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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

HEALTH CARE SERVICES - SEE SCHEDULE H FOR MORE INFORMATION

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 \$ 601,375,625 including grants of \$ 968,070 ) (Revenue \$ 609,382,307 )

MERCY HEALTH SERVICES-IOWA, CORP OPERATED FOUR HOSPITAL DIVISIONS IN THE STATE OF IOWA THAT PROVIDED 148,087 PATIENT DAYS OF HEALTHCARE SERVICES TO THEIR COMMUNITIES THE MISSION STATEMENT OF MERCY HEALTH SERVICES-IOWA CORP IS AS FOLLOWS WE, CHE TRINITY HEALTH, SERVE TOGETHER IN THE SPIRIT OF THE GOSPEL AS A COMPASSIONATE AND TRANSFORMING HEALING PRESENCE WITHIN OUR COMMUNITIES

4b

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

4c

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

4d




















Other program services (Describe in Schedule O )

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

4e

Total program service expenses ▶ 601,375,625

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 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b Yes	
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	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	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	Yes	
36	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.	994	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	52	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	5,796	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	<b>Section 501(c)(12) organizations.</b> Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
13a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	5	
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	3	
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	Yes
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	Yes
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	No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	IA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	BETH GDOWIK 20555 VICTOR PARKWAY LIVONIA, MI (734) 343-1000

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

**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

[illegible]



## Part VII

(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			
<b>1b</b> Sub-Total . . . . .										
<b>c</b> Total from continuation sheets to Part VII, Section A . . . . .										
<b>d</b> Total (add lines 1b and 1c) . . . . .								3,656,417	24,748,382	3,355,727

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **260**

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

## **Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
UNITED CLINICAL LABORATORIES 205 BLUFF STREET DUBUQUE IA 52001	LABORATORY SERVICES	5,953,793
MASON CITY CLINIC PC 250 S CRESCENT DRIVE MASON CITY IA 50401	MEDICAL SERVICES	5,412,617
HENKEL CONSTRUCTION COMPANY 208 E STATE STREET MASON CITY IA 50402	CONSTRUCTION SERVICES	4,896,994
CONLON CONSTRUCTION PO BOX 3400 DUBUQUE IA 52004	CONSTRUCTION SERVICES	3,680,335
MEDICAL ASSOCIATES CLINIC PC 1500 ASSOCIATES DRIVE DUBUQUE IA 52002	MEDICAL SERVICES	2,039,522

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►101

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . . .	1a				
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c				
	d	Related organizations . . . . .	1d	702,733			
	e	Government grants (contributions)	1e	188,031			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	489,712			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		1,380,476			
Program Service Revenue	2a	NET PATIENT SVC REV	Business Code 900099	570,125,690	570,125,690		
	b	PHARMACY REVENUE	446110	37,771,323		20,701,984	17,069,339
	c	LABORATORY REVENUE	621500	2,658,304		2,658,304	
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .		610,555,317			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		8,133,802		
4		Income from investment of tax-exempt bond proceeds . . . . .					
5		Royalties . . . . .					
6a		(i) Real					
		(ii) Personal					
		Gross rents					
		Less rental expenses					
b		1,278,769					
c		Rental income or (loss)					
d		341,173					
d		Net rental income or (loss) . . . . .		341,173			341,173
7a		(i) Securities					
		(ii) Other					
		Gross amount from sales of assets other than inventory					
		Less cost or other basis and sales expenses					
b		0					
c		Gain or (loss)					
d		4,479,120					
d		Net gain or (loss) . . . . .		4,519,372			4,519,372
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .					
a							
b		Less direct expenses . . . . .					
b							
c	Net income or (loss) from fundraising events . . . . .						
9a	Gross income from gaming activities See Part IV, line 19 . . . . .						
a							
b	Less direct expenses . . . . .						
b							
c	Net income or (loss) from gaming activities . . . . .						
10a	Gross sales of inventory, less returns and allowances . . . . .						
a							
a							
b	Less cost of goods sold . . . . .						
b							
c	Net income or (loss) from sales of inventory . . . . .						
Miscellaneous Revenue		Business Code					
11a	MEDICARE/MEDICAID HIT	900099	4,782,872	4,782,872			
b	CAFETERIA REVENUE	900099	3,119,124			3,119,124	
c	PARKING & TELEPHONE	900099	87,987			87,987	
d	All other revenue . . . . .		36,024,379	34,473,745	1,550,634		
e	Total. Add lines 11a-11d . . . . .		44,014,362				
12	Total revenue. See Instructions . . . . .		668,944,502	609,382,307	24,910,922	33,270,797	

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.	802,529	802,529		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	165,541	165,541		
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.	5,667,841		5,667,841	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	402,107	216,679	185,428	
7	Other salaries and wages.	232,768,506	208,521,551	24,246,955	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	18,895,527	17,011,380	1,884,147	
9	Other employee benefits.	23,031,091	20,425,205	2,605,886	
10	Payroll taxes.	16,249,255	14,247,347	2,001,908	
11	Fees for services (non-employees):				
a	Management.	1,205,346		1,205,346	
b	Legal.	428,885		428,885	
c	Accounting.	19,525		19,525	
d	Lobbying.	14,100		14,100	
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).	44,857,556	39,331,105	5,526,451	
12	Advertising and promotion.	1,947,880	1,707,901	239,979	
13	Office expenses.	9,411,258	8,251,791	1,159,467	
14	Information technology.	31,994,439	28,052,724	3,941,715	
15	Royalties.				
16	Occupancy.	11,705,883	11,120,589	585,294	
17	Travel.	1,296,961	1,137,175	159,786	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	188,494	165,272	23,222	
20	Interest.	7,853,181	7,853,181		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	34,265,778	32,552,489	1,713,289	
23	Insurance.	3,781,965	3,592,867	189,098	
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	MEDICAL SUPPLIES	121,878,915	115,784,969	6,093,946	
b	BAD DEBT	38,608,242	38,608,242		
c	INTERCO PURCHASED SVCS	23,499,345	20,604,226	2,895,119	
d	CONTRACT LABOR	16,579,419	14,536,835	2,042,584	
e	All other expenses	19,030,597	16,686,027	2,344,570	
25	Total functional expenses. Add lines 1 through 24e.	666,550,166	601,375,625	65,174,541	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .		8,054,907	1	4,882,422
	2	Savings and temporary cash investments . . . . .		184,914	2	471,815
	3	Pledges and grants receivable, net . . . . .			3	
	4	Accounts receivable, net . . . . .		76,134,208	4	76,775,470
	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 . . . . .		2,728,047	7	2,273,794
	8	Inventories for sale or use . . . . .		16,040,653	8	16,170,896
	9	Prepaid expenses and deferred charges . . . . .		2,388,595	9	1,870,097
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	574,514,903		
	b	Less accumulated depreciation . . . . .	10b	386,784,580	185,276,052	10c 187,730,323
	11	Investments—publicly traded securities . . . . .		118,256,549	11	152,630,539
	12	Investments—other securities See Part IV, line 11 . . . . .		173,929,347	12	135,207,705
	13	Investments—program-related See Part IV, line 11 . . . . .			13	
	14	Intangible assets . . . . .			14	1,259,569
	15	Other assets See Part IV, line 11 . . . . .		213,480,809	15	82,394,601
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .		796,474,081	16	661,667,231
Liabilities	17	Accounts payable and accrued expenses . . . . .		64,741,719	17	63,011,419
	18	Grants payable . . . . .			18	
	19	Deferred revenue . . . . .		883,079	19	449,476
	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	1,870,840
	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 . . . . .		234,104,587	25	224,766,058
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .		299,729,385	26	290,097,793
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets . . . . .		496,540,675	27	371,093,894
	28	Temporarily restricted net assets . . . . .		179,021	28	450,544
	29	Permanently restricted net assets . . . . .		25,000	29	25,000
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>					
	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	<b>Total net assets or fund balances</b> . . . . .		496,744,696	33	371,569,438
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .		796,474,081	34	661,667,231

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	668,944,502
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	666,550,166
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	2,394,336
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	496,744,696
5	Net unrealized gains (losses) on investments . . . . .	5	6,206,141
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	-133,775,735
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	371,569,438

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	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	

Additional Data

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOSEPH SWEDISH TRINITY PRES & CEO THROUGH 3/13	1 00 54 00	X		X				0	3,233,500	601,476
LARRY WARREN INTERIM PRES & CEO 3/13 & 4/13	5 00 50 00	X		X				0	25,000	0
JUDITH PERSICHILLI TRIN INTERIM PRES & CEO AS OF 5/13	1 00 54 00	X		X				0	3,890,553	17,510
MARY MOLLISON CSA CHAIR THROUGH 4/13	2 00 14 00	X		X				0	0	0
MELANIE DREHER PHD RN V CHR THROUGH 4/13, CHAIR AS OF 5/13	2 00 14 00	X		X				0	25,000	0
BARBARA WHEELEY RSM VICE CHAIR AS OF 5/13	1 00 7 00	X		X				0	0	0
SUZANNE BRENNAN CSC TRUSTEE	1 00 7 00	X						0	0	0
JOSE SANTILLAN TRUSTEE THROUGH 2/13	1 00 7 00	X						0	22,750	0
STANLEY URBAN TRUSTEE AS OF 5/13	1 00 7 00	X						0	0	0
PAUL NEUMANN SECRETARY, EVP & GENERAL COUNSEL	2 00 48 00			X				0	812,881	106,329
AGNES HAGERTY ASST SEC/VP DEPUTY GEN CSL TRINITY	2 00 48 00			X				0	368,657	54,774
JENNIFER BARNETT TREAS AS OF 5/13, TRIN EVP & INT CFO	1 00 49 00			X				0	927,285	22,601
BENJAMIN CARTER TREAS 4/13, ASST TREAS AS OF 5/13	5 00 45 00			X				0	799,303	112,810
JAMES BOSSCHER ASST TREAS THR 4/13, TRIN SVP TREAS	1 00 49 00			X				0	586,570	91,437
KEDRICK ADKINS TRINITY PRES INTEG SYS THR 6/13	1 00 54 00				X			0	1,821,619	126,167
RICHARD O'CONNELL EVP & PRES TRINITY HEALTH DIV	1 00 54 00				X			0	1,036,410	130,423
ROBERT PEEBLES CEO-SIOUX CITY (SC)	48 00 2 00				X			0	550,713	79,203
RUSSELL KNIGHT CEO-DUBUQUE (DUB)	50 00 0 00				X			0	447,380	75,791
RODNEY SCHLADER REGIONAL CFO,INTER MC CEO THR 8/12	50 00 0 00				X			0	340,025	57,904
STEVEN EAVENSON CFO-SIOUX CITY (SC) THROUGH 12/12	48 00 2 00				X			0	349,713	36,413
PAUL MANTERNACH SVP, PHYS INTEG MASON CITY (MC)	50 00 0 00				X			0	404,478	39,459
TERESA MOCK SVP MERCY CLINICS (MC)	50 00 0 00				X			100,879	332,109	54,545
DIANE FISCHELS VP OPERATIONS (MC)	50 00 0 00				X			0	325,903	62,292
MARILYN KAPTAIN-DAHLEN COO (SC) THROUGH 5/13	49 00 1 00				X			0	286,728	62,262
MICHAEL JOHNSTON VP, NTWK DEVELOPMENT (MC) THR 4/13	50 00 0 00				X			0	248,009	36,189

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LINDA KREI VP, HR & ORG INTG (SC)	50 00 0 00				X			0	228,046	35,822
GARY GUETZKO VP BUSINESS DEVELOPMENT (DUB)	50 00 0 00				X			0	221,358	59,900
KIMBERLY CHAMBERLIN CNO (MC)	50 00 0 00				X			0	208,386	21,653
KAY TAKES VP, PATIENT CARE (DUB)	50 00 0 00				X			0	199,757	45,858
ROBERT SHAFER CFO-DUBUQUE (DUB)	50 00 0 00				X			0	191,795	87,821
BRIAN MONSMA VP, REGIONALIZATION (SC)	48 00 2 00				X			0	183,261	36,490
TRACY LARSON CNO (SC)	50 00 0 00				X			0	166,343	29,690
JAMES BAER PHYSICIAN, RADIATION ONCOLOGY (MC)	50 00 0 00					X		759,193	0	90,279
ALIREZA YARAHMADI PHYSICIAN, NEUROLOGY (MC)	50 00 0 00					X		742,176	0	56,249
JAMES KARKOS PHYSICIAN, DERMATOLOGY (MC)	50 00 0 00					X		677,091	0	76,939
CARL PLANK PHYSICIAN, DERMATOLOGY (MC)	50 00 0 00					X		638,525	0	102,095
JOSEPH BEHR PHYSICIAN, FAMILY MEDICINE (MC)	50 00 0 00					X		605,536	0	62,843
DANIEL HALE FORMER OFFICER	0 00 50 00						X	0	856,049	63,490
MARIANNE CUNNINGHAM FORMER OFFICER	0 00 45 00						X	0	165,279	32,527
PAUL BROWNE FORMER KEY EMPLOYEE	0 00 0 00						X	0	480,030	41,852
DEBRA CANALES FORMER KEY EMPLOYEE	0 00 50 00						X	0	852,044	102,033
PAUL CONLON FORMER KEY EMPLOYEE	0 00 50 00						X	0	488,655	114,364
LOUIS FIERENS FORMER KEY EMPLOYEE	0 00 50 00						X	0	518,640	68,929
PRESTON GEE FORMER KEY EMPLOYEE	0 00 50 00						X	0	468,475	79,749
MICHAEL HOLPER FORMER KEY EMPLOYEE	0 00 50 00						X	0	450,005	94,299
TERRENCE O'ROURKE FORMER KEY EMPLOYEE	0 00 50 00						X	0	964,005	56,964
MARIA SZYMANSKI FORMER KEY EMPLOYEE	0 00 50 00						X	0	624,384	76,589
KIM PRICE FORMER KEY EMPLOYEE	0 00 0 00						X	133,017	0	48,721
MICHAEL MURPHY FORMER KEY EMPLOYEE	0 00 0 00						X	0	180,882	16,630
JAMES FITZPATRICK FORMER KEY EMPLOYEE	0 00 0 00						X	0	145,151	25,827

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LARRY SELLERS FORMER KEY EMPLOYEE	  0 00						X	0	213,719	43,051
BERNARD FOX FORMER KEY EMPLOYEE	  0 00  0 00						X	0	107,532	17,478



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  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization that normally receives (1) more than 33<sup>1</sup>/<sub>3</sub>% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions						▶

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15		
16 Public support percentage from 2011 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶			

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

Facts And Circumstances Test

Explanation

SCHEDULE 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 MERCY HEALTH SERVICES - IOWA CORP	Employer identification number  31-1373080
---	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)	
		Yes	No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
a	Volunteers?	Yes			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes			
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?	Yes			138,000
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes			22,000
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
i	Other activities?		No		
j	Total Add lines 1c through 1i			160,000	
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 ACTIVITY INCLUDED ENCOURAGING ASSOCIATES TO WRITE LETTERS TO PUBLIC OFFICIALS AND THE USE OF PAID STAFF MEMBERS AND MANAGEMENT PERSONNEL. MANAGEMENT PERSONNEL REGULARLY ISSUE MAILINGS TO LEGISLATORS ATTEMPTING TO INFLUENCE LEGISLATIVE MATTERS AND REFERENDUM, AND ORGANIZE AND HOST MEETINGS AMONG HOSPITAL EXECUTIVES AND THEIR LEGISLATORS. PAID STAFF MEMBERS HAVE ON LIMITED OCCASIONS WRITTEN LETTERS TO LEGISLATORS. MERCY HEALTH SERVICES - IOWA, CORP (MHS-IA) HAS MADE GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES IN THE FORM OF MEMBERSHIP DUES PAID TO REGIONAL AND NATIONAL HEALTH CARE ORGANIZATIONS. THESE ORGANIZATIONS HAVE PROVIDED MHS-IA WITH AN ESTIMATED PERCENTAGE OF DUES PAYMENTS THAT ARE USED FOR LOBBYING ACTIVITIES. SIMILARLY, THESE HEALTH CARE ORGANIZATIONS WILL ARRANGE CONFERENCES AND SEMINARS FOR MEMBER ORGANIZATIONS AND THEIR EXECUTIVES THAT WILL INVOLVE LEGISLATORS OR OTHER POLITICAL FIGURES AS GUEST SPEAKERS. FEDERAL AND STATE ADVOCACY PRIORITIES FOR FY13 INCLUDED - ENSURING MAXIMUM COVERAGE AND ACCESS, INCLUDING SUPPORTING EXCHANGE IMPLEMENTATION AND MEDICAID EXPANSION - DRIVING QUALITY AND EFFICIENCY ACROSS THE CONTINUUM OF CARE WITH VALUE-BASED, SUSTAINABLE PAYMENT MODELS. LOBBYING ACTIVITY PERFORMED BY MERCY HEALTH SERVICES-IOWA, CORP. INCLUDED - AN "ADVOCACY ACTION" WEBSITE TO ENGAGE ASSOCIATES IN FEDERAL ADVOCACY - DESIGNATE AN ADVOCACY LIAISON - ENGAGEMENT OF A LOBBYIST IN WASHINGTON, D C BY TRINITY HEALTH CORPORATION - LEGISLATOR VISITS - COLLABORATION WITH THE CATHOLIC HOSPITAL ASSOCIATION, AND THE AMERICAN HOSPITAL ASSOCIATION - COLLABORATION WITH THE IOWA HOSPITAL ASSOCIATION - ADVOCACY ACTION DAY AT THE FEDERAL LEVEL ATTENDED BY EXECUTIVES REPRESENTING MEMBER HOSPITALS.

