,425	–	–	477
Accounts receivable less allowances for doubtful accounts of \$104,389	–	15,567	163,270	–	4,710	20,872	2,350
Current portion of assets limited as to use	–	–	–	1,871	–	–	10
Estimated third-party payor settlements	–	48	3,587	–	–	126	382
Inventories	–	1,538	14,979	–	343	1,198	211
Other	14	2,018	24,983	79	740	3,889	417
Total current assets	566	58,391	213,529	5,991	6,790	27,058	4,174
Assets limited as to use and other long-term investments	–	16	380	70,468	–	–	214
Interest in investments held by Ascension Health Alliance	53,723	–	814,348	3,742	659	552,793	15,214
Property and equipment							
Land and improvements	7,139	–	20,547	–	8,121	4,336	1,003
Building and equipment	–	65,753	719,310	–	56,066	102,036	28,670
Construction-in-progress	–	54	16,368	–	349	17,470	18
Less accumulated depreciation	1,591	43,062	550,303	–	6,288	67,502	18,445
Total property and equipment net	5,548	22,745	205,922	–	58,248	56,340	11,246
Other assets							
Goodwill and other intangible assets	46,756	207	34,953	–	57	1,644	–
Investment in unconsolidated entities	8,000	–	55,680	–	–	4,303	–
Physician guarantee asset	–	–	15,115	–	908	–	1,109
Other	–	67	2,013	–	41	89	911
Total other assets	54,756	274	107,761	–	1,006	6,036	2,020
Total assets	\$ 114,593	\$ 81,426	\$ 1,341,940	\$ 80,201	\$ 66,703	\$ 642,227	\$ 32,868

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	St Vincent Randolph Hospital, Inc	St Vincent Clay Hospital, Inc	St Vincent New Hope, Inc	St Vincent Frankfort Hospital, Inc	St Vincent Williamsport Hospital, Inc	St Vincent Jennings Hospital, Inc	St Vincent Salem Hospital, Inc
Assets							
Current assets							
Cash and cash equivalents	\$ 35	\$ 1 089	\$ 1 002	\$ 573	\$ 1 098	\$ 159	\$ 27
Short-term investments	15	47	—	73	—	—	—
Accounts receivable less allowances for doubtful accounts of \$104 389	2 848	2 461	1 865	2 902	2 199	2 175	1 978
Current portion of assets limited as to use	—	—	—	—	—	—	—
Estimated third-party payor settlements	534	240	7	215	211	364	44
Inventories	284	426	—	423	288	180	286
Other	541	778	78	311	6	139	972
Total current assets	4 257	5 041	2 952	4 497	3 802	3 017	3 307
Assets limited as to use and other long-term investments	951	355	—	222	629	177	57
Interest in investments held by Ascension Health Alliance	25 818	34 649	878	39 724	33 177	6 815	7 281
Property and equipment							
Land and improvements	722	315	939	226	280	538	—
Building and equipment	24 029	18 446	7 994	8 810	12 525	17 913	1 873
Construction-in-progress	32	295	—	16	447	17	364
Less accumulated depreciation	12 030	12 312	6 341	6 439	7 636	9 286	830
Total property and equipment net	12 753	6 744	2 592	2 613	5 616	9 182	1 407
Other assets							
Goodwill and other intangible assets	3	—	—	—	—	—	662
Investment in unconsolidated entities	—	—	—	—	—	—	—
Physician guarantee asset	442	720	—	—	—	666	914
Other	357	286	—	23	724	124	23
Total other assets	802	1 006	—	23	724	790	1 599
Total assets	\$ 44 581	\$ 47 795	\$ 6 422	\$ 47 079	\$ 43 948	\$ 19 981	\$ 13 651

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	St. Vincent Dunn Hospital, Inc	St. Vincent Medical Group, Inc	Quality Healthcare Solutions, LLC (Navion)	St. Vincent Seton Specialty Hospital, Inc	St. Mary's Health, Inc (Evansville)
Assets					
Current assets					
Cash and cash equivalents	\$ 396	\$ 984	\$ 76	\$ 855	\$ 13 655
Short-term investments	—	—	—	—	—
Accounts receivable less allowances for doubtful accounts of \$104 389	2 256	15 460	—	8 448	61 105
Current portion of assets limited as to use	—	—	—	—	187
Estimated third-party payor settlements	934	170	—	566	961
Inventories	466	205	—	512	7 396
Other	241	2 159	1 452	357	9 489
Total current assets	4 293	18 978	1 528	10 738	92 793
Assets limited as to use and other long-term investments	2	—	—	18	8 593
Interest in investments held by Ascension Health Alliance	3 194	16 736	20 258	76 219	524 356
Property and equipment					
Land and improvements	160	24	—	851	21 502
Building and equipment	9 482	22 563	68	23 310	386 279
Construction-in-progress	95	1 007	—	95	13 801
Less accumulated depreciation	3 493	18 658	67	10 405	313 522
Total property and equipment net	6 244	4 936	1	13 851	108 060
Other assets					
Goodwill and other intangible assets	24	21 610	14 361	—	664
Investment in unconsolidated entities	—	—	—	—	423
Physician guarantee asset	—	—	—	—	19 602
Other	199	938	—	13	10 261
Total other assets	223	22 548	14 361	13	30 950
Total assets	\$ 13 956	\$ 63 198	\$ 36 148	\$ 100 839	\$ 764 752

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	Consolidated St Vincent Health	Reclassifications and Eliminations	St Vincent Health, Inc	SVH Real Estate, Inc	St. Vincent Health, Wellness & Preventive Care Institute, Inc	St Joseph Hospital & Health Center, Inc	St Vincent Anderson Regional Hospital, Inc
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	\$ 6 804	\$ (3 561)	\$ 651	\$ –	\$ –	\$ 242	\$ 230
Accounts payable and accrued liabilities	282 005	–	25 062	57	181	10 019	16 035
Estimated third-party payor settlements	58 374	–	–	–	–	1 778	2 365
Current portion of self-insurance liabilities	7 413	–	195	–	–	58	265
Other	18 875	(23 727)	2 325	–	895	5 317	3 668
Total current liabilities	373 471	(27 288)	28 233	57	1 076	17 414	22 563
Noncurrent liabilities							
Long-term debt	465 879	(32 050)	44 602	–	–	16 564	15 741
Pension and other postretirement liabilities	100 665	–	87 742	–	–	–	–
Physician guarantee liability	41 628	–	–	–	–	658	1 588
Other	43 162	–	17 769	–	–	1 737	608
Total noncurrent liabilities	651 334	(32 050)	150 113	–	–	18 959	17 937
Total liabilities	1 024 805	(59 338)	178 346	57	1 076	36 373	40 500
Net assets							
Unrestricted							
Controlling interest	2 954 802	–	20 642	2 872	(817)	169 152	107 216
Noncontrolling interests	15 766	–	–	–	–	–	–
Unrestricted net assets	2 970 568	–	20 642	2 872	(817)	169 152	107 216
Temporarily restricted – controlling interest	52 357	–	–	–	33	910	4 681
Permanently restricted – controlling interest	17 189	–	–	–	–	397	511
Total net assets	3 040 114	–	20 642	2 872	(784)	170 459	112 408
Total liabilities and net assets	\$ 4 064 919	\$ (59 338)	\$ 198 988	\$ 2 929	\$ 292	\$ 206 832	\$ 152 908