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization MERCY HEALTH SERVICES - IOWA CORP	Employer identification number  31-1373080
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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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

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

▶\$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012



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 . . . . .	25,000	25,000	25,000	25,000	25,000
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 . . . . .	25,000	25,000	25,000	25,000	25,000

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 100.000 %

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations . . . . .

(ii) related organizations . . . . .

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

b

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

4

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		10,445,234		10,445,234
b Buildings . . . . .		333,468,218	218,876,602	114,591,616
c Leasehold improvements . . . . .				
d Equipment . . . . .		217,123,519	167,559,025	49,564,494
e Other . . . . .		13,477,932	348,953	13,128,979
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				187,730,323



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

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

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

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

**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
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUNDS OF MERCY HEALTH SERVICES - IOWA, CORP. INCLUDE \$25,000 KNOWN AS THE VIANNA HOLSCHLAG SCHOLARSHIP FUND. INTEREST INCOME FROM THE FUND IS MADE AVAILABLE FOR NURSING SCHOLARSHIPS.

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**  
MERCY HEALTH SERVICES - IOWA CORP

**Employer identification number**  
31-1373080

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . . .	5	16,136	12,581,872	0	12,581,872	2 000 %
b Medicaid (from Worksheet 3, column a) . . . . .	64	50,843	43,483,605	39,815,109	3,668,496	0 580 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .	3	2,893	0	0		
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .	72	69,872	56,065,477	39,815,109	16,250,368	2 580 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .	68	134,046	3,155,819	53,488	3,102,331	0 490 %
f Health professions education (from Worksheet 5) . . . . .	16	18,714	8,689,755	3,459,754	5,230,001	0 830 %
g Subsidized health services (from Worksheet 6) . . . . .	26	65,504	18,072,039	9,595,177	8,476,862	1 350 %
h Research (from Worksheet 7) . . . . .	3	1,563	229,596	0	229,596	0 040 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .	21	56,762	985,023	73,138	911,885	0 150 %
j <b>Total.</b> Other Benefits . . . . .	134	276,589	31,132,232	13,181,557	17,950,675	2 860 %
k <b>Total.</b> Add lines 7d and 7j . . . . .	206	346,461	87,197,709	52,996,666	34,201,043	5 440 %

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	2	180	12,423		12,423	0 %
3Community support	5	1,028	26,004		26,004	0 %
4Environmental improvements	4	240	15,950		15,950	0 %
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy	2	1,075	51,066		51,066	0 010 %
8Workforce development	3	582	100,162		100,162	0 020 %
9Other						
10Total	16	3,105	205,605		205,605	0 030 %

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

12,929,808

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

5,605,072

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

207,684,331

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

6

219,264,681

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

7

-11,580,350

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 %
11 TRI-STATE SURGERY CENTER LLC FKA DUBUQUE REGIONAL AMBULATORY SURGICAL C	AMBULATORY SURGICAL SERVICES	50 000 %		50 000 %
22 MEDICAL ASSOCIATESMERCY FAMILY CARE NETWORK LLC	PRIMARY CARE PHYSICIAN SERVICES	50 000 %		50 000 %
33 TRI-STATE OCCUPATIONAL HEALTH LLC	OCCUPATIONAL HEALTH SERVICES	50 000 %		50 000 %
44 FOREST PARK IMAGING LLC	IMAGING SERVICES	52 890 %		47 110 %
55 MAGNETIC RESONANCE SERVICES PARTNERSHIP	MRI SERVICES	49 000 %		51 000 %
66 MASON CITY AMBULATORY SURGERY CENTER LLC	AMBULATORY SURGICAL SERVICES	51 000 %		49 000 %
77 MERCY HEART CENTER OUTPATIENT SERVICES LLC	OUTPATIENT ECHOCARDIOGRAPHY AND NUCLEAR MEDICINE SERVICES	51 000 %		49 000 %
88 SURGICAL CENTER BUILDING ASSOCIATES LLC	OWNS AND LEASES SURGICAL CENTER BUILDING	35 000 %		65 000 %
99 SIOUXLAND SURGERY CENTER	AMBULATORY SURGICAL SERVICES	30 940 %		69 060 %
1010 MERCY WEIGHT LOSS CENTER LLC	PRE-OP AND POST-OP COUNSELING SERVICES TO BARIATRIC PATIENTS	25 000 %		75 000 %
1111 HEALTH MANAGEMENT SERVICES LLC	AMBULATORY SURGICAL SVCS, OCCUPATIONAL HLTH SVCS AND PRIMARY CARE PHYS SVCS	50 000 %		50 000 %
1212 NORTH IOWA COMMUNITY HEALTHCARE LLC	HEALTHCARE PROVIDERS AND MANAGEMENT SERVICES	19 250 %		38 500 %
1313 PREFERRED HEALTH CHOICES LLC	MANAGEMENT SERVICES	50 000 %		50 000 %

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?  
6

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	MERCY MEDICAL CENTER-NORTH IOWA 1000 FOURTH STREET SW MASON CITY,IA 50401 WWW.MERCYNORTHIOWA.COM	X	X		X		X	X			
2	MERCY MEDICAL CENTER-SIOUX CITY 801 FIFTH STREET SIOUX CITY,IA 51102 WWW.MERCYSIOUXCITY.COM	X	X					X		EMPLOYED PHYSICIANS, SKILLED CARE UNIT	
3	MERCY MEDICAL CENTER - DUBUQUE 250 MERCY DRIVE DUBUQUE,IA 52001 WWW.MERCYDUBUQUE.COM	X	X					X		REHAB,LAB,PHARM, X-RAY,HOME CARE	
4	SIOUXLAND SURGERY CENTER 600 SIOUX POINT ROAD DAKOTA DUNES,SD 57049 WWW.SIOUXLANDSURG.COM	X	X								
5	MERCY MEDICAL CENTER-NEW HAMPTON 308 NORTH MAPLE AVE NEW HAMPTON,IA 50659 WWW.MERCYNEWHAMPTON.COM	X				X		X		EMPLOYED PHYSICIANS	
6	MERCY MEDICAL CENTER - DYERSVILLE 1111 THIRD STREET SW DYERSVILLE,IA 52040 WWW.MERCYDUBUQUE.COM/MERCY-DYERSVILLE	X	X			X		X		REHAB,LAB,PHARM, X-RAY,HOME CARE	

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)

MERCY MEDICAL CENTER-NORTH IOWA

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	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>10</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	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	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
<b>9</b> 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?		<b>9</b>	Yes
<b>10</b> 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>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> 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		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input checked="" type="checkbox"/> State regulation			
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> 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)		<b>14</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b>	Yes
<b>16</b> 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			



Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information (continued)

Section 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)

MERCY MEDICAL CENTER-SIOUX CITY

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)

2

		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	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <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	Yes
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	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input checked="" type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	Yes
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
<b>9</b> 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?		<b>9</b> Yes	
<b>10</b> 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>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b> Yes	
<b>11</b> 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>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b> Yes	
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input checked="" type="checkbox"/> State regulation			
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b> Yes	
<b>14</b> 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)		<b>14</b> Yes	
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b> Yes	
<b>16</b> 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> 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? . . . . .		<b>17</b>	No
If "Yes," check all actions in which the hospital facility or a third party engaged			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information (continued)

Section 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)

MERCY MEDICAL CENTER-DUBUQUE

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)

3

		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	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>11</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	Yes
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	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	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
<b>9</b> 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?		<b>9</b>	Yes
<b>10</b> 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>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> 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		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input checked="" type="checkbox"/> State regulation			
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> 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)		<b>14</b>	Yes
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b>	Yes
<b>16</b> 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> 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? . . . . .		<b>17</b>	No
If "Yes," check all actions in which the hospital facility or a third party engaged			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information (continued)

Section 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)

SIOUXLAND SURGERY CENTER

Name of hospital facility or facility reporting group

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

4

		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) <b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility <b>b</b> <input checked="" type="checkbox"/> Demographics of the community <b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community <b>d</b> <input checked="" type="checkbox"/> How data was obtained <b>e</b> <input checked="" type="checkbox"/> The health needs of the community <b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups <b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs <b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests <b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs <b>j</b> <input type="checkbox"/> Other (describe in Part VI)	1	Yes	
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	Yes	
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) <b>a</b> <input type="checkbox"/> Hospital facility's website <b>b</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility <b>c</b> <input checked="" type="checkbox"/> Other (describe in Part VI)	5	Yes	
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date) <b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA <b>b</b> <input type="checkbox"/> Execution of the implementation strategy <b>c</b> <input type="checkbox"/> Participation in the development of a community-wide plan <b>d</b> <input type="checkbox"/> Participation in the execution of a community-wide plan <b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans <b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA <b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community <b>h</b> <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community <b>i</b> <input type="checkbox"/> Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7		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
<b>9</b> 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?		<b>9</b>	Yes
<b>10</b> 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>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> 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>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> 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)		<b>14</b>	Yes
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b>	No
<b>16</b> 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☐

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

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)

MERCY MEDICAL CENTER-NEW HAMPTON

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)

5

		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) <b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility <b>b</b> <input checked="" type="checkbox"/> Demographics of the community <b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community <b>d</b> <input checked="" type="checkbox"/> How data was obtained <b>e</b> <input checked="" type="checkbox"/> The health needs of the community <b>f</b> <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups <b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs <b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests <b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs <b>j</b> <input type="checkbox"/> 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 . . . . . 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 . . . . . 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) <b>a</b> <input checked="" type="checkbox"/> Hospital facility's website <b>b</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility <b>c</b> <input type="checkbox"/> Other (describe in Part VI) 6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date) <b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA <b>b</b> <input type="checkbox"/> Execution of the implementation strategy <b>c</b> <input checked="" type="checkbox"/> Participation in the development of a community-wide plan <b>d</b> <input type="checkbox"/> Participation in the execution of a community-wide plan <b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans <b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA <b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community <b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community <b>i</b> <input type="checkbox"/> Other (describe in Part VI) 7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . . 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)? . . . . . <b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . . <b>c</b> 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? \$_____	1	Yes	
	3	Yes	
	4		No
	5	Yes	
	7		No
	8a		No
	8b		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> 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?		<b>9</b>	Yes
<b>10</b> 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>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> 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		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input checked="" type="checkbox"/> State regulation			
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> 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)		<b>14</b>	Yes
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b>	Yes
<b>16</b> 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information (continued)

Section 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)

MERCY MEDICAL CENTER-DYERSVILLE

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)

6

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	1	No
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	3	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	
5 Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a <input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input type="checkbox"/> Prioritization of health needs in its community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a	
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> 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?		<b>9</b>	Yes
<b>10</b> 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>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> 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		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input checked="" type="checkbox"/> State regulation			
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> 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)		<b>14</b>	Yes
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b>	Yes
<b>16</b> 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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



Part V

Facility Information (continued)

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?