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	CIHSCS and CIHS New co, LLC	St Vincent Heart Center of Indiana, LLC	St Vincent Hospital and Health Care Center, Inc	St Vincent Hospital Foundation, Inc	St Vincent Fishers Hospital, Inc	St Vincent Carmel Hospital, Inc	St Vincent Mercy Hospital
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	\$ -	\$ 3 561	\$ 2 478	\$ -	\$ -	\$ 307	\$ 168
Accounts payable and accrued liabilities	46	8 000	86 334	-	2 328	13 212	2 228
Estimated third-party payor settlements	-	2 206	28 516	-	-	1 509	2 174
Current portion of self-insurance liabilities	-	80	4 533	-	-	266	11
Other	646	1 940	7 270	51	216	2 380	760
Total current liabilities	692	15 787	129 131	51	2 544	17 674	5 341
Noncurrent liabilities							
Long-term debt	-	32 050	169 631	-	-	21 043	11 518
Pension and other postretirement liabilities	-	-	-	-	-	-	-
Physician guarantee liability	-	-	15 115	-	908	-	1 109
Other	-	-	9 472	-	-	147	196
Total noncurrent liabilities	-	32 050	194 218	-	908	21 190	12 823
Total liabilities	692	47 837	323 349	51	3 452	38 864	18 164
Net assets							
Unrestricted							
Controlling interest	85 507	53 265	1 014 935	31 924	63 251	602 909	14 514
Noncontrolling interests	28 394	(19 692)	-	-	-	279	-
Unrestricted net assets	113 901	33 573	1 014 935	31 924	63 251	603 188	14 514
Temporarily restricted – controlling interest	-	16	3 656	32 259	-	175	190
Permanently restricted – controlling interest	-	-	-	15 967	-	-	-
Total net assets	113 901	33 589	1 018 591	80 150	63 251	603 363	14 704
Total liabilities and net assets	\$ 114 593	\$ 81 426	\$ 1 341 940	\$ 80 201	\$ 66 703	\$ 642 227	\$ 32 868

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	St Vincent Randolph Hospital, Inc	St Vincent Clay Hospital, Inc	St Vincent New Hope, Inc	St Vincent Frankfort Hospital, Inc	St Vincent Williamsport Hospital, Inc	St Vincent Jennings Hospital, Inc	St Vincent Salem Hospital, Inc
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	\$ 209	\$ 115	\$ 25	\$ 7	\$ 60	\$ 155	\$ -
Accounts payable and accrued liabilities	2 098	2 120	1 411	3 630	1 417	1 305	1 330
Estimated third-party payor settlements	1 507	2 471	18	2 235	1 495	2 322	1 160
Current portion of self-insurance liabilities	43	5	82	9	7	6	27
Other	909	351	986	1 388	885	567	693
Total current liabilities	4 766	5 062	2 522	7 269	3 864	4 355	3 210
Noncurrent liabilities							
Long-term debt	14 315	7 886	1 705	493	4 095	10 617	-
Pension and other postretirement liabilities	-	-	290	48	-	-	-
Physician guarantee liability	442	626	-	-	-	666	914
Other	46	16	-	-	68	84	-
Total noncurrent liabilities	14 803	8 528	1 995	541	4 163	11 367	914
Total liabilities	19 569	13 590	4 517	7 810	8 027	15 722	4 124
Net assets							
Unrestricted							
Controlling interest	22 121	32 627	1 605	39 047	35 527	3 632	9 470
Noncontrolling interests	2 406	-	-	-	-	450	-
Unrestricted net assets	24 527	32 627	1 605	39 047	35 527	4 082	9 470
Temporarily restricted - controlling interest	451	1 578	300	222	394	177	57
Permanently restricted - controlling interest	34	-	-	-	-	-	-
Total net assets	25 012	34 205	1 905	39 269	35 921	4 259	9 527
Total liabilities and net assets	\$ 44 581	\$ 47 795	\$ 6 422	\$ 47 079	\$ 43 948	\$ 19 981	\$ 13 651

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

	St. Vincent Dunn Hospital, Inc	St. Vincent Medical Group, Inc	Quality Healthcare Solutions, LLC (Navion)	St. Vincent Seton Specialty Hospital, Inc	St. Mary's Health, Inc (Evansville)
Liabilities and net assets					
Current liabilities					
Current portion of long-term debt	\$ 113	\$ 4	\$ –	\$ 6	\$ 2,034
Accounts payable and accrued liabilities	2,104	40,505	758	4,339	57,486
Estimated third-party payor settlements	2,618	–	–	1,640	4,360
Current portion of self-insurance liabilities	15	82	5	54	1,670
Other	2,157	3,276	1,274	1,928	2,720
Total current liabilities	7,007	43,867	2,037	7,967	68,270
Noncurrent liabilities					
Long-term debt	7,707	287	–	426	139,249
Pension and other postretirement liabilities	–	–	–	–	12,585
Physician guarantee liability	–	–	–	–	19,602
Other	–	–	–	–	13,019
Total noncurrent liabilities	7,707	287	–	426	184,455
Total liabilities	14,714	44,154	2,037	8,393	252,725
Net assets					
Unrestricted					
Controlling interest	(760)	19,044	34,111	92,428	500,580
Noncontrolling interests	–	–	–	–	3,929
Unrestricted net assets	(760)	19,044	34,111	92,428	504,509
Temporarily restricted – controlling interest	2	–	–	18	7,238
Permanently restricted – controlling interest	–	–	–	–	280
Total net assets	(758)	19,044	34,111	92,446	512,027
Total liabilities and net assets	\$ 13,956	\$ 63,198	\$ 36,148	\$ 100,839	\$ 764,752

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

(Dollars in Thousands)

	Consolidated St Vincent Health	Reclassifications and Eliminations	St. Vincent Health Inc	SVH Real Estate Inc	St. Vincent Health Wellness & Preventive Care Institute Inc	St. Joseph Hospital & Health Center Inc	St. Vincent Anderson Regional Hospital Inc	CIHSC S and CIHSC Newco LLC	St. Vincent Heart Center of Indiana LLC	St. Vincent Hospital and Health Care Center Inc
Operating revenue										
Net patient service revenue	\$ 2,229,714	\$ (19)	\$ —	\$ —	\$ 43	\$ 1,680,114	\$ 205,248	\$ —	\$ 1,959,999	\$ 1,113,847
Less: provision for doubtful accounts	115,480	—	2,040	—	—	10,257	14,141	—	1,485	38,605
Net patient service revenue less: provision for doubtful accounts	2,607,494	(19)	(2,040)	—	43	126,544	191,107	—	1,958,114	1,075,242
Other revenue	128,431	(10,399)	4,395	57	343	1,448	16,780	177	589	57,540
Income from unconsolidated entities, net	20,639	—	396	—	—	—	—	884	—	13,525
Net assets released from restrictions for operations	4,595	—	51	—	—	54	262	—	40	2,800
Total operating revenue	2,761,159	(10,418)	2,802	57	386	128,046	208,149	1,061	1,987,433	1,149,107
Operating expenses										
Salaries and wages	1,074,841	—	(3,606)	—	723	42,498	67,346	1,582	31,884	384,645
Employee benefits	261,330	(286)	(3,556)	—	142	11,325	19,583	484	8,901	100,712
Purchased services	294,490	(4)	89,785	4	20	13,417	16,552	—	6,674	75,348
Professional fees	139,196	(9,551)	18,647	4	129	5,287	18,937	12	6,303	49,655
Supplies	348,610	(202)	1,032	—	16	15,099	32,885	—	30,400	149,372
Insurance	11,184	—	—	—	5	326	272	—	139	4,443
Interest	15,549	—	(465)	—	—	584	555	—	2,036	5,169
Depreciation and amortization	112,205	—	21,423	7	—	5,317	4,622	50	3,839	34,886
Medicaid tax	98,748	—	—	—	—	6,872	9,925	—	3,836	49,114
Other	237,929	(375)	(130,119)	49	167	13,963	25,526	5,427	14,582	193,273
Total operating expenses before impairment restructurings and nonrecurring gains (losses), net	2,594,082	(10,418)	(6,859)	64	1,202	114,688	196,203	7,555	108,594	1,046,616
Income (loss) from operations before impairment restructurings and nonrecurring gains (losses), net	167,077	—	9,661	(7)	(816)	13,358	11,946	(6,494)	30,149	102,491
Impairment restructurings and nonrecurring gains (losses), net	(11,499)	—	(3,502)	—	—	(317)	(492)	—	(310)	(2,704)
Income (loss) from operations	155,578	—	6,159	(7)	(816)	13,041	11,454	(6,494)	29,839	99,787
Nonoperating gains (losses)										
Investment return	180,105	—	1,219	—	(1)	10,578	5,261	3,265	480	57,780
Income (loss) from unconsolidated entities	796	—	1,352	—	—	(49)	—	—	—	77
Other	(8,162)	—	(3,247)	—	—	(57)	(222)	—	—	(1,307)
Total nonoperating gains (losses), net	172,739	—	(676)	—	(1)	10,472	5,039	3,265	480	56,550
Excess (deficit) of revenues and gains over expenses and losses	328,317	—	5,483	(7)	(817)	23,513	16,493	(3,229)	30,319	156,337
Less: noncontrolling interests	13,479	—	—	—	—	—	—	7,859	—	—
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest	314,838	—	5,483	(7)	(817)	23,513	16,493	(11,088)	30,319	156,337