15

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

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C IN ADDITION TO LOOKING AT A MULTIPLE OF THE FEDERAL POVERTY GUIDELINES, OTHER FACTORS ARE CONSIDERED SUCH AS THE PATIENT'S FINANCIAL STATUS AND/OR ABILITY TO PAY AS DETERMINED THROUGH THE ASSESSMENT PROCESS
		PART I, LINE 6A MERCY HEALTH SERVICES-IOWA REPORTS ITS COMMUNITY BENEFIT INFORMATION AS PART OF THE CONSOLIDATED COMMUNITY BENEFIT INFORMATION REPORTED BY TRINITY HEALTH IN ITS ANNUAL REPORT, AVAILABLE AT WWW.TRINITY-HEALTH.ORG IN ADDITION, THE HOSPITAL DIVISIONS OF MERCY HEALTH SERVICES-IOWA (MHS-IA) INCLUDE A COPY OF THEIR MOST RECENT SCHEDULE H ON THEIR RESPECTIVE WEBSITES. TRINITY HEALTH ALSO INCLUDES MHS-IA'S MOST RECENTLY FILED SCHEDULE H ON ITS WEBSITE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE COST AMOUNTS REPORTED IN ITEM 7 FOR CERTAIN CATEGORIES, PRIMARILY TOTAL CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS, SPECIFIC COST-TO-CHARGE RATIOS WERE CALCULATED AND APPLIED TO THOSE CATEGORIES THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES IN OTHER CATEGORIES, THE BEST AVAILABLE DATA WAS DERIVED FROM THE HOSPITALS' COST ACCOUNTING SYSTEMS
		PART I, L7 COL(F) THE FOLLOWING NUMBER, \$38,608,242, REPRESENTS THE AMOUNT OF BAD DEBT EXPENSE INCLUDED IN TOTAL FUNCTIONAL EXPENSES IN FORM 990, PART IX, LINE 25 PER IRS INSTRUCTIONS, THIS AMOUNT WAS EXCLUDED FROM THE DENOMINATOR WHEN CALCULATING THE PERCENT OF TOTAL EXPENSE FOR SCHEDULE H, PART I, LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		<p>PART II COMMUNITY BUILDING ACTIVITIES - MERCY MEDICAL CENTER - NORTH IOWA (MMC-NI) AND MERCY MEDICAL CENTER - NEW HAMPTON (MMC-NH) AS THE LARGEST EMPLOYER IN OUR 14-COUNTY AREA, MHS-IA, DOING BUSINESS AS MERCY MEDICAL CENTER - NORTH IOWA AND MERCY MEDICAL CENTER - NEW HAMPTON TAKES CIVIC RESPONSIBILITY VERY SERIOUSLY THERE ARE OTHER ENDEAVORS IN WHICH THESE HOSPITALS PARTICIPATE TO IMPACT THE UPSTREAM HEALTH OF THE COMMUNITY IN WAYS THAT ARE NOT CURRENTLY ELIGIBLE FOR COMMUNITY BENEFIT REPORTING, SUCH AS WORKFORCE DEVELOPMENT - NORTH IOWA IS NOT ALWAYS THE PREFERRED LOCATION OF CHOICE FOR MEDICAL PROFESSIONALS FOR THIS REASON, MERCY MEDICAL CENTER - NORTH IOWA ACTIVELY RECRUITS PHYSICIANS IN AN EFFORT TO PROMOTE ACCESSIBLE HEALTH CARE TO THE RESIDENTS OF THE COMMUNITIES WE SERVE THAT HAVE BEEN DESIGNATED AS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) AND/OR MEDICALLY UNDERSERVED AREA (MUA) THESE EFFORTS SUPPORT THE COMMUNITIES BY PROVIDING EXPERTISE AND HEALTHCARE SERVICES, AND AS A CLAUSE IN THEIR CONTRACT STATES, SPECIAL CARE FOR INDIGENT AND UNDERSERVED POPULATIONS OTHER COMMUNITY BUILDING ACTIVITIES INCLUDE ECONOMIC DEVELOPMENT TO STRENGTHEN THE ECONOMY OF OUR CATCHMENT COUNTIES, WHICH IN TURN ENCOURAGES EMPLOYMENT OPPORTUNITIES AND ENHANCES HEALTH AND WELL-BEING ON MULTIPLE FRONTS DEVELOPMENT EFFORTS INCLUDE FINANCIAL CONTRIBUTIONS AND VOLUNTEER CONTRIBUTIONS TO NORTH IOWA CORRIDOR ECONOMIC DEVELOPMENT CORP CHAMBER OF COMMERCE NEW HORIZONSTHE INDUSTRIAL DEVELOPMENT CORPORATION IN ADDITION TO SUPPORTING ECONOMIC DEVELOPMENT IN OUR REGION, THE HOSPITALS ENCOURAGE THEIR LEADERSHIP STAFF TO SUPPORT AND PROVIDE LEADERSHIP TO NON-PROFIT ORGANIZATIONS THROUGHOUT THE AREA MMC- NH HAS WORKED TO CREATE AWARENESS OF HEALTHCARE OPPORTUNITIES IN RURAL IOWA BY PARTICIPATING IN PARTNERS IN EDUCATION - TO EDUCATE ON HEALTH ISSUES, HUMAN DEVELOPMENT, AND HEALTHCARE CAREERS, INCLUDING INVITING LOCAL HIGH SCHOOL STUDENTS TO SHADOW A VARIETY OF HEALTH-RELATED OCCUPATIONS CHICKASAW COUNTY COALITION FOR PREVENTING UNDERAGE DRINKING - THIS PARTNERSHIP INCLUDES ACTIVE INVOLVEMENT FROM ALL OF OUR FAMILY MEDICINE PHYSICIANS AND THE MARKETING DEPARTMENT MMC-NH ALSO IDENTIFIED A NEED FOR MEMBERS OF THE COMMUNITY TO MORE SAFELY DISPOSE OF THEIR SHARPS AND CONTAINERS THE HOSPITAL NOW COLLABORATES WITH PHARMACIES IN NEW HAMPTON TO COLLECT THE CONTAINERS MERCY MEDICAL CENTER - SIOUX CITY THE CHANGING DEMOGRAPHICS OF THE SIOUXLAND AREA REQUIRE AN UNDERSTANDING OF AND COMMITMENT TO DIVERSITY AND INCLUSION MERCY MEDICAL CENTER-SIOUX CITY IS ENGAGED IN A COMPREHENSIVE PHYSICIAN RECRUITING EFFORT TO BRING NEEDED PHYSICIANS TO HEALTH PROFESSIONAL SHORTAGE AREAS PHYSICIANS ARE RECRUITED BASED ON COMMUNITY NEED/SHORTAGE WE ADVOCATE FOR AND SPEND RESOURCES TO BRING PHYSICIANS TO OUR COMMUNITY THE PHYSICIANS USUALLY HAVE PRIVILEGES AT BOTH LOCAL HOSPITALS AREAS OF CONCERN/NEED ARE RADIATION ONCOLOGY, PSYCHIATRY, INTERNAL MEDICINE, OBSTETRICS/GYNECOLOGY, ANESTHESIOLOGY, CARDIOLOGY, AND NEUROLOGY MERCY MEDICAL CENTER GIFTED/SOLD PROPERTY IN THE DOWNTOWN AREA TO A LOCAL FOUNDATION FOR USE AS A PUBLIC SPIRITUAL GARDEN/GREEN SPACE AFTER MUCH FUNDRAISING, GROUNDBREAKING BEGAN IN FISCAL YEAR 2013 THE LOCATION IS NEXT TO THE DOWNTOWN PRESBYTERIAN CHURCH THE DOWNTOWN PARTNERS AND THE LOCAL CHURCH BELIEVE THE PROPERTY WILL BENEFIT THE COMMUNITY MERCY HAS WORKED WITH THE FOUNDATION TO RAISE NEARLY \$500,000 TO BEGIN CONSTRUCTION MERCY MEDICAL CENTER-SIOUX CITY STAFF ARE ALSO INVOLVED IN THE NW IOWA AMERICAN HEART TASK FORCE, SIOUXLAND INFECTIOUS DISEASE COMMITTEE, TRI-STATE DISASTER COMMITTEE, IOWA DISASTER MEDICAL ASSISTANCE TEAM, EMERGENCY CONFERENCE COMMITTEE (MERCY COMMITTEE), MERCY EMERGENCY PLANNING COMMITTEE AND HEALTH RESOURCE SERVICE ADMINISTRATION (HRSA) MERCY IS WORKING WITH LOCAL CHURCHES AND AGENCIES TO ADDRESS SOCIAL FACTORS CONTRIBUTING TO LESS THAN OPTIMAL HEALTH THE FOCUS IS ON THE NEIGHBORHOODS WITH THE HIGHEST COMMUNITY NEEDS INDEX, AN INDEX THAT UTILIZES U S CENSUS DATA TO IDENTIFY NEEDS BASED ON A NUMBER OF DEMOGRAPHIC AND SOCIAL FACTORS INTERVENTIONS ARE TARGETED IN 55103, 51105, AND 68776 ZIP CODES WITH THE HIGHEST NEEDS INDEX A SELF-HELP KIOSK THAT DIRECTS PATIENTS TO LOCAL RESOURCES WILL BE RELOCATED FROM MERCY'S SOUTH SIOUX CITY, NEBRASKA CLINIC TO MARY TREGLIA HOUSE, AN IMMIGRATION/MINORITY ASSISTANCE AGENCY IN SIOUX CITY, IOWA MERCY IS WORKING WITH THE MIDTOWN COMMUNITY CENTER AND AMERICORPS WORKERS ON BENEFITS ENROLLMENT OF LOCAL RESIDENTS OFF SITE (AT A NON HEALTH CARE SITE) THE AMERICORPS WORKERS ARE FAMILIAR WITH PEOPLE IN THE AREA AND THE ENVIRONMENT IS LESS INTIMIDATING OR OVERWHELMING THAN THE HOSPITAL ENVIRONMENT IT IS BELIEVED THAT MANY PATIENTS IN THE LOCAL NEIGHBORHOOD QUALIFY FOR BENEFITS, BUT ARE NOT ENROLLING IN PROGRAMS THIS LEADS TO INABILITY TO PAY, AND LACK OF ACCESS TO PRIMARY AND PREVENTATIVE HEALTH CARE PLANS ARE BEING MADE FOR HEALTH EXCHANGE INFORMATION AND ENROLLMENT ASSISTANCE THE MEDICAL CENTER WORKS MOST CLOSELY WITH THE SIOUXLAND COMMUNITY HEALTH CENTER AND WINNEBAGO INDIAN HEALTH SERVICES RECENTLY THE INDIAN HEALTH SERVICES (IHS) CLINIC RECEIVED AMERICAN DIABETES ASSOCIATION CREDENTIALING MERCY SUPPORTED THE EFFORT WITH FUNDING AND IN KIND DONATIONS MERCY IS A PARTNER IN THE HEALTHY SIOUXLAND INITIATIVES (A COLLABORATIVE GROUP OF HEALTH PROVIDERS AND SOCIAL SERVICE ORGANIZATIONS) MERCY AND UNITY POINT-ST LUKE'S PRESENTED THE COMMUNITY HEALTH NEEDS ASSESSMENT AND COMMUNITY BENEFIT PLANS TO IHS AGAIN, MERCY PARTNERED WITH COMMUNITY ACTION OF SIOUXLAND AND MARY TREGLIA TO EDUCATE HEAD START AND OTHER FAMILIES ON HEALTH PROMOTION, ILLNESS PREVENTION, MEDICAL HOMES, AND EMERGENCY DEPARTMENT UTILIZATION MERCY IS WORKING WITH THE YMCA AND ST MICHAEL'S CATHOLIC CHURCH IN SOUTH SIOUX CITY TO ENCOURAGE EXERCISE AND OTHER HEALTHY BEHAVIORS MERCY IS ALSO WORKING WITH GIRLS, INC , SIOUX CITY BOYS CLUB, AND LOCAL SIOUX CITY SCHOOLS TO ENCOURAGE EXERCISE, NUTRITION, AND HEALTHY BEHAVIOR CHOICES FOR YOUTH IN THE PLANNING STAGES ARE HEALTH SCREENINGS AT THE CHURCH AND THE LOCAL MERCY CLINIC MERCY INCREASED COLLABORATION WITH GIRLS, INC , GIRL SCOUTS OF AMERICA, AND BOY SCOUTS OF AMERICA IN REGARDS TO EDUCATION AND NUTRITION MERCY SUPPORTED THE STEM INITIATIVES (SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH) THROUGH THE GIRLS INC AND THE BOY SCOUTS MERCY PARTNERED WITH THE SIOUXLAND MENTAL HEALTH CENTER TO BETTER ADDRESS THE NEEDS OF PATIENTS WITH MENTAL ILLNESS MERCY MEDICAL CENTER AND UNITY POINT-ST LUKE'S COLLABORATED TO FUND (\$30,000 EACH) A MENTAL HEALTH CARE COORDINATOR TO SERVE PATIENTS IN ADDRESSING BARRIERS TO SERVICE THIS EFFORT RESULTED IN INCREASED PATIENT OUTCOMES AND PATIENT SATISFACTION, INCREASED EASE OF COMMUNITY APPOINTMENT SCHEDULING, AND DECREASED EMERGENCY DEPARTMENT VISITS MERCY MEDICAL CENTER - DUBUQUE DURING ITS FISCAL YEAR ENDING JUNE 30, 2013, MERCY MEDICAL CENTER - DUBUQUE WAS ENGAGED IN TWO ACTIVITIES THAT WERE DOCUMENTED IN OUR COMMUNITY BENEFIT EXPENSES AS COMMUNITY BUILDING ACTIVITIES MERCY SUBSIDIZES THE WAGES OF SEVERAL DEVELOPMENTALLY DISABLED YOUNG ADULTS WHO WORK AT MERCY IN THE ENVIRONMENTAL SERVICES DEPARTMENT THIS PROGRAM IS IN PARTNERSHIP WITH GOODWILL INDUSTRIES THE PARTNERS IN EMPLOYMENT ALLIANCE PROGRAM CONTRIBUTES TO THE ECONOMIC DEVELOPMENT OF THE COMMUNITY, IN A SMALL BUT VERY MEANINGFUL WAY, BY PROVIDING AN OPPORTUNITY FOR SKILL BUILDING AND JOB READINESS TO PEOPLE WHO HAVE THE POTENTIAL TO BECOME PRODUCTIVE MEMBERS OF THE COMMUNITY MERCY SUBSIDIZES, FULLY OR PARTIALLY, THE FEES ASSOCIATED WITH ITS LIFELINE EMERGENCY RESPONSE SYSTEM FOR SENIORS AND HANDICAPPED INDIVIDUALS THE PROGRAM EXTENDS THE PERIOD OF TIME THAT AN INDIVIDUAL CAN CONTINUE LIVING AT HOME OR WITH MINIMUM DIRECT SUPERVISION, BY PROVIDING A RELIABLE MEANS OF EMERGENCY COMMUNICATION THIS IMPROVES THE COMMUNITY BY INCREASING THE NUMBER OF PEOPLE WHO ARE ABLE TO AGE IN THE LEAST RESTRICTIVE ENVIRONMENT</p>
		<p>PART III, LINE 4 MERCY HEALTH SERVICES - IOWA, CORP IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH THE FOLLOWING IS THE TEXT OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOOTNOTE FROM PAGE 17 OF THOSE STATEMENTS "THE CORPORATION RECOGNIZES A SIGNIFICANT AMOUNT OF PATIENT SERVICE REVENUE AT THE TIME THE SERVICES ARE RENDERED EVEN THOUGH THE CORPORATION DOES NOT ASSESS THE PATIENT'S ABILITY TO PAY AT THAT TIME AS A RESULT, THE PROVISION FOR BAD DEBTS IS PRESENTED AS A DEDUCTION FROM PATIENT SERVICE REVENUE (NET OF CONTRACTUAL PROVISIONS AND DISCOUNTS) FOR UNINSURED PATIENTS THAT DO NOT QUALIFY FOR CHARITY CARE, THE CORPORATION ESTABLISHES AN ALLOWANCE TO REDUCE THE CARRYING VALUE OF SUCH RECEIVABLES TO THEIR ESTIMATED NET REALIZABLE VALUE THIS ALLOWANCE IS ESTABLISHED BASED ON THE AGING OF ACCOUNTS RECEIVABLE AND THE HISTORICAL COLLECTION EXPERIENCE BY MINISTRY ORGANIZATION AND FOR EACH TYPE OF PAYOR A SIGNIFICANT PORTION OF THE CORPORATION'S PROVISION FOR DOUBTFUL ACCOUNTS RELATES TO SELF-PAY PATIENTS, AS WELL AS CO-PAYMENTS AND DEDUCTIBLES OWED TO THE CORPORATION BY PATIENTS WITH INSURANCE "PART III, LINE 2 METHODOLOGY USED FOR LINE 2- BAD DEBT EXPENSE REPORTED ON LINE 2 IS SHOWN AT COST AND WAS CALCULATED USING A COST TO CHARGE RATIO METHODOLOGY ANY DISCOUNTS PROVIDED OR PAYMENTS MADE TO A PARTICULAR PATIENT ACCOUNT ARE APPLIED TO THAT PATIENT ACCOUNT PRIOR TO ANY BAD DEBT WRITE-OFF AND ARE THUS NOT INCLUDED IN BAD DEBT EXPENSE AS A RESULT OF THE PAYMENT AND ADJUSTMENT ACTIVITY BEING POSTED TO BAD DEBT ADJUSTMENTS, WE ARE ABLE TO REPORT BAD DEBT EXPENSE NET OF THESE TRANSACTIONS PART III, LINE 3 MERCY HEALTH SERVICES - IOWA, CORP USES A PREDICTIVE MODEL THAT INCORPORATES THREE DISTINCT VARIABLES IN COMBINATION TO PREDICT WHETHER A PATIENT QUALIFIES FOR CHARITY (1) SOCIO-ECONOMIC SCORE, (2) ESTIMATED FEDERAL POVERTY LEVEL (FPL), AND (3) HOMEOWNERSHIP BASED ON THE MODEL, CHARITY CARE CAN STILL BE EXTENDED TO PATIENTS EVEN IF THEY HAVE NOT RESPONDED TO FINANCIAL COUNSELING EFFORTS AND ALL OTHER FUNDING SOURCES HAVE BEEN EXHAUSTED FY13 WAS THE FIRST YEAR MERCY HEALTH SERVICES - IOWA, CORP UTILIZED THE PREDICTIVE MODEL WITH RESULTS USED FOR ANALYSIS ONLY STARTING IN FY14, MERCY HEALTH SERVICES - IOWA, CORP IS RECORDING AMOUNTS AS CHARITY CARE (INSTEAD OF BAD DEBT EXPENSE) BASED ON THE RESULTS OF THE PREDICTIVE MODEL</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 8 MERCY HEALTH SERVICES - IOWA, CORP DOES NOT BELIEVE ANY MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT THIS IS SIMILAR TO CHA RECOMMENDATIONS, WHICH STATE THAT SERVING MEDICARE PATIENTS IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTHCARE ORGANIZATIONS AND THAT THE EXISTING COMMUNITY BENEFIT FRAMEWORK ALLOWS COMMUNITY BENEFIT PROGRAMS THAT SERVE THE MEDICARE POPULATION TO BE COUNTED IN OTHER COMMUNITY BENEFIT CATEGORIES PART III, LINE 8 COSTING METHODOLOGY FOR LINE 6 - MEDICARE COSTS WERE OBTAINED FROM THE FILED MEDICARE COST REPORT THE COSTS ARE BASED ON MEDICARE ALLOWABLE COSTS AS REPORTED ON WORKSHEET B, COLUMN 27, WHICH EXCLUDE DIRECT MEDICAL EDUCATION COSTS INPATIENT MEDICARE COSTS ARE CALCULATED BASED ON A COMBINATION OF ALLOWABLE COST PER DAY TIMES MEDICARE DAYS FOR ROUTINE SERVICES AND COST TO CHARGE RATIO TIMES MEDICARE CHARGES FOR ANCILLARY SERVICES OUTPATIENT MEDICARE COSTS ARE CALCULATED BASED ON COST TO CHARGE RATIO TIMES MEDICARE CHARGES BY ANCILLARY DEPARTMENT</p>
		<p>PART III, LINE 9B MERCY HEALTH SERVICES - IOWA, CORP'S COLLECTION POLICY CONTAINS PROVISIONS ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE CHARITY DISCOUNTS ARE APPLIED TO THE AMOUNTS THAT QUALIFY FOR FINANCIAL ASSISTANCE COLLECTION PRACTICES FOR THE REMAINING BALANCES ARE CLEARLY OUTLINED IN EACH ORGANIZATION'S COLLECTION POLICY THE HOSPITALS HAVE IMPLEMENTED BILLING AND COLLECTION PRACTICES FOR PATIENT PAYMENT OBLIGATIONS THAT ARE FAIR, CONSISTENT AND COMPLIANT WITH STATE AND FEDERAL REGULATIONS</p>

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NORTH IOWA		PART V, SECTION B, LINE 3 TRAINED FACILITATORS LED THESE FOCUS GROUPS HISPANIC COMMUNITY GROUP, COMMUNITY KITCHEN GROUP, AND SENIOR CITIZENS GROUP A UNIVERSITY OF DES MOINES PUBLIC HEALTH CONSULTANT-LED SURVEY WAS USED, A QUESTIONNAIRE SURVEY WAS MAILED TO RANDOMLY SELECTED ADDRESSES THROUGHOUT OUR SERVICE AREA, AND WAS ALSO SENT TO THE HOSPITAL STAFF (BECAUSE THE HOSPITAL IS LARGEST EMPLOYER IN THE AREA, AND MANY DRIVE FROM OUTLYING COMMUNITIES) AN ABBREVIATED SURVEY WAS SENT TO CREDENTIALLED MEDICAL STAFF AND AREA MINISTERIAL GROUP THE CBM TASK FORCE INPUT REPRESENTS HOSPITAL STAFF WHO DIRECTLY TOUCH THE UNINSURED AND UNDERINSURED POPULATION (FINANCIAL AND MEDICATION ASSISTANCE, PHARMACISTS, CASE MANAGEMENT, HISPANIC CLINIC, ETC ) AS WELL AS REPRESENTATIVES OF COMMUNITY HUMAN SERVICE AGENCIES (PUBLIC HEALTH, COMMUNITY ACTION, SALVATION ARMY, ETC ), SCHOOL SYSTEMS, HOMELESS SHELTERS, MINISTERIAL, RETIRED MILITARY, AND RETIRED HOSPITAL ADMINISTRATION
MERCY MEDICAL CENTER-SIOUX CITY		PART V, SECTION B, LINE 3 MERCY MEDICAL CENTER-SIOUX CITY'S (SC) STAFF CONSULTED AGENCIES PROVIDING SOCIAL SERVICE DIRECTLY TO THE POOR AND THE MARGINALIZED MERCY MEDICAL CENTER- SC NETWORKED WITH LOCAL CHURCHES AND HOSTED COMMUNITY EVENTS ON SITE AT THE HOSPITAL AND IN THE COMMUNITY COMMUNITY MEMBERS WHO WOULD BE DIRECT RECIPIENTS OF THE SERVICES PARTICIPATED AT THESE EVENTS ALONG WITH PROVIDERS MERCY MEDICAL CENTER- SC MET WITH THE BOARD OF DIRECTORS, ADMINISTRATORS, AND KEY PHYSICIANS FROM THE SIOUXLAND SURGERY CENTER TO SOLICIT INPUT AND PARTICIPATION IN THE COMMUNITY BENEFIT PLANS FOR THE TRI-STATE AREA MERCY MEDICAL CENTER- SC PARTICIPATED IN THE CONVOY OF HOPE AND PROVIDED DIRECT EDUCATION AND RECEIVED DIRECT INPUT REGARDING NEEDS FROM 4,000 POOR AND/OR MARGINALIZED IN OUR COMMUNITY

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 3 THE PROCESS INVOLVED GATHERING COMMUNITY STAKEHOLDERS WHO HAVE A ROLE IN THE DELIVERY AND PARTNERSHIP OF PUBLIC HEALTH SERVICES A STEERING COMMITTEE WAS FORMED TO OVERSEE THE DUBUQUE COUNTY COMMUNITY HEALTH NEEDS ASSESSMENT -HEALTH IMPROVEMENT PLAN PROCESS THE STEERING COMMITTEE CONSISTED OF STAFF FROM THE COUNTY BOARD OF HEALTH, COUNTY HEALTH DEPARTMENT, DUBUQUE VISITING NURSE ASSOCIATION AND THE CITY OF DUBUQUE HEALTH SERVICES DEPARTMENT, AND MERCY MEDICAL CENTER AS DESCRIBED IN THE CHNA DOCUMENT, FOUR COMMUNITY FORUMS WERE HELD ON DIFFERENT DAYS OF THE WEEK, TIMES OF THE DAY, AND LOCATIONS AROUND THE COUNTY TO PROVIDE OPPORTUNITIES FOR COMMUNITY MEMBERS TO PROVIDE INPUT TO THE PLANNING PROCESS THE MEETINGS WERE WIDELY PUBLICIZED IN THE LOCAL NEWSPAPER, HOSPITAL NEWSLETTERS, AND THE NEWSLETTERS AND WEBSITES OF OTHER COMMUNITY ORGANIZATIONS
SIOUXLAND SURGERY CENTER		PART V, SECTION B, LINE 3 SIOUXLAND SURGERY CENTER COLLABORATED WITH MERCY MEDICAL CENTER - SIOUX CITY AND UNITY POINT-ST LUKE'S REGIONAL MEDICAL CENTER IN CONDUCTING THE CHNA PLEASE SEE EXPLANATION UNDER MERCY MEDICAL CENTER - SIOUX CITY FOR MORE INFORMATION

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NEW HAMPTON		PART V, SECTION B, LINE 3 THE ASSESSMENT PROCESS WAS INITIATED BY MMC-NH A PLANNING TEAM WAS FORMED CONSISTING OF REPRESENTATIVES FROM HOSPITAL GOVERNANCE, LEADERSHIP AND MEDICAL STAFF, AREA EMPLOYERS, SCHOOL DISTRICTS AND AREA HEALTH PROFESSIONALS FACILITATED BY AN OUTSIDE CONSULTANT, FOUR SEPARATE DISCUSSION GROUPS WERE HELD LOCALLY THE GROUPS REPRESENTED VARYING SECTORS IN THE COMMUNITY (1) SOCIAL SERVICE PARTNERS, (2) PATIENTS, (3) COMMUNITY/BUSINESS REPRESENTATIVES, AND (4) INDUSTRIAL WORKERS THERE WAS A 63% RESPONSE TO INVITATIONS TO PARTICIPATE THE PATIENT GROUP WAS PULLED RANDOMLY FROM A PATIENT LISTING OVER THE PRECEDING SIX MONTHS, SOCIAL SERVICE PARTNERS WERE A CROSS-SECTION OF THE AGENCIES MERCY WORKS CLOSELY WITH, AND COMMUNITY LEADERS/BUSINESS OWNERS WERE SELECTED FOR THEIR KNOWLEDGE OF THE COMMUNITY INDUSTRIAL WORKERS ON GROUP 4 WERE IDENTIFIED BY THEIR EMPLOYER THE OUTSIDE CONSULTANT COLLATED AND ANALYZED THE FOCUS GROUP RESULTS WITH SUPPORT FROM MERCY MEDICAL CENTER - NORTH IOWA'S (MMC-NI) PLANNING & MARKETING TEAM IN MASON CITY
MERCY MEDICAL CENTER-SIOUX CITY		PART V, SECTION B, LINE 4 MERCY MEDICAL CENTER - SIOUX CITY'S CHNA WAS CONDUCTED WITH ST LUKE'S REGIONAL MEDICAL CENTER AND SIOUXLAND SURGERY CENTER



Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 4 MERCY MEDICAL CENTER - DUBUQUE CONDUCTED ITS CHNA WITH MERCY MEDICAL CENTER - DYERSVILLE
SIOUXLAND SURGERY CENTER		PART V, SECTION B, LINE 4 MERCY MEDICAL CENTER - SIOUX CITY AND ST LUKE'S REGIONAL MEDICAL CENTER

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NORTH IOWA		PART V, SECTION B, LINE 5C LINE 5A HTTP //WWW.MERCYNORTHIOWA.COM/COMMUNITY- HEALTH-NEEDS-ASSESSMENT
MERCY MEDICAL CENTER-SIOUX CITY		PART V, SECTION B, LINE 5C THE CHNA WAS DISTRIBUTED TO SOCIAL AGENCIES AND THE PLAN TO ADDRESS UNMET NEEDS WAS EXPLAINED LINE 5A HTTP //WWW.MERCYSIOUXCITY.COM/WORKFILES//CHNA- MERCY-%20SL%20SEPT%202013%20%282%29.PDF

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 5C LINE 5A HTTP //WWW MERCYDUBUQUE COM/WORKFILES/COMMUNITY%20HEALTH%20NEEDS%20ASSESSMENT PDF
SIOUXLAND SURGERY CENTER		PART V, SECTION B, LINE 5C A COPY OF THE SIOUXLAND SURGERY CENTER CHNA REPORT WILL BE POSTED AT THE MERCY MEDICAL CENTER - SIOUX CITY WEBSITE

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NEW HAMPTON		PART V, SECTION B, LINE 5C LINE 5A HTTP //WWW.MERCYNEWHAMPTON.COM/WORKFILES/CHNA%20DRAFT%20MAY%202013.PDF
MERCY MEDICAL CENTER-NORTH IOWA		PART V, SECTION B, LINE 7 MERCY MEDICAL CENTER - NORTH IOWA (MMC-NI) HAS DEVELOPED A ROBUST IMPLEMENTATION PLAN THAT OFFERS STRATEGIES FOR MANY BARRIERS AND COMPLICATIONS WITHIN EACH OF THE THREE NEEDS IDENTIFIED IN THE CHNA WHICH ARE MANAGE CHRONIC CONDITIONS, SUPPORT WELLNESS THROUGH ACCESS TO CARE AND SERVICES, AND SUPPORT WELLNESS THROUGH SOCIAL SUPPORTS. HOWEVER, DUE TO THE LACK OF FINANCIAL AND PERSONNEL RESOURCES, AND THE PRESENCE OF OTHER COMMUNITY ORGANIZATIONS' EFFORTS TO ADDRESS THESE NEEDS, MMC-NI DID NOT IMPLEMENT STRATEGIES THAT ADDRESS EACH INDIVIDUAL BARRIER AND COMPLICATION WITHIN THESE THREE NEEDS. MMC-NI WILL ACCOMPLISH A NEW COMMUNITY HEALTHCARE NEEDS ASSESSMENT IN 2013 THROUGH COMMUNITY COLLABORATION AND WILL UPDATE ITS IMPLEMENTATION PLAN.

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 7 THE FOLLOWING PROBLEMS OR NEEDS WERE IDENTIFIED, BUT NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY OR OTHER REASONS LISTED 1 CANCER PREVENTION/EARLY DETECTION TOBACCO USE (SMOKING 16%) 44% RATE (STATE 39 5%/100,000) 2 SUBSTANCE ABUSE (BINGE DRINKING, UNDERAGE EOTH USE, MARIJUANA USE, PRESCRIPTION DRUGS, TOBACCO, ALCOHOL), INCLUDES HIGH RISK BEHAVIOR BY YOUTH USING ALCOHOL AND DRUG USE 3 MENTAL HEALTH ACCESS (NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY AND LACK OF HUMAN RESOURCES OR STAFF ) 4 HIGH RISK SEXUAL BEHAVIORS INCLUDING YOUTH INITIATING SEXUAL ACTIVITY AT YOUNGER AGE (NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY AND LACK OF FINANCIAL RESOURCES ) 5 PREVENTION/SCREENING FOR CHRONIC DISEASE 6 ACCESS TO PRENATAL CARE IN 1ST TRIMESTER OF PREGNANCY 7 NEED FOR INCREASED EDUCATION ON HEALTHY LIFESTYLE BEHAVIORS (INCLUDING REGULAR EXERCISE AND HEALTHY DIET/NUTRITION HABITS) AMONG YOUNG (PRE-SCHOOL TO GRADE SCHOOL) CHILDREN (NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY AND COMMUNITY PARTNERS DO NOT EXIST ) 8 ACCESS TO MEDICAL AND DENTAL CARE FOR ALL AGES, ACCESS TO VACCINES FOR ADULTS (NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY AND LACK OF FINANCIAL RESOURCES ) 9 RESPITE CARE SERVICES FOR CAREGIVERS IN THE HOME SETTING (NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY AND LACK OF ACCESS TO TECHNICAL ASSISTANCE AND SERVICES ) 10 COMMUNITY AWARENESS TO ACCESS SERVICES FOR RESIDENTS/FAMILIES DISCHARGED FROM THE MILITARY AND VETERANS REGARDLESS OF AGE (NOT INCLUDED IN THE HEALTH IMPROVEMENT PLAN BECAUSE OF COMPETING PROJECTS OR PRIORITIES IN THE COMMUNITY, LACK OF ACCESS TO TECHNICAL ASSISTANCE AND SERVICES, AND LEAD ORGANIZATION DOES NOT EXIST )
SIOUXLAND SURGERY CENTER		PART V, SECTION B, LINE 7 SIOUXLAND SURGERY CENTER ADDRESSED COMMUNITY HEALTH NEEDS WITHIN THE SCOPE OF THE HOSPITAL'S EXPERTISE (EXCERCISE AND NUTRITION FOR YOUTH AND POVERTY IMPACTING HEALTH) MENTAL HEALTH SERVICES AND PRIMARY CARE ARE NOT WITHIN THE SCOPE OF THE ORGANIZATION, AND OTHERS IN THE COMMUNITY ARE BETTER SKILLED TO ADDRESS THESE NEEDS