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

(Dollars in Thousands)

	St. Vincent Hospital Foundation, Inc.	St. Vincent Fishers Hospital, Inc.	St. Vincent Carmel Hospital, Inc.	St. Vincent Mercy Hospital	St. Vincent Randolph Hospital, Inc.	St. Vincent Clay Hospital, Inc.	St. Vincent New Hope, Inc.	St. Vincent Frankfort Hospital, Inc.	St. Vincent Williamsport Hospital, Inc.	St. Vincent Jennings Hospital, Inc.
Operating revenue										
Net patient service revenue	\$ -	\$ -	\$ 1,671	\$ 2,934	\$ 2,760	\$ 22,728	\$ 22,153	\$ 2,086	\$ 22,748	\$ 19,816
Less: provision for doubtful accounts	-	1,063	3,308	1,078	1,737	1,279	-	312	1,593	2,448
Net patient service revenue less provision for doubtful accounts	-	6,614	1,644	24,856	2,913	21,449	22,153	26,773	21,155	17,268
Other revenue	(1,569)	336	12,546	517	780	476	33	780	677	331
Income from unconsolidated entities, net	-	-	4,868	-	-	-	-	-	-	-
Net assets released from restrictions for operations	-	-	22	66	146	9	29	70	-	227
Total operating revenue	(1,569)	7,950	17,139	25,428	26,839	21,934	22,215	27,623	21,832	17,816
Operating expenses										
Salaries and wages	-	3,636	47,999	8,399	9,666	6,459	13,806	8,404	9,638	5,932
Employee benefits	-	757	12,459	2,301	2,846	1,967	5,896	2,246	2,616	1,839
Purchased services	-	802	9,018	2,509	3,113	3,046	326	3,320	1,409	2,882
Professional fees	-	1,059	4,103	2,038	1,806	1,066	154	1,823	1,047	1,036
Supplies	-	612	19,508	2,631	1,944	1,748	490	1,644	1,090	908
Insurance	-	43	306	68	33	34	86	24	40	(21)
Interest	-	-	742	406	506	278	60	17	144	374
Depreciation and amortization	-	877	4,653	1,049	891	580	341	499	432	487
Medicaid tax	-	231	4,076	969	956	1,056	-	1,001	1,116	801
Other	(1,966)	1,656	17,803	2,600	3,001	3,089	2,250	4,588	2,461	2,462
Total operating expenses before impairment restructurings and nonrecurring gains (losses), net	(1,966)	9,673	120,667	22,970	24,769	19,322	23,406	23,566	19,991	16,699
Income (loss) from operations before impairment restructurings and nonrecurring gains (losses), net	397	(2,323)	50,772	2,458	2,080	2,612	(1,191)	4,057	1,841	1,117
Impairment restructurings and nonrecurring gains (losses), net	-	(10)	(192)	(466)	(64)	(67)	-	(48)	(21)	(90)
Income (loss) from operations	397	(2,333)	50,580	2,003	2,026	2,545	(1,191)	4,009	1,820	1,027
Nonoperating gains (losses)										
Investment return	5781	(13)	40,774	1,046	1,761	2,308	3	2,671	2,359	307
Income (loss) from unconsolidated entities	-	-	(593)	-	-	-	-	-	-	-
Other	(2,028)	-	(174)	(161)	(126)	(14)	(1)	-	32	(2)
Total nonoperating gains (losses), net	3753	(13)	40,007	884	1,635	2,294	2	2,671	2,391	305
Excess (deficit) of revenues and gains over expenses and losses	4150	(2,346)	90,587	2,887	3,661	4,839	(1,189)	6,680	4,211	1,332
Less noncontrolling interests	-	-	608	-	-	-	-	-	-	-
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest	4150	(2,346)	89,979	2,887	3,661	4,839	(1,189)	6,680	4,211	1,332