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NEW HAMPTON		PART V, SECTION B, LINE 7 MMC-NH HAS CHOSEN NOT TO DIRECTLY ADDRESS THESE COMMUNITY NEEDS PHYSICAL INACTIVITY AND ACCESS TO RECREATION AND FITNESS FACILITIES THOUGH THE 8 04 ESTABLISHMENT RATE PER 100,000 POPULATION IS WELL BELOW BOTH IOWA'S AND THE COUNTRY'S AVERAGES, MMC-NH BELIEVES THAT WORKING WITH AND THROUGH THE CHICKASAW WELLNESS CENTER (CWC) TO MAXIMIZE ITS ALREADY-EXCELLENT ROSTER OF PROGRAMS AND SERVICES IS A MORE EFFECTIVE USE OF SCARCE COMMUNITY RESOURCES ALSO, THOUGH CHICKASAW COUNTY'S PERCENT OF MEDICARE ENROLLEES WITH DIABETES HAVING AN ANNUAL EXAM (87 21%) IS AGAIN BELOW IOWA'S BENCHMARK, AS A MEMBER OF THE MERCY HEALTH NETWORK, MMC-NH BELIEVES THAT WORKING WITHIN THE NETWORK'S OVERALL STRATEGY FOR MANAGING DIABETES AND OTHER CHRONIC DISEASES IS, AGAIN, A MORE EFFECTIVE USE OF SCARCE INSTITUTIONAL RESOURCES MMC-NH'S CLINICAL TEAM, INCLUDING PHYSICIANS, IS PLAYING AN ACTIVE ROLE IN BRINGING THE NETWORK'S METHODOLOGIES TO NEW HAMPTON AND CHICKASAW COUNTY
MERCY MEDICAL CENTER-NORTH IOWA		PART V, SECTION B, LINE 12H THE HOSPITAL RECOGNIZES THAT NOT ALL PATIENTS ARE ABLE TO PROVIDE COMPLETE FINANCIAL AND/OR SOCIAL INFORMATION THEREFORE, APPROVAL FOR FINANCIAL SUPPORT MAY BE DETERMINED BASED ON AVAILABLE INFORMATION EXAMPLES OF PRESUMPTIVE CASES INCLUDE DECEASED PATIENTS WITH NO KNOWN ESTATE, THE HOMELESS, UNEMPLOYED PATIENTS, NON-COVERED MEDICALLY NECESSARY SERVICES PROVIDED TO PATIENTS QUALIFYING FOR PUBLIC ASSISTANCE PROGRAMS, PATIENT BANKRUPTCIES, AND MEMBERS OF RELIGIOUS ORGANIZATIONS WHO HAVE TAKEN A VOW OF POVERTY AND HAVE NO RESOURCES INDIVIDUALLY OR THROUGH THE RELIGIOUS ORDER FOR THE PURPOSE OF HELPING FINANCIALLY NEEDY PATIENTS, A THIRD PARTY IS UTILIZED TO CONDUCT A REVIEW OF PATIENT INFORMATION TO ASSESS FINANCIAL NEED THIS REVIEW UTILIZES A HEALTHCARE INDUSTRY-RECOGNIZED, PREDICTIVE MODEL THAT IS BASED ON PUBLIC RECORD DATABASES THESE PUBLIC RECORDS ENABLE THE HOSPITAL TO ASSESS WHETHER THE PATIENT IS CHARACTERISTIC OF OTHER PATIENTS WHO HAVE HISTORICALLY QUALIFIED FOR FINANCIAL ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS IN CASES WHERE THERE IS AN ABSENCE OF INFORMATION PROVIDED DIRECTLY BY THE PATIENT, AND AFTER EFFORTS TO CONFIRM COVERAGE AVAILABILITY, THE PREDICTIVE MODEL PROVIDES A SYSTEMATIC METHOD TO GRANT PRESUMPTIVE ELIGIBILITY TO FINANCIALLY NEEDY PATIENTS

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-SIOUX CITY		PART V, SECTION B, LINE 12H THE HOSPITAL RECOGNIZES THAT NOT ALL PATIENTS ARE ABLE TO PROVIDE COMPLETE FINANCIAL AND/OR SOCIAL INFORMATION THEREFORE, APPROVAL FOR FINANCIAL SUPPORT MAY BE DETERMINED BASED ON AVAILABLE INFORMATION EXAMPLES OF PRESUMPTIVE CASES INCLUDE DECEASED PATIENTS WITH NO KNOWN ESTATE, THE HOMELESS, UNEMPLOYED PATIENTS, NON-COVERED MEDICALLY NECESSARY SERVICES PROVIDED TO PATIENTS QUALIFYING FOR PUBLIC ASSISTANCE PROGRAMS, PATIENT BANKRUPTCIES, AND MEMBERS OF RELIGIOUS ORGANIZATIONS WHO HAVE TAKEN A VOW OF POVERTY AND HAVE NO RESOURCES INDIVIDUALLY OR THROUGH THE RELIGIOUS ORDER FOR THE PURPOSE OF HELPING FINANCIALLY NEEDY PATIENTS, A THIRD PARTY IS UTILIZED TO CONDUCT A REVIEW OF PATIENT INFORMATION TO ASSESS FINANCIAL NEED THIS REVIEW UTILIZES A HEALTHCARE INDUSTRY-RECOGNIZED, PREDICTIVE MODEL THAT IS BASED ON PUBLIC RECORD DATABASES THESE PUBLIC RECORDS ENABLE THE HOSPITAL TO ASSESS WHETHER THE PATIENT IS CHARACTERISTIC OF OTHER PATIENTS WHO HAVE HISTORICALLY QUALIFIED FOR FINANCIAL ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS IN CASES WHERE THERE IS AN ABSENCE OF INFORMATION PROVIDED DIRECTLY BY THE PATIENT, AND AFTER EFFORTS TO CONFIRM COVERAGE AVAILABILITY, THE PREDICTIVE MODEL PROVIDES A SYSTEMATIC METHOD TO GRANT PRESUMPTIVE ELIGIBILITY TO FINANCIALLY NEEDY PATIENTS
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 12H THE HOSPITAL RECOGNIZES THAT NOT ALL PATIENTS ARE ABLE TO PROVIDE COMPLETE FINANCIAL AND/OR SOCIAL INFORMATION THEREFORE, APPROVAL FOR FINANCIAL SUPPORT MAY BE DETERMINED BASED ON AVAILABLE INFORMATION EXAMPLES OF PRESUMPTIVE CASES INCLUDE DECEASED PATIENTS WITH NO KNOWN ESTATE, THE HOMELESS, UNEMPLOYED PATIENTS, NON-COVERED MEDICALLY NECESSARY SERVICES PROVIDED TO PATIENTS QUALIFYING FOR PUBLIC ASSISTANCE PROGRAMS, PATIENT BANKRUPTCIES, AND MEMBERS OF RELIGIOUS ORGANIZATIONS WHO HAVE TAKEN A VOW OF POVERTY AND HAVE NO RESOURCES INDIVIDUALLY OR THROUGH THE RELIGIOUS ORDER FOR THE PURPOSE OF HELPING FINANCIALLY NEEDY PATIENTS, A THIRD PARTY IS UTILIZED TO CONDUCT A REVIEW OF PATIENT INFORMATION TO ASSESS FINANCIAL NEED THIS REVIEW UTILIZES A HEALTHCARE INDUSTRY-RECOGNIZED, PREDICTIVE MODEL THAT IS BASED ON PUBLIC RECORD DATABASES THESE PUBLIC RECORDS ENABLE THE HOSPITAL TO ASSESS WHETHER THE PATIENT IS CHARACTERISTIC OF OTHER PATIENTS WHO HAVE HISTORICALLY QUALIFIED FOR FINANCIAL ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS IN CASES WHERE THERE IS AN ABSENCE OF INFORMATION PROVIDED DIRECTLY BY THE PATIENT, AND AFTER EFFORTS TO CONFIRM COVERAGE AVAILABILITY, THE PREDICTIVE MODEL PROVIDES A SYSTEMATIC METHOD TO GRANT PRESUMPTIVE ELIGIBILITY TO FINANCIALLY NEEDY PATIENTS

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NEW HAMPTON		PART V, SECTION B, LINE 12H THE HOSPITAL RECOGNIZES THAT NOT ALL PATIENTS ARE ABLE TO PROVIDE COMPLETE FINANCIAL AND/OR SOCIAL INFORMATION THEREFORE, APPROVAL FOR FINANCIAL SUPPORT MAY BE DETERMINED BASED ON AVAILABLE INFORMATION EXAMPLES OF PRESUMPTIVE CASES INCLUDE DECEASED PATIENTS WITH NO KNOWN ESTATE, THE HOMELESS, UNEMPLOYED PATIENTS, NON-COVERED MEDICALLY NECESSARY SERVICES PROVIDED TO PATIENTS QUALIFYING FOR PUBLIC ASSISTANCE PROGRAMS, PATIENT BANKRUPTCIES, AND MEMBERS OF RELIGIOUS ORGANIZATIONS WHO HAVE TAKEN A VOW OF POVERTY AND HAVE NO RESOURCES INDIVIDUALLY OR THROUGH THE RELIGIOUS ORDER FOR THE PURPOSE OF HELPING FINANCIALLY NEEDY PATIENTS, A THIRD PARTY IS UTILIZED TO CONDUCT A REVIEW OF PATIENT INFORMATION TO ASSESS FINANCIAL NEED THIS REVIEW UTILIZES A HEALTHCARE INDUSTRY-RECOGNIZED, PREDICTIVE MODEL THAT IS BASED ON PUBLIC RECORD DATABASES THESE PUBLIC RECORDS ENABLE THE HOSPITAL TO ASSESS WHETHER THE PATIENT IS CHARACTERISTIC OF OTHER PATIENTS WHO HAVE HISTORICALLY QUALIFIED FOR FINANCIAL ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS IN CASES WHERE THERE IS AN ABSENCE OF INFORMATION PROVIDED DIRECTLY BY THE PATIENT, AND AFTER EFFORTS TO CONFIRM COVERAGE AVAILABILITY, THE PREDICTIVE MODEL PROVIDES A SYSTEMATIC METHOD TO GRANT PRESUMPTIVE ELIGIBILITY TO FINANCIALLY NEEDY PATIENTS
MERCY MEDICAL CENTER-DYERSVILLE		PART V, SECTION B, LINE 12H THE HOSPITAL RECOGNIZES THAT NOT ALL PATIENTS ARE ABLE TO PROVIDE COMPLETE FINANCIAL AND/OR SOCIAL INFORMATION THEREFORE, APPROVAL FOR FINANCIAL SUPPORT MAY BE DETERMINED BASED ON AVAILABLE INFORMATION EXAMPLES OF PRESUMPTIVE CASES INCLUDE DECEASED PATIENTS WITH NO KNOWN ESTATE, THE HOMELESS, UNEMPLOYED PATIENTS, NON-COVERED MEDICALLY NECESSARY SERVICES PROVIDED TO PATIENTS QUALIFYING FOR PUBLIC ASSISTANCE PROGRAMS, PATIENT BANKRUPTCIES, AND MEMBERS OF RELIGIOUS ORGANIZATIONS WHO HAVE TAKEN A VOW OF POVERTY AND HAVE NO RESOURCES INDIVIDUALLY OR THROUGH THE RELIGIOUS ORDER FOR THE PURPOSE OF HELPING FINANCIALLY NEEDY PATIENTS, A THIRD PARTY IS UTILIZED TO CONDUCT A REVIEW OF PATIENT INFORMATION TO ASSESS FINANCIAL NEED THIS REVIEW UTILIZES A HEALTHCARE INDUSTRY-RECOGNIZED, PREDICTIVE MODEL THAT IS BASED ON PUBLIC RECORD DATABASES THESE PUBLIC RECORDS ENABLE THE HOSPITAL TO ASSESS WHETHER THE PATIENT IS CHARACTERISTIC OF OTHER PATIENTS WHO HAVE HISTORICALLY QUALIFIED FOR FINANCIAL ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS IN CASES WHERE THERE IS AN ABSENCE OF INFORMATION PROVIDED DIRECTLY BY THE PATIENT, AND AFTER EFFORTS TO CONFIRM COVERAGE AVAILABILITY, THE PREDICTIVE MODEL PROVIDES A SYSTEMATIC METHOD TO GRANT PRESUMPTIVE ELIGIBILITY TO FINANCIALLY NEEDY PATIENTS



Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-NORTH IOWA		PART V, SECTION B, LINE 14G NOTICES REGARDING THE FINANCIAL ASSISTANCE POLICY ARE POSTED IN PATIENT REGISTRATION AREAS
MERCY MEDICAL CENTER-SIOUX CITY		PART V, SECTION B, LINE 14G SUMMARY INFORMATION IS PROVIDED TO PATIENTS IN THEIR ADMISSION PACKETS RELATED TO FINANCIAL ASSISTANCE AND PATIENT BALANCE RESOLUTION BROUCHURES ARE AVAILABLE IN CENTRAL REGISTRATION AND THE EMERGENCY DEPARTMENT THAT SUMMARIZE THE AVAILABILITY OF FINANCIAL ASSISTANCE FOR PATIENTS SUMMARY STATEMENTS ARE PRESENT ON THE PATIENTS BILL STATING THAT ASSISTANCE MAY BE AVAILABLE FINANCIAL COUNSELORS DO VISIT WITH ALL UNINSURED INPATIENTS AND OFFER ASSISTANCE THROUGH THE FINANCIAL ASSISTANCE PROGRAM THE DETAILED POLICY IS AVAILABLE TO PATIENTS UPON REQUEST FROM ON-SITE FINANCIAL COUNSELORS NEAR CENTRAL REGISTRATION AND THE EMERGENCY DEPARTMENT INFORMATION ON THE FINANCIAL ASSISTANCE PROGRAM CAN ALSO BE OBTAINED BY CALLING THE SHARED SERVICE CENTER CUSTOMER SERVICE LINE

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 14G SIGNS AND BROCHURES REFERRING TO FINANCIAL ASSISTANCE ARE POSTED AND AVAILABLE AT ALL REGISTRATION SITES AS WELL AS IN PATIENT FINANCIAL SERVICES AN FAP APPLICATION IS PROVIDED WITH THE PATIENT'S FIRST STATEMENT OR CAN BE REQUESTED BY CALLING PATIENT FINANCIAL SERVICES IN FY 13, PATIENTS WERE PROVIDED INFORMATION UPON REGISTRATION, WITH THEIR FIRST STATEMENT OR UPON REQUEST THE FAP SUMMARY IS ALSO AVAILABLE ON THE HOSPITAL WEBSITE AT <a href="http://www.mercydubuque.com/patient-financial-assistance">HTTP //WWW MERCYDUBUQUE COM/PATIENT-FINANCIAL-ASSISTANCE</a>
MERCY MEDICAL CENTER-NEW HAMPTON		PART V, SECTION B, LINE 14G NOTICES REGARDING THE FINANCIAL ASSISTANCE POLICY ARE POSTED IN PATIENT REGISTRATION AREAS

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-DYERSVILLE		PART V, SECTION B, LINE 14G SIGNS AND BROCHURES REFERRING TO FINANCIAL ASSISTANCE ARE POSTED AND AVAILABLE AT ALL REGISTRATION SITES AS WELL AS IN PATIENT FINANCIAL SERVICES AN FAP APPLICATION IS PROVIDED WITH THE PATIENT'S FIRST STATEMENT OR CAN BE REQUESTED BY CALLING PATIENT FINANCIAL SERVICES IN FY 13, PATIENTS WERE PROVIDED INFORMATION UPON REGISTRATION, WITH THEIR FIRST STATEMENT OR UPON REQUEST THE FAP SUMMARY IS ALSO AVAILABLE ON THE HOSPITAL WEBSITE AT <a href="http://www.mercydubuque.com/patient-financial-assistance">HTTP //WWW MERCYDUBUQUE COM/PATIENT-FINANCIAL-ASSISTANCE</a>
MERCY MEDICAL CENTER-NORTH IOWA		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 151% AND 400% OF THE FPG RECEIVE A PERCENTAGE DISCOUNT OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES, BASED UPON A SLIDING SCALE

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER-SIOUX CITY		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 151% AND 300% OF THE FPG RECEIVE A PERCENTAGE DISCOUNT OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES, BASED UPON A SLIDING SCALE
MERCY MEDICAL CENTER-DUBUQUE		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 151% AND 400% OF THE FPG RECEIVE A PERCENTAGE DISCOUNT OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES, BASED UPON A SLIDING SCALE

Identifier	ReturnReference	Explanation
SIOUXLAND SURGERY CENTER		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 151% AND 300% OF THE FPG RECEIVE A PERCENTAGE DISCOUNT OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES, BASED UPON A SLIDING SCALE
MERCY MEDICAL CENTER-NEW HAMPTON		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 151% AND 400% OF THE FPG RECEIVE A PERCENTAGE DISCOUNT OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES, BASED UPON A SLIDING SCALE

Identifier	ReturnReference	Explanation
MERCY MEDICAL CENTER- DYERSVILLE		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 151% AND 400% OF THE FPG RECEIVE A PERCENTAGE DISCOUNT OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES, BASED UPON A SLIDING SCALE
EXPLANATION FOR NOT COMPLETING THE CHNA	MERCY MEDICAL CENTER - DYERSVILLE SCHEDULE H, PART V, SECTION B, LINES 1-8	<p>MERCY MEDICAL CENTER - DYERSVILLE (THE HOSPITAL) CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) PRIOR TO JUNE 30, 2012 IN COLLABORATION WITH MERCY MEDICAL CENTER - DUBUQUE ALTHOUGH THE CHNA WAS COMPLETED, THE HOSPITAL WAS UNABLE TO COMPLY WITH ALL REQUIREMENTS OF SECTION 501(R)(3) BY JUNE 30, 2013 THE FAILURE TO COMPLY WAS CORRECTED AS SOON AS POSSIBLE AND BEFORE FILING IRS FORM 990 FOR THE TAX YEAR ENDING JUNE 30, 2013 IN ACCORDANCE WITH THE PROPOSED GUIDANCE FOR DISCLOSURE OF FAILURE TO COMPLY IN IRS NOTICE 2014-3, MERCY MEDICAL CENTER - DYERSVILLE</p> <p>DISCLOSES FAILURE TO COMPLY 1) THE CHNA AND ITS IMPLEMENTATION PLAN WERE APPROVED BY THE MERCY MEDICAL CENTER - DYERSVILLE BOARD AFTER JUNE 30, 2013, SPECIFICALLY ON JANUARY 27, 2014 2) THE CHNA WAS AVAILABLE UPON REQUEST, AND WAS MADE WIDELY AVAILABLE ON THE HOSPITAL WEB SITE AFTER JUNE 30, 2013, THE MANAGEMENT OF MERCY MEDICAL CENTER - DYERSVILLE BELIEVED THAT THE CHNA HAD BEEN POSTED ON ITS WEBSITE SOON AFTER IT WAS APPROVED BY THE MERCY MEDICAL CENTER - DUBUQUE BOARD OF DIRECTORS WHEN IT WAS DISCOVERED THAT IT WAS NOT YET AVAILABLE, STEPS WERE TAKEN IMMEDIATELY TO CORRECT THIS NO FAILURE TO COMPLY WAS THE RESULT OF RECKLESS DISREGARD OR WILLFUL NEGLECT, THE HOSPITAL HAD EVERY INTENTION AND MADE EVERY EFFORT TO COMPLY WITH SECTION 501(R)(3) BY JUNE 30, 2013 THE FAILURE TO COMPLY DID NOT RESULT IN A DENIAL OF HOSPITAL CARE TO NEEDY INDIVIDUALS THE FAILURE TO COMPLY WAS SIMPLY A TIMING ISSUE THAT THE HOSPITAL HAS MADE EVERY EFFORT TO CORRECT DISCOVERY OF FAILURE MERCY MEDICAL CENTER - DYERSVILLE IS A MEMBER OF THE CHE TRINITY HEALTH SYSTEM, THE SECOND LARGEST CATHOLIC HOSPITAL SYSTEM IN THE U S MANY FUNCTIONS RELATED TO THE ADMINISTRATION AND MANAGEMENT OF MEMBER HOSPITALS ARE COORDINATED ON A SYSTEM-WIDE AND CENTRALIZED BASIS INCLUDING (BUT NOT LIMITED TO) COMMUNICATIONS AND INTERNET COMMUNICATIONS, COMMUNITY BENEFIT MINISTRY (CBM) STANDARDS AND REPORTING, AND IRS COMPLIANCE THE CHE TRINITY HEALTH CBM DEPARTMENT ASSISTED MANY OF ITS MEMBERS WITH GUIDANCE FOR THE CHNA 1) MERCY MEDICAL CENTER - DYERSVILLE IS A SMALL, CRITICAL ACCESS HOSPITAL IN THE GREATER DUBUQUE, IOWA AREA THE EXECUTIVE MANAGEMENT OF MERCY MEDICAL CENTER - DUBUQUE (CEO, CFO, AND OTHER VICE PRESIDENTS) ALSO SERVES AS EXECUTIVE MANAGEMENT FOR MERCY MEDICAL CENTER - DYERSVILLE HOWEVER, THE TWO HOSPITALS HAVE SEPARATE LOCAL BOARDS OF DIRECTORS THE CHNA WAS APPROVED BY THE LOCAL BOARD OF MERCY MEDICAL CENTER - DUBUQUE PRIOR TO JUNE 30, 2012 THE CHNA HAD BEEN DONE IN COLLABORATION WITH MERCY MEDICAL CENTER - DYERSVILLE, AND IT WAS SIMPLY OVERLOOKED THAT THE LOCAL BOARD FOR THE DYERSVILLE HOSPITAL HAD NOT APPROVED THE CHNA THIS WAS DISCOVERED DURING THE PREPARATION PROCESS FOR THE JUNE 30, 2013 IRS FORM 990 2) IT WAS ALSO DISCOVERED DURING THIS SAME TIME THAT MERCY MEDICAL CENTER - DYERSVILLE HAD NOT SUBMITTED THE IMPLEMENTATION PLAN TO ITS BOARD OF DIRECTORS IN TIME FOR APPROVAL BY JUNE 30, 2013 THE IMPLEMENTATION PLAN WAS SUBMITTED TO, AND APPROVED BY THE BOARD AT ITS NEXT SCHEDULED BOARD MEETING 3) THE MANAGEMENT OF MERCY MEDICAL CENTER - DYERSVILLE BELIEVED THAT BECAUSE THE CHNA HAD BEEN POSTED ON THE WEBSITE FOR MERCY MEDICAL CENTER - DUBUQUE, IT WAS WIDELY AVAILABLE ALTHOUGH THERE ARE LINKS FROM THE DUBUQUE WEBSITE (MAINTAINED BY MERCY HEALTH NETWORK) TO THE DYERSVILLE MAIN PAGE, THERE WAS NO LINK CONNECTING THE CHNA TO THE MERCY MEDICAL CENTER - DYERSVILLE PAGE THIS WAS DISCOVERED BY THE COMMUNITY BENEFIT MINISTRY AND TAX DEPARTMENTS OF CHE TRINITY HEALTH DURING THE PREPARATION PHASE FOR IRS FORM 990 MERCY MEDICAL CENTER - DYERSVILLE MANAGEMENT WAS IMMEDIATELY ALERTED CORRECTIONS MADE 1) THE MERCY MEDICAL CENTER - DYERSVILLE BOARD OF DIRECTORS APPROVED THE CHNA AND IMPLEMENTATION PLAN AT ITS NEXT BOARD MEETING AS SOON AS POSSIBLE, SPECIFICALLY ON JANUARY 27, 2014 2) WHEN IT WAS DISCOVERED THAT THE CHNA WAS NOT POSTED ON THE HOSPITAL WEBSITE, STEPS WERE TAKEN IMMEDIATELY TO CORRECT THIS THE COMMUNICATIONS DEPARTMENT ASSISTED IN MAKING THE CHNA WIDELY AVAILABLE ADDITIONALLY THE CBM DEPARTMENT OF CHE TRINITY HEALTH IS IMPLEMENTING A CENTRALIZED PROCESS FOR COMPLIANCE WITH SECTION 501(R)(3) PRACTICES AND PROCEDURES TO MINIMIZE THE LIKELIHOOD OF A RECURRENCE OF THIS FAILURE, MERCY MEDICAL CENTER - DYERSVILLE AND CHE TRINITY HEALTH HAVE DEVELOPED BEST PRACTICE PROCEDURES TO ENSURE COMPLIANCE FURTHER TRAINING WILL BE PROVIDED TO ALL PERSONNEL PRIOR TO THE COMPLETION OF THE FISCAL YEAR THE FOLLOWING OUTLINES THE STEPS AND PROCEDURES THAT MERCY MEDICAL CENTER - DYERSVILLE FOLLOWED AS PART OF ITS COMMUNITY HEALTH NEEDS ASSESSMENT THE CHNA WAS FORMALLY APPROVED BY THE HOSPITAL'S BOARD ON JANUARY 27, 2014 THE MERCY MEDICAL CENTER - DYERSVILLE CHNA REPORT DESCRIBES - A DEFINITION OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY-DEMOGRAPHICS OF THE COMMUNITY-EXISTING HEALTH CARE FACILITIES AND RESOURCES WITHIN THE COMMUNITY THAT ARE AVAILABLE TO RESPOND TO THE HEALTH NEEDS OF THE COMMUNITY-HOW DATA WAS OBTAINED-THE HEALTH NEEDS OF THE COMMUNITY-PRIMARY AND CHRONIC DISEASE NEEDS AND OTHER HEALTH ISSUES OF UNINSURED PERSONS, LOW-INCOME PERSONS, AND MINORITY GROUPS-THE PROCESS FOR IDENTIFYING AND PRIORITIZING COMMUNITY HEALTH NEEDS AND SERVICES TO MEET THE COMMUNITY HEALTH NEEDS-THE PROCESS FOR CONSULTING WITH PERSONS REPRESENTING THE COMMUNITY'S INTERESTS-INFORMATION GAPS THAT LIMIT THE HOSPITAL FACILITY'S ABILITY TO ASSESS THE COMMUNITY'S HEALTH NEEDS THE LAST CHNA THAT THE HOSPITAL CONDUCTED WAS IN TAX YEAR 2011, AND WAS APPROVED BY THE MERCY MEDICAL CENTER-DYERSVILLE BOARD IN TAX YEAR 2013 IN CONDUCTING THIS CHNA THE HOSPITAL TOOK INTO ACCOUNT INPUT FROM REPRESENTATIVES OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY, INCLUDING THOSE WITH SPECIAL KNOWLEDGE OF OR EXPERTISE IN PUBLIC HEALTH THE PROCESS INVOLVED GATHERING COMMUNITY STAKEHOLDERS WHO HAVE A ROLE IN THE DELIVERY AND PARTNERSHIP OF PUBLIC HEALTH SERVICES A STEERING COMMITTEE WAS FORMED TO OVERSEE THE DUBUQUE COUNTY COMMUNITY HEALTH NEEDS ASSESSMENT - HEALTH IMPROVEMENT PLAN PROCESS THE STEERING COMMITTEE CONSISTED OF STAFF FROM THE COUNTY BOARD OF HEALTH, COUNTY HEALTH DEPARTMENT, DUBUQUE VISITING NURSE ASSOCIATION AND THE CITY OF DUBUQUE HEALTH SERVICES DEPARTMENT, AND MERCY MEDICAL CENTER AS DESCRIBED IN THE CHNA DOCUMENT, FOUR COMMUNITY FORUMS WERE HELD ON DIFFERENT DAYS OF THE WEEK, TIMES OF THE DAY, AND LOCATIONS AROUND THE COUNTY TO PROVIDE OPPORTUNITIES FOR COMMUNITY MEMBERS TO PROVIDE INPUT TO THE PLANNING PROCESS THE MEETINGS WERE WIDELY PUBLICIZED IN THE LOCAL NEWSPAPER, HOSPITAL NEWSLETTERS, AND THE NEWSLETTERS AND WEBSITES OF OTHER COMMUNITY ORGANIZATIONS THE HOSPITAL'S CHNA WAS CONDUCTED WITH MERCY MEDICAL CENTER - DUBUQUE THE HOSPITAL'S CHNA REPORT HAS BEEN MADE WIDELY AVAILABLE TO THE PUBLIC IT IS POSTED ON THE HOSPITAL FACILITY'S WEBSITE</p> <p>AT <a href="http://www.mercydubuque.com/workfiles/dyersville_community_benefit_chna_improvement_plan.pdf">HTTP://WWW.MERCYDUBUQUE.COM/WORKFILES/DYERSVILLE_COMMUNITY_BENEFIT_CHNA_IMPROVEMENT_PLAN.PDF</a> AND IT IS AVAILABLE UPON REQUEST THE HOSPITAL FACILITY ADDRESSED NEEDS IDENTIFIED IN ITS MOST RECENTLY CONDUCTED CHNA THROUGH -ADOPTION OF AN IMPLEMENTATION STRATEGY THAT ADDRESSES EACH OF THE COMMUNITY HEALTH NEEDS IDENTIFIED THROUGH THE CHNA-EXECUTION OF THE IMPLEMENTATION STRATEGY-PARTICIPATION IN THE DEVELOPMENT OF A COMMUNITY-WIDE PLAN-PARTICIPATION IN THE EXECUTION OF A COMMUNITY-WIDE PLAN-INCLUSION OF A COMMUNITY BENEFIT SECTION IN OPERATION PLANS-ADOPTION OF A BUDGET FOR PROVISION OF SERVICES THAT ADDRESS THE NEEDS IDENTIFIED IN THE CHNA-PRIORITIZATION OF HEALTH NEEDS IN ITS COMMUNITY-PRIORITIZATION OF SERVICES THAT THE HOSPITAL FACILITY WILL UNDERTAKE TO MEET HEALTH NEEDS IN ITS COMMUNITY THE HOSPITAL FACILITY DID NOT ADDRESS ALL OF THE NEEDS IDENTIFIED IN ITS MOST RECENTLY CONDUCTED CHNA PLEASE SEE MERCY MEDICAL CENTER-DUBUQUE'S INFORMATION FOR AN EXPLANATION FOR SCHEDULE H, SECTION B, LINE 7</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 NEEDS ASSESSMENT - MERCY HEALTH SERVICES - IOWA, CORP (MHS-IA) ASSESSES THE HEALTH NEEDS OF THE COMMUNITY THROUGH COMMUNITY NEEDS ASSESSMENTS EVERY THREE YEARS MERCY HEALTH SERVICES - IOWA, CORP IS COMPRISED OF FIVE ENTITIES MERCY MEDICAL CENTER-DUBUQUE, MERCY MEDICAL CENTER - DYERSVILLE, MERCY MEDICAL CENTER-NEW HAMPTON, MERCY MEDICAL CENTER-NORTH IOWA AND MERCY MEDICAL CENTER-SIOUX CITY EACH MEDICAL CENTER COMPLETES ITS OWN NEEDS ASSESSMENT A COMMUNITY NEEDS ASSESSMENT IS A POINT-IN-TIME EFFORT TO MEASURE THE HEALTH AND WELL BEING OF THE COMMUNITY IT SERVES AS THE BASIS FOR OUR STRATEGIC AND SUBSEQUENT ACTION PLANNING TO DEVELOP HEALTH POLICY, ALLOCATE RESOURCES, IMPROVE OR EXPAND EXISTING SERVICES, IMPLEMENT NEW PROGRAMS AND COLLABORATE WITH OTHER COMMUNITY HEALTHCARE PROVIDERS A COMMUNITY NEEDS ASSESSMENT ALSO SERVES AS A BENCHMARK FOR FUTURE ASSESSMENT OF RELATIVE PROGRESS TOWARD ESTABLISHED COMMUNITY HEALTH OBJECTIVES MHS-IA'S COMMUNITY NEEDS ASSESSMENT PROVIDES THE OPPORTUNITY TO - GAIN INSIGHTS INTO THE NEEDS AND ASSETS OF THE COMMUNITIES SERVED- IDENTIFY AND ADDRESS THE NEEDS OF VULNERABLE POPULATIONS WITHIN THE COMMUNITY- ENHANCE HOSPITAL/COMMUNITY RELATIONSHIPS AND THE OPPORTUNITY FOR COLLABORATIVE COMMUNITY ACTION, INCLUDING INVOLVEMENT WITH COALITIONS, PARTNERSHIPS, BOARDS, COMMITTEES, COMMISSIONS, ADVISORY GROUPS AND PANELS- PROVIDE THE INFORMATION REQUIRED FOR COMMUNITY OUTREACH PLANNINGTHE MHS-IA COMMUNITY NEEDS ASSESSMENT PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC )AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS) THE DATA HELPS SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF COMMUNITY HUMAN AND CAPITAL RESOURCES OUR HOSPITALS ASSESS THE HEALTH STATUS OF THE COMMUNITY IN THE NORMAL COURSE OF OPERATIONS AND IN THE CONTINUOUS EFFORTS TO IMPROVE PATIENT CARE AND THE HEALTH OF THE OVERALL COMMUNITY OUR HOSPITALS MAY USE PATIENT DATA, PUBLIC HEALTH DATA, ANNUAL COUNTY HEALTH RANKINGS, MARKET STUDIES AND GEOGRAPHICAL MAPS SHOWING AREAS OF HIGH UTILIZATION FOR EMERGENCY SERVICES AND INPATIENT CARE, WHICH MAY INDICATE POPULATIONS OF INDIVIDUALS WHO DO NOT HAVE ACCESS TO PREVENTATIVE SERVICES OR ARE UNINSURED, IN THE ASSESSMENT OF THE COMMUNITY MERCY MEDICAL CENTER - NORTH IOWA AND MERCY MEDICAL CENTER - NEW HAMPTON EACH HAVE A LOCAL BOARD OF DIRECTORS COMPOSED OF AREA RESIDENTS, EMPLOYERS AND DEMOGRAPHIC GROUPS THESE HOSPITALS ALSO COMMUNICATE WITH OTHER VARIOUS AGENCIES ABOUT WHAT SERVICES ARE NEEDED LOCALLY IN PARTICULAR, OUR PRIMARY CARE PHYSICIANS HAVE A STRONG AWARENESS OF PATIENT NEEDS MERCY MEDICAL CENTER-SIOUX CITY STAFF ROUTINELY (WEEKLY) MEETS WITH VARIOUS COMMUNITY AGENCIES, CHURCHES, AND SCHOOLS IN SEARCH OF OPPORTUNITIES TO PARTNER TO ADDRESS (1) ACCESS TO PRIMARY CARE, (2) EXERCISE AND NUTRITION FOR YOUTH, (3) ACCESS TO MENTAL HEALTH SERVICES, AND (4) GENERAL POVERTY AND HOMELESSNESS AND HUNGER</p>