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013
(Dollars in Thousands)

	St Vincent Salem Hospital Inc	St Vincent Dunn Hospital Inc	St Vincent Medical Group Inc	Quality Healthcare Solutions LLC (Nashville)	St Vincent Seton Specialty Hospital Inc	St Mary's Health Inc (Evansville)
Operating revenue						
Net patient service revenue	\$ 20,419	\$ 26,148	\$ 171,172	\$ -	\$ 8,646	\$ 81,790
Less: provision for doubtful accounts	1,382	1,008	12,850	-	576	20,411
Net patient service revenue less: provision for doubtful accounts	19,037	25,140	158,322	-	8,070	49,789
Other revenue	214	1,060	8,717	12,727	154	19,325
Income from unconsolidated entities net	-	-	-	-	-	966
Net assets released from restrictions for operations	39	2	136	-	4	649
Total operating revenue	19,290	26,202	167,175	12,727	8,228	81,849
Operating expenses						
Salaries and wages	6,499	9,264	194,021	8,991	24,793	198,863
Employee benefits	2,118	3,012	32,250	1,322	6,314	46,087
Purchased services	3,111	3,640	4,018	8	4,871	80,922
Professional fees	1,136	1,059	6,072	2,119	788	24,473
Supplies	1,054	1,993	9,309	17	886	71,193
Insurance	81	163	2,848	-	69	2,252
Interest	-	272	10	-	18	4,847
Depreciation and amortization	906	953	3,632	2,480	1,186	23,128
Medicaid tax	898	843	-	-	-	17,388
Other	2,643	3,423	30,378	(2,674)	6,399	37,326
Total operating expenses before impairment restructurings and nonrecurring gains (losses) net	18,111	24,622	282,932	8,670	49,969	473,446
Income (loss) from operations before impairment restructurings and nonrecurring gains (losses) net	1,179	1,580	(115,757)	4,057	8,459	48,051
Impairment restructurings and nonrecurring gains (losses) net	(38)	(88)	(339)	(38)	(42)	(2,381)
Income (loss) from operations	1,144	1,522	(116,096)	4,022	8,417	45,670
Nonoperating gains (losses)						
Investment return	391	64	903	1,121	891	36,987
Income (loss) from unconsolidated entities	-	-	-	-	-	9
Other	-	(2)	-	-	-	(853)
Total nonoperating gains (losses) net	391	62	903	1,121	891	36,143
Excess (deficit) of revenues and gains over expenses and losses	1,535	1,584	(114,793)	5,143	13,508	78,426
Less noncontrolling interests	-	-	-	-	-	800
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest	1,535	1,584	(114,793)	5,143	13,508	77,626

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013
(Dollars in Thousands)