		<p>PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - MERCY HEALTH SERVICES-IOWA IS COMMITTED TO - PROVIDING ACCESS TO QUALITY HEALTHCARE SERVICES WITH COMPASSION, DIGNITY AND RESPECT FOR THOSE WE SERVE, PARTICULARLY THE POOR AND THE UNDERSERVED IN OUR COMMUNITIES- CARING FOR ALL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES- ASSISTING PATIENTS WHO CANNOT PAY FOR PART OR ALL OF THE CARE THEY RECEIVE - BALANCING NEEDED FINANCIAL ASSISTANCE FOR SOME PATIENTS WITH BROADER FISCAL RESPONSIBILITIES IN ORDER TO SUSTAIN VIABILITY AND PROVIDE THE QUALITY AND QUANTITY OF SERVICES FOR ALL WHO MAY NEED CARE IN A COMMUNITYIN ACCORDANCE WITH AHA RECOMMENDATIONS, MHS-IA HAS ADOPTED THE FOLLOWING GUIDING PRINCIPLES WHEN HANDLING THE BILLING, COLLECTION AND FINANCIAL SUPPORT FUNCTIONS FOR OUR PATIENTS - PROVIDE EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING HOSPITAL BILLS- MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE FINANCIAL SUPPORT PROGRAMS- OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS- IMPLEMENT POLICIES FOR ASSISTING LOW-INCOME PATIENTS IN A CONSISTENT MANNER- IMPLEMENT FAIR AND CONSISTENT BILLING AND COLLECTION PRACTICES FOR ALL PATIENTS WITH PATIENT PAYMENT OBLIGATIONSMHS-IA COMMUNICATES EFFECTIVELY WITH PATIENTS REGARDING PATIENT PAYMENT OBLIGATIONS INFORMATION ON HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNAL PROGRAMS THAT PROVIDE COVERAGE FOR SERVICES IS MADE AVAILABLE TO PATIENTS DURING THE PRE-REGISTRATION AND REGISTRATION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEKING FINANCIAL ASSISTANCE THE AVAILABILITY OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM IS DISPLAYED IN VARIOUS ADMISSION AREAS THROUGHOUT THE HOSPITALS AND CLINICS A "PATIENT FINANCIAL GUIDELINES" BROCHURE IS ALSO AVAILABLE AT EACH ADMISSION AREA THIS BROCHURE PROVIDES INFORMATION REGARDING PAYMENT OPTIONS, FINANCIAL ASSISTANCE AND BILLING QUESTIONS FINANCIAL COUNSELING IS ALSO PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS AT TIME OF ADMISSION, THE NAMES OF UNINSURED AND UNDERINSURED PATIENTS ARE GIVEN TO FINANCIAL COUNSELORS WHO MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY ASSIST THEM IN OBTAINING AND PAYING FOR HEALTHCARE SERVICES THE FINANCIAL COUNSELORS HAVE A GOOD WORKING RELATIONSHIP WITH THE DEPARTMENT OF HUMAN SERVICES AND VARIOUS COUNTY AND COMMUNITY PROGRAMS EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION FOR SERVICE HOWEVER, DETERMINATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STABILIZATION OR COLLECTION CYCLE THE HOSPITALS OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS THIS SUPPORT IS AVAILABLE TO UNINSURED AND UNDERINSURED PATIENTS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTANCE OUTPATIENTS, REFERRALS, OR SELF-REFERRALS RECEIVE THE SAME ATTENTION AND ASSISTANCE FROM FINANCIAL COUNSELORS CONTACT MAY BE BY PHONE AND/OR LETTER PROCESS IF FACE-TO-FACE CONTACT IS NOT POSSIBLE INFORMATION REGARDING FINANCIAL ASSISTANCE PROGRAMS IS ALSO AVAILABLE ON THE HOSPITALS' WEBSITES, IN THE ADMISSION PACKAGE DURING INTAKE, AND "PATIENT ASSISTANCE" BROCHURES AS WELL AS ON HOSPITAL WEBSITES ALL HOSPITALS HAVE ESTABLISHED WRITTEN POLICIES FOR BILLING, COLLECTION AND SUPPORT FOR PATIENTS WITH PAYMENT OBLIGATIONS MERCY MEDICAL CENTER - NORTH IOWA AND MERCY MEDICAL CENTER - NEW HAMPTON IN ADDITION TO ENGLISH, THIS INFORMATION IS ALSO AVAILABLE IN SPANISH, REFLECTING THE OTHER PRIMARY LANGUAGE SPOKEN BY THE POPULATION SERVICED BY OUR HOSPITAL PATIENT FINANCIAL SERVICES IS ABLE TO ASSIST SPANISH-SPEAKING PATIENTS WITH THE FINANCIAL APPLICATION PROCESS A LANGUAGE LINE CONNECTION IS ALSO AVAILABLE FOR MORE THAN 170 OTHER LANGUAGES MERCY MEDICAL CENTER - NORTH IOWA AND MERCY MEDICAL CENTER - NEW HAMPTON EDUCATE STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS ABOUT THESE POLICIES, WITH AN EMPHASIS ON TREATING ALL PATIENTS WITH DIGNITY AND RESPECT REGARDLESS OF THEIR INSURANCE STATUS OR THEIR ABILITY TO PAY FOR SERVICES THE PATIENT FINANCIAL SERVICES DEPARTMENT HAS ITS OWN TRAINING DEPARTMENT AND TRAINERS THE PATIENT REGISTRATION, FINANCIAL ASSISTANCE, PATIENT FINANCIAL SERVICES, CUSTOMER SERVICE, AND BILLING DEPARTMENTS RECEIVE TRAINING REGARDING THE POLICIES THAT ARE RELEVANT TO THEIR POSITIONS AND OUR MISSION VALUES SCRIPTING IS USED AND FINANCIAL ASSISTANCE APPLICATIONS ARE AVAILABLE IN ENGLISH AND SPANISH MERCY MEDICAL CENTER - NORTH IOWA ALSO PROVIDES FINANCIAL ASSISTANCE FOR PRESCRIBED MEDICATIONS THERE ARE SEVERAL SHORT-TERM ASSISTANCE PROGRAMS, AS WELL AS A SOCIAL WORKER FACILITATING THE APPLICATION PROCESS FOR LONG-TERM ASSISTANCE FROM PHARMACEUTICAL PROGRAMS MERCY MEDICAL CENTER - SIOUX CITY MERCY MEDICAL CENTER-SIOUX CITY NOT ONLY COMMUNICATES FINANCIAL ASSISTANCE POLICIES VIA TRADITIONAL CHANNELS (REGISTRATION, AND BILLING), THE ORGANIZATION SHARES ITS FINANCIAL ASSISTANCE POLICY WITH OTHER SERVICE AGENCIES AND NOT-FOR-PROFIT ORGANIZATIONS FOR EXAMPLE, THROUGH THE MISSION HEALTH PROGRAM, A COLLABORATION BETWEEN THE SIOUXLAND COMMUNITY HEALTH CENTER, MMC-SIOUX CITY AND UNITY POINT - ST LUKE'S HOSPITAL, MERCY MEDICAL CENTER-SIOUX CITY REACHES OUT TO CHURCHES AND SCHOOLS TO FIND THOSE WHO MAY BE IN NEED OF FINANCIAL ASSISTANCE PARTICIPANTS ARE PRE-QUALIFIED FOR FINANCIAL ASSISTANCE AT BOTH LOCAL HOSPITALS, AND ARE INVITED TO CHOOSE A MEDICAL HOME THE MISSION HEALTH PROGRAM HAS OVER 1,400 ENROLLED PATIENTS, ALL OF WHOM HAVE A BETTER UNDERSTANDING AND REDUCED ANXIETY CONCERNING FINANCIAL OBLIGATIONS AND ASSISTANCE IF HOSPITALIZATION IS NEEDED AS THE AFFORDABLE CARE ACT IS IMPLEMENTED MERCY WILL INCREASE EFFORTS TO EDUCATE PATIENTS REGARDING MEDICAID EXPANSION AND ASSIST WITH ENROLLMENT OF PATIENTS FINANCIAL COUNSELORS MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY HELP THEM OBTAIN AND PAY FOR HEALTHCARE SERVICES MERCY MEDICAL CENTER-SIOUX CITY SOCIAL WORKERS PROVIDE ASSISTANCE AND COUNSELING REGARDING FINANCIAL ASSISTANCE OPPORTUNITIES WITHIN THE ORGANIZATION, AND REFER PATIENTS AND FAMILIES TO APPROPRIATE AGENCIES FOR COVERAGE MERCY MEDICAL CENTER-SIOUX CITY ALSO WORKS WITH THE MIDLANDS GROUP TO ENLIST PATIENTS IN QUALIFYING PROGRAMS MERCY MEDICAL CENTER-SIOUX CITY UTILIZES A COMMUNITY NEEDS INDEX (CNI) TO TARGET SPECIFIC ZIP CODES WHERE PATIENTS IN NEED OF FINANCIAL ASSISTANCE OFTEN RESIDE THE HOSPITAL PLANS TO HIRE A MINORITY OUTREACH COORDINATOR TO SOLICIT INPUT REGARDING MINORITY HEALTH AND SOCIAL NEEDS THIS BI-LINGUAL PERSON WILL ALSO ASSIST IN EDUCATION REGARDING UPCOMING ACA AND MEDICAID EXPANSION OPPORTUNITIES MERCY MEDICAL CENTER - DUBUQUE AND MERCY MEDICAL CENTER - DYERSVILLE FINANCIAL COUNSELORS MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY HELP THEM OBTAIN AND PAY FOR HEALTH CARE SERVICES MERCY MEDICAL CENTER-DUBUQUE CONTRACTS WITH A FIRM WITH A LONG TRACK RECORD OF COMPASSIONATE SERVICE TO PROVIDE COUNSELING, REFERRALS, AND ASSISTANCE TO PATIENTS IN DETERMINING ELIGIBILITY AND ENROLLING IN A WIDE VARIETY OF PUBLIC AND PRIVATE ASSISTANCE PROGRAMS, SUCH AS MEDICARE, MEDICAID, HAWK-I (AND THE CORRESPONDING SCHIPS PROGRAMS FOR ILLINOIS AND WISCONSIN) AND IOWA CARE, IOWA'S STATE ASSISTANCE PROGRAM FOR INDIGENT PERSONS PATIENT ACCOUNTS COUNSELORS ARE AVAILABLE TO HELP PATIENTS UNDERSTAND THEIR BILLS AND FIND RESOURCES TO ASSIST IN PAYING THEM MERCY MEDICAL CENTER-DUBUQUE ALSO OFFERS FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS THIS SUPPORT IS AVAILABLE TO UNINSURED AND UNDERINSURED PATIENTS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTANCE NOTIFICATION ABOUT FINANCIAL ASSISTANCE, INCLUDING CONTACT INFORMATION, IS AVAILABLE IN BROCHURES AT EVERY SITE WHERE PATIENTS ARE ADMITTED, AND AT THE BILLING OFFICE, DESCRIBING MERCY'S CHARITY CARE POLICIES, THRESHOLDS, LIMITATIONS, AND PROCESS AN APPLICATION FOR FINANCIAL ASSISTANCE IS PROVIDED WITH BILLING STATEMENTS INFORMATION ABOUT MERCY'S CHARITY CARE POLICY IS ALSO INCLUDED IN THE "PATIENT AND VISITOR INFORMATION" GUIDEBOOK, WHICH IS AVAILABLE IN ENGLISH AND SPANISH, REFLECTING THE OTHER PRIMARY LANGUAGE SPOKEN BY THE POPULATION SERVICED BY THE HOSPITAL BROCHURES ARE AVAILABLE IN ALL ADMISSION AREAS SUMMARIES OF HOSPITAL PROGRAMS ARE MADE AVAILABLE TO ALL HUMAN SERVICE AGENCIES WITHIN THE MERCY MEDICAL CENTER-DUBUQUE AND DYERSVILLE SERVICE AREAS MERCY MEDICAL CENTER-DUBUQUE AND DYERSVILLE EDUCATE ALL STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS ABOUT THESE POLICIES, WITH AN EMPHASIS ON TREATING ALL PATIENTS WITH DIGNITY AND RESPECT THIS TRAINING OCCURS AT THE TIME OF HIRE AND ALSO THROUGH IN-SERVICE TRAINING</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 COMMUNITY INFORMATION - MERCY MEDICAL CENTER - NORTH IOWA SERVES A 14-COUNTY SERVICE AREA WITHIN A 70-MILE RADIUS STRETCHING IN EVERY DIRECTION FROM MASON CITY. THE PRIMARY SERVICE AREA CONSISTS OF CERRO GORDO AND WORTH COUNTIES IN IOWA, WHILE THE SECONDARY SERVICE AREA IS COMPRISED OF AN ADDITIONAL 12 CONTIGUOUS COUNTIES IN IOWA (BUTLER, CHICKASAW, FLOYD, FRANKLIN, HANCOCK, HARDIN, HOWARD, KOSSUTH, MITCHELL, PALO ALTO, WINNEBAGO, AND WRIGHT). IN 2012 THE 14-COUNTY SERVICE AREA HAD AN ESTIMATED POPULATION OF 204,551 ACCORDING TO NEILSEN COUNTY AND 2013 TRUVEN HEALTH ANALYTICS, INC. 94.1 PERCENT OF RESIDENTS ARE CAUCASIAN HISPANICS, AT LESS THAN 3.7%, REPRESENT THE AREA'S LARGEST MINORITY GROUP. THE AVERAGE HOUSEHOLD INCOME IS \$52,972. HOUSEHOLDS MAKING \$25,000 OR LESS COMPRISE 25.4 PERCENT, THOSE MAKING FROM \$25,000-\$50,000 ARE 32.3 PERCENT, \$50,000-\$75,000 IS 22.8 PERCENT AND THOSE MAKING \$75,000 OR MORE REPRESENT 19.4 PERCENT. THERE ARE 11 CRITICAL ACCESS HOSPITALS WITHIN MERCY - NORTH IOWA'S SERVICE AREA PROVIDING PRIMARY HEALTH CARE SERVICES, EIGHT OF WHICH ARE MERCY - NORTH IOWA AFFILIATES. PATIENTS FROM THE REMAINING IOWA COUNTIES UTILIZE MERCY - NORTH IOWA FOR TERTIARY LEVEL CARE. THE UNIVERSITY OF IOWA HOSPITALS IN IOWA CITY AND MAYO CLINIC IN ROCHESTER, MINNESOTA ALSO PROVIDE TERTIARY CARE FOR THIS AREA. MERCY - NORTH IOWA'S MARKET SHARE FOR THE 14-COUNTY SERVICE AREA IN CY 2012 IS 52 PERCENT, AS REPORTED BY IOWA HOSPITAL ASSOCIATION DATA. THE AVERAGE INCOME IN MERCY - NORTH IOWA'S SERVICE AREA IN 2010 WAS ESTIMATED TO BE \$31,765, ACCORDING TO BUREAU OF ECONOMIC ANALYSIS (IOWA WORKFORCE DEVELOPMENT NEWS AND TRENDS). UNEMPLOYMENT WENT DOWN IN MERCY - NORTH IOWA'S SERVICE AREA. IN OCTOBER 2011, THE UNEMPLOYMENT RATE WAS 4.9 PERCENT AND IN OCTOBER 2012, IT WAS 4.3 PERCENT, ACCORDING TO IOWA WORKFORCE DEVELOPMENT. MERCY MEDICAL CENTER - NEW HAMPTON SERVES THE CHICKASAW AREA AND SURROUNDING COUNTIES WITHIN A 20-MILE RADIUS STRETCHING IN EVERY DIRECTION FROM NEW HAMPTON. THE PRIMARY SERVICE AREA CONSISTS OF THE TOWNS OF NEW HAMPTON, FREDERICKSBURG, ALTA VISTA, IONIA, ELMA, WAUCOMA, LAWLER AND NASHUA. THE ESTIMATED POPULATION OF THIS AREA IS 13,500. ACCORDING TO THE NIELSEN COMPANY, CHICKASAW COUNTY HAD AN ESTIMATED POPULATION OF 12,427 IN 2012. CHICKASAW COUNTY EXPERIENCED AN ESTIMATED 5.4% PERCENT DECLINE IN POPULATION FROM 2000-2012. THE STRESS THAT THIS TREND PLACES ON THE PROVISION OF SERVICES IS COMPOUNDED BY THE HIGHER THAN AVERAGE PROPORTION OF ELDERLY IN THE AREA. EIGHTEEN PERCENT OF THE POPULATION IN THE CHICKASAW AREA WAS OVER AGE 65 IN 2012, COMPARED TO 15 PERCENT FOR THE STATE AND 13 PERCENT FOR THE NATION. IOWA RANKS FIFTH IN PERCENTAGE OF POPULATION OVER THE AGE OF 65. THIS LARGE PERCENTAGE OF ELDERLY PRESENTS SPECIAL CHALLENGES TO HEALTH CARE PROVIDERS BECAUSE THE ELDERLY HAVE THE HIGHEST INCIDENCE OF DISEASE AND MORTALITY IN MOST CATEGORIES AND, CORRESPONDINGLY, ARE THE BIGGEST USERS OF HEALTH CARE SERVICES. IN ADDITION, MEDICARE PAYMENT SHORTFALLS PRESENT AN ADDITIONAL BURDEN FOR RURAL HEALTH PROVIDERS. FOR FISCAL YEAR 2013, 56.2 PERCENT OF MMC-NH'S REVENUES (HOSPITAL INPATIENT AND OUTPATIENT) WERE GENERATED FROM MEDICARE PATIENTS. THE MEDIAN HOUSEHOLD INCOME IN CHICKASAW COUNTY WAS ESTIMATED AT \$51,085 IN 2012. INDIVIDUALS BELOW THE POVERTY LEVEL COMPRISE 9.2% OF THE POPULATION. THE FISCAL YEAR 2013 PAYER MIX AT POINT OF REGISTRATION INCLUDES 53% COVERED BY MEDICARE, 7% COVERED BY MEDICAID AND 4% SELF-PAY. MERCY MEDICAL CENTER-SIOUX CITY SERVES A 33-COUNTY AREA OF WESTERN IOWA, EASTERN NEBRASKA AND SOUTHEASTERN SOUTH DAKOTA, AN AREA THAT INCLUDES MANY ZIP CODES WITH A HIGH COMMUNITY NEED. IN ADDITION TO THE MAIN HOSPITAL IN SIOUX CITY, MERCY MEDICAL CENTER-SIOUX CITY OWNS RURAL HOSPITALS IN PRIMGHAR, IOWA, AND OAKLAND, NEBRASKA, MANAGES HOSPITALS IN PENDER, NEBRASKA AND HAWARDEN, IOWA, AND OPERATES A PRIMARY CARE CLINIC NETWORK, SPECIALTY CARE CLINICS AND HOME HEALTH SERVICES. MERCY ALSO PARTNERS WITH OTHER COMMUNITY HEALTHCARE PROVIDERS TO SPONSOR A REGIONAL CANCER CENTER, PARAMEDIC SERVICES, HOSPICE SERVICES, A FREESTANDING SURGERY CENTER AND A VARIETY OF OTHER HEALTH SERVICES. THE PRIMARY SERVICE AREA IS CONSIDERED URBAN (WITHIN SIOUX CITY). HOWEVER, MERCY SERVES MANY RURAL COMMUNITIES THROUGHOUT THE 33-COUNTY AREA, AND MANY DISTINCT ETHNIC AND CULTURAL GROUPS, INCLUDING HISPANIC, VIETNAMESE, SOMALI, AND NATIVE AMERICAN (WINNEBAGO, OMAHA, LAKOTA, AND PONCA TRIBES). THE AVERAGE HOUSEHOLD INCOME FOR THE 14-COUNTY SIOUX CITY AREA IS \$55,562. ACCORDING TO THE STATE HEALTH ACCESS DATA ASSISTANCE CENTER, IN 2007, 27.9% PERCENT OF RESIDENTS WERE BELOW THE FEDERAL POVERTY GUIDELINES. MORE THAN 8.7% OF THE COMMUNITY IS UNINSURED, AND APPROXIMATELY 35.1% OF FAMILIES ARE ON MEDICAID OR OTHER ASSISTANCE PROGRAMS. ACCORDING TO 2012 NIELSEN COMPANY DATA, THE 14-COUNTY COMMUNITY HAS A POPULATION OF 301,832. EIGHT-TWO PERCENT OF THE POPULATION IS WHITE, 12% HISPANIC, 2% ASIAN &amp; PACIFIC ISLANDER AND 1% BLACK. MEDICAID ENROLLMENT IS 34% IN NEBRASKA AND 37.5% IN SOUTH DAKOTA. THE PERCENT OF POPULATIONS IN EACH STATE BELOW 200% OF THE FEDERAL POVERTY LEVEL IS 28.8% IN NEBRASKA AND 30.9% IN SOUTH DAKOTA. MERCY MEDICAL CENTER - DUBUQUE AND MERCY MEDICAL CENTER - DYERSVILLE FOR PURPOSES OF THEIR COMMUNITY HEALTH NEEDS ASSESSMENTS, MERCY MEDICAL CENTER'S PRIMARY SERVICE AREA IS DUBUQUE COUNTY, IOWA. ABOUT 60% OF MERCY'S INPATIENT CASES AND MORE THAN 75% OF MERCY'S EMERGENCY DEPARTMENT CASES WERE FOR DUBUQUE COUNTY RESIDENTS. DUBUQUE COUNTY'S POPULATION IS 89,143. IT INCLUDES ONE URBAN COMMUNITY, THE CITY OF DUBUQUE. ITS 65+ POPULATION IS ALMOST AS HIGH AS IOWA'S, AND SIGNIFICANTLY HIGHER THAN THE U.S. AVERAGE FOR THIS AGE RANGE. CONVERSELY, THE 16-24 POPULATION IS NOTICEABLY LOWER THAN THE U.S. AVERAGE. ALTHOUGH MINORITY POPULATIONS IN DUBUQUE COUNTY HAVE INCREASED DURING THE LAST DECADE, THE POPULATION IS STILL 97.1% WHITE, WITH NO OTHER SINGLE RACIAL GROUP ACCOUNTING FOR MORE THAN 1%. THE COUNTY'S HISPANIC OR LATINO POPULATION IS 1.2%. CONSIDERING ONLY THE POPULATION OF DUBUQUE COUNTY RESIDENTS WHO ARE 25 OR OLDER, DUBUQUE COUNTY HAS A HIGHER PERCENTAGE OF RESIDENTS WITH ONLY A HIGH SCHOOL DIPLOMA OR EQUIVALENT THAN IOWA AND THE U.S. THERE IS A SMALLER PERCENTAGE OF DUBUQUE COUNTY RESIDENTS WITH SOME COLLEGE THAN IOWA OR THE U.S. MEDIAN INCOME IN DUBUQUE COUNTY IS \$39,582, SLIGHTLY HIGHER THAN IOWA, BUT LOWER THAN THE U.S. MEDIAN. IN THE COUNTY, HOUSEHOLDERS UNDER 25 AND OLDER THAN 65 ARE BELOW THAT MEDIAN, WHICH IS ALSO TRUE FOR IOWA AND THE U.S. PER CAPITA INCOME IN DUBUQUE COUNTY IS \$19,600, EQUAL TO IOWA AND SOMEWHAT LOWER THAN THE U.S. DUBUQUE COUNTY SOME PER CAPITA INCOME IS 51% OF WHITE PER CAPITA INCOME, COMPARED TO 61% IN IOWA AND 60% NATIONALLY. DUBUQUE COUNTY HISPANIC PER CAPITA INCOME IS 58% OF WHITE PER CAPITA INCOME, COMPARED TO 54% IN IOWA AND 51% NATIONALLY. THE GROWING ELDERLY POPULATION IS OF CONCERN TO THE COMMUNITY. WE ANTICIPATE A SHORTAGE OF HEALTH CARE WORKERS TO CARE FOR THE ELDERLY, LIMITED TRANSPORTATION OPTIONS, LIMITED ADULT DAY CARE OPTIONS AND LIMITED FUNDING FOR SERVICES FOR THE ELDERLY. THE HIGH COST OF PRESCRIPTION MEDICATIONS AND CHRONIC ILLNESSES CAUSING LONG-TERM DISABILITY PRESENT FINANCIAL CONCERNS AS WELL. SEVERAL HEALTH CONCERNS HAVE BEEN IDENTIFIED IN THE SERVICE AREA, INCLUDING WOMEN NOT RECEIVING PRENATAL CARE DURING THE FIRST TRIMESTER, A HIGHER THAN AVERAGE RATE OF PROSTATE, LUNG, BREAST AND COLORECTAL CANCER, OBESITY AND ITS CONTRIBUTION TO HEART DISEASE, DIABETES, ARTHRITIS, AND HIGH BLOOD PRESSURE, AN INCREASING INCIDENCE OF DIABETES IN BOTH CHILDREN AND ADULTS, HEART DISEASE, AND ASTHMA. THE RECENT COMMUNITY HEALTH ASSESSMENT ADDS OBESITY AND SPECIFICALLY CHILDHOOD OBESITY TO THESE CONCERNS.</p>
		<p>PART VI, LINE 5 OTHER INFORMATION - MERCY MEDICAL CENTER - NORTH IOWA HAS BEEN PROVIDING MANAGEMENT SERVICES FOR RURAL HOSPITALS SINCE 1978. THESE COMMUNITY HOSPITALS OFFER QUALITY HEALTH CARE AND YET ARE STILL ABLE TO TAKE ADVANTAGE OF ALL THE RESOURCES MERCY MEDICAL CENTER - NORTH IOWA HAS TO OFFER AS A MAJOR REFERRAL CENTER. THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED COMMUNITY HEALTHCARE PROVIDERS IN ORDER TO BEST MEET THE NEEDS OF THOSE WHO LIVE IN NORTH IOWA COMMUNITIES. MERCY - NORTH IOWA IS INTENTIONAL IN DEVELOPING TRIPLE AIM ACO RELATIONSHIPS, COLLABORATING WITH COMMUNITY HEALTH PROVIDERS AND SOCIAL SERVICE AGENCIES IN CREATING CARE COORDINATION PROCESSES. THERE IS ACTIVE PARTICIPATION IN TRANSITIONS OF CARE AND THE START OF THE TRIAD PROJECT, WHICH IS A COMMUNITY-BASED SYSTEM OF CARE APPROACH FOR PERSONS WITH THE CO-OCCURRING MORBIDITIES OF SUBSTANCE USE DISORDER, CHRONIC DISEASE AND POSSIBLY MENTAL HEALTH DISORDER AS A TEACHING HOSPITAL, MERCY MEDICAL CENTER - NORTH IOWA HOSTS A FAMILY PRACTICE RESIDENCY PROGRAM, PHARMACY RESIDENCY, RADIOLOGY FELLOWSHIP, AND A SCHOOL OF RADIOLOGIC TECHNOLOGY. MERCY MEDICAL CENTER - NORTH IOWA IS A CLINICAL SITE FOR STUDENTS STUDYING TO BECOME PHYSICIANS, NURSES, PARAMEDICS, PHARMACISTS, MEDICAL ASSISTANTS AND OTHER ALLIED HEALTH PROFESSIONALS. IN ADDITION, THE MEDICAL CENTER MANAGES AN ADULT DAY CARE CENTER AND SUPPORTS HOMELESS SHELTERS FOR MEN AND WOMEN IN COLLABORATION WITH OTHER NON-PROFITS AS A SOLE COMMUNITY PROVIDER, SPECIALIZED SERVICES INCLUDE A HEART CENTER, CANCER CENTER, DIABETES CENTER, STROKE CENTER, BARIATRIC CENTER, LEVEL II BIRTH CENTER AND A LEVEL II EMERGENCY CENTER. EMERGENCY SERVICES ARE AVAILABLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY. BECAUSE OF THE NEED BY INDIGENT ADULTS FOR DENTAL CARE, MERCY - NORTH IOWA PROVIDES A SUITE WITH TWO FULLY FURNISHED OPERATORIES TO ACCOMMODATE EMERGENT DENTAL NEEDS. HALF-DAY CLINICS ARE MANNED BY AREA DENTISTS AND DENTAL ASSISTANTS WHO VOLUNTEER THEIR TIME AND GUIDANCE. MERCY - NORTH IOWA INVESTS IN THE COMMUNITY TO ENHANCE THE HEALTH OF RESIDENTS BY PROVIDING - SERVICES SUCH AS FREE HEALTH SCREENINGS- SUBSIDIZED TRANSPORTATION SERVICES TO ELIMINATE BARRIERS TO HEALTHCARE- MERCY FAMILY HEALTH LINE, A 24-HOUR/7-DAY A WEEK TELEPHONE INFORMATION SERVICE- PARTICIPATION OF THE HOSPITAL KITCHEN IN MEALS ON WHEELS- MEDICAL SERVICES FOR RESIDENTS OF THE NORTHERN LIGHTS HOMELESS SHELTER- VOLUNTEER SERVICES AS PROVIDED BY THE MERCY AMBASSADORS, THE HOSPITAL VOLUNTEER AUXILIARY, INCLUDING SCHOLARSHIPS, INFANT SEAT RENTALS, AND FACILITATION OF HEALTHCARE SCREENINGS. MERCY MEDICAL CENTER - NEW HAMPTON AS A SOLE COMMUNITY PROVIDER, MERCY MEDICAL CENTER - NEW HAMPTON PROVIDES A RANGE OF SPECIALIZED SERVICES, DIABETES EDUCATION AND NUTRITION AND AN EMERGENCY CENTER. EMERGENCY SERVICES ARE AVAILABLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY. EMERGENCY SERVICES ARE PROVIDED AT A FINANCIAL LOSS, BUT ARE A CRITICALLY-NEEDED SERVICE. MERCY COOPERATES WITH OTHER AGENCIES TO IMPROVE OVERALL COMMUNITY HEALTH AND WELL-BEING. FOR EXAMPLE, WE SPONSOR A COMMUNITY GARDEN, AND PRODUCE IS PROVIDED TO THE COMMUNITY'S FOOD PANTRY (WHICH UTILIZES HOSPITAL SPACE, AT NO COST). THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED COMMUNITY HEALTHCARE PROVIDERS, IN ORDER TO BEST MEET THE NEEDS OF OUR NORTHEAST IOWA COMMUNITIES. MMC-NH HAS ABOUT 200 VOLUNTEERS, WHO SERVE IN NEARLY EVERY DEPARTMENT OF THE MEDICAL CENTER. FROM CLERICAL WORK TO PROVIDING PATIENT AND VISITOR SERVICES, MERCY VOLUNTEERS TRULY DO MAKE A DIFFERENCE. THROUGH FUNDRAISERS, THE VOLUNTEERS ALSO PROVIDE FINANCIAL SUPPORT TO A VARIETY OF AREAS WITHIN THE HOSPITAL