	Consolidated St Vincent Health	Reclassifications and Eliminations	St Vincent Health Inc	SVH Real Estate Inc	St Vincent Health Wellness & Preventive Care Institute Inc	St Joseph Hospital & Health Center Inc	St Vincent Anderson Regional Hospital Inc	CIHSCS and CIHS Newco LLC	St Vincent Heart Center of Indiana LLC
Unrestricted net assets- controlling interest									
Excess (deficit) of revenues and gains over expenses and losses	\$ 314,838	\$ -	\$ 5,483	\$ (7)	\$ (817)	\$ 23,513	\$ 16,493	\$ (11,088)	\$ 30,319
Pension and other postretirement liability adjustments	4,938	-	2,550	-	-	-	-	-	-
Transfers (to) from sponsor and other affiliates- net	(68,781)	-	(41,245)	2,344	-	(6,044)	(8,842)	18,150	(18,125)
Net assets released from restrictions for property acquisitions	2,857	-	-	-	-	502	356	-	6
Other	260	-	-	-	-	-	-	(2)	(23)
Increase (decrease) in unrestricted net assets- controlling interest	254,112	-	(33,212)	2,337	(817)	17,971	\$ 007	7,060	12,177
Unrestricted net assets- noncontrolling interest									
Excess of revenues and gains over expenses and losses	13,479	-	-	-	-	-	-	7,858	-
Distributions of capital	(11,808)	-	-	-	-	-	-	-	(6,350)
Other	3	-	-	-	-	-	-	3	-
Increase (decrease) in unrestricted net assets- noncontrolling interest	1,674	-	-	-	-	-	-	7,861	(6,350)
Temporarily restricted net assets- controlling interest									
Contributions and grants	10,066	-	-	-	33	340	378	-	20
Net change in unrealized gains/losses on investments	1,287	-	-	-	-	19	127	-	-
Investment return	1,263	-	-	-	-	70	175	-	-
Net assets released from restrictions	(7,452)	-	(51)	-	-	(556)	(618)	-	(46)
Other	(549)	-	-	-	-	-	-	-	22
Increase (decrease) in temporarily restricted net assets- controlling int	4,615	-	(51)	-	33	(127)	62	-	(4)
Permanently restricted net assets- controlling interest									
Contributions	331	-	-	-	-	1	-	-	-
Net change in unrealized gains/losses on investments	85	-	-	-	-	-	-	-	-
Investment return	131	-	-	-	-	-	1	-	-
Other	(23)	-	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets- controlling int	524	-	-	-	-	1	1	-	-
Increase (decrease) in net assets	260,925	-	(33,263)	2,337	(784)	17,845	\$ 070	14,921	\$ 823
Net assets- beginning of year	2,779,189	-	53,905	535	152,614	152,614	104,338	98,980	27,766
Net assets- end of year	\$ 3,040,114	\$ -	\$ 20,642	\$ 2,872	\$ (784)	\$ 170,459	\$ 112,408	\$ 113,901	\$ 33,589

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

(Dollars in Thousands)

	St Vincent Hospital and Health Care Center Inc	St Vincent Hospital Foundation Inc	St Vincent Fishers Hospital Inc	St Vincent Carmel Hospital Inc	St Vincent Mercy Hospital	St Vincent Randolph Hospital Inc	St Vincent Clay Hospital Inc	St Vincent New Hope Inc	St Vincent Frankfort Hospital Inc	St Vincent Williamsport Hospital Inc
Unrestricted net assets- controlling interest										
Excess (deficit) of revenues and gains over expenses and losses	\$ 156,337	\$ 4,150	\$ (2,346)	\$ 89,979	\$ 2,887	\$ 3,654	\$ 4,849	\$ (1,189)	\$ 6,680	\$ 4,211
Pension and other postretirement liability adjustments	-	-	-	-	(6)	(54)	49	339	78	25
Transfers (to) from sponsor and other affiliates- net	(207,140)	(3,198)	65,597	(16,453)	(3)	(12)	(2)	137	-	(1)
Net assets released from restrictions for property acquisitions	1,376	-	-	290	26	99	-	112	-	-
Other	(3,969)	4,844	-	(312)	-	(2)	(2)	(138)	-	-
Increase (decrease) in unrestricted net assets- controlling interest	(53,396)	5,796	63,251	73,504	2,904	3,685	4,894	(739)	6,758	4,235
Unrestricted net assets- noncontrolling interest										
Excess of revenues and gains over expenses and losses	-	-	-	608	-	-	-	-	-	-
Distributions of capital	-	-	-	(570)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets- noncontrolling interest	-	-	-	38	-	-	-	-	-	-
Temporarily restricted net assets- controlling interest										
Contributions and grants	479	6,686	-	70	146	183	68	31	136	19
Net change in unrealized gains/losses on investments	107	934	-	4	-	16	65	(5)	-	-
Investment return	140	795	-	6	-	-	54	4	-	-
Net assets released from restrictions	(4,176)	-	-	(312)	(81)	(245)	(9)	(141)	(70)	-
Other	3,986	(4,955)	-	301	2	(4)	2	138	-	-
Increase (decrease) in temporarily restricted net assets- controlling int	536	3,460	-	69	67	(50)	180	27	66	19
Permanently restricted net assets- controlling interest										
Contributions	-	220	-	-	-	-	-	-	-	-
Net change in unrealized gains/losses on investments	-	85	-	-	-	-	-	-	-	-
Investment return	-	130	-	-	-	-	-	-	-	-
Other	-	(23)	-	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets- controlling int	-	412	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	(52,860)	9,668	63,251	73,611	2,971	3,642	5,074	(712)	6,824	4,254
Net assets- beginning of year	1,071,451	70,482	-	529,752	11,733	21,370	29,131	2,617	32,445	31,667
Net assets- end of year	\$ 1,018,591	\$ 80,150	\$ 63,251	\$ 603,363	\$ 14,704	\$ 25,012	\$ 34,205	\$ 1,905	\$ 39,269	\$ 35,921

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013
(Dollars in Thousands)

	St. Vincent Jennings Hospital Inc	St. Vincent Salem Hospital Inc	St. Vincent Dunn Hospital Inc	St. Vincent Medical Group Inc	Quality Healthcare Solutions LLC (Navion)	St. Vincent Seton Specialty Hospital Inc	St. Mary's Health Inc (Evansville)
Unrestricted net assets- controlling interest							
Excess (deficit) of revenues and gains over expenses and losses	\$ 1,332	\$ 1,535	\$ 1,584	\$ (114,793)	\$ 5,143	\$ 13,508	\$ 73,421
Pension and other postretirement liability adjustments	39	46	(265)	-	-	-	213
Transfers (to) from sponsor and other affiliates- net	(4)	-	(4)	158,197	-	1	(12,134)
Net assets released from restrictions for property acquisitions	43	-	29	-	-	8	10
Other	-	-	-	(136)	-	-	-
Increase (decrease) in unrestricted net assets- controlling interest	1,410	1,581	1,344	43,268	5,143	13,517	63,434
Unrestricted net assets- noncontrolling interest							
Excess of revenues and gains over expenses and losses	-	-	-	-	-	-	5,006
Distributions of capital	-	-	-	-	-	-	(4,888)
Other	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets- noncontrolling interest	-	-	-	-	-	-	118
Temporarily restricted net assets- controlling interest							
Contributions and grants	243	33	2	-	-	18	1,181
Net change in unrealized gains/losses on investments	-	-	-	-	-	-	20
Investment return	-	-	-	-	-	-	19
Net assets released from restrictions	(270)	(39)	(31)	(136)	-	(12)	(659)
Other	-	-	-	136	-	-	(177)
Increase (decrease) in temporarily restricted net assets- controlling int	(27)	(6)	(29)	-	-	6	384
Permanently restricted net assets- controlling interest							
Contributions	-	-	-	-	-	-	110
Net change in unrealized gains/losses on investments	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets- controlling int	-	-	-	-	-	-	110
Increase (decrease) in net assets	1,383	1,575	1,315	43,268	5,143	13,523	64,046
Net assets- beginning of year	2,876	7,952	(2,073)	(24,224)	28,968	78,923	447,981
Net assets- end of year	\$ 4,259	\$ 9,527	\$ (758)	\$ 19,044	\$ 34,111	\$ 92,446	\$ 512,027

St. Vincent Health, Inc.

Schedule of Net Cost of Providing Care of Persons
Living in Poverty and Community Benefit Programs
(Dollars in Thousands)

The net cost excluding the provision for bad debt expense of providing care of persons living in poverty and community benefit programs is as follows

	Year Ended June 30	
	2013	2012
	As Adjusted	
Traditional charity care provided	\$ 86,052	\$ 83,107
Unpaid cost of public programs for persons living in poverty	145,098	113,462
Other programs for persons living in poverty and other vulnerable persons	5,834	6,373
Community benefit programs	39,949	36,783
Care of persons living in poverty and community benefit programs	<u>\$ 276,933</u>	<u>\$ 239,725</u>

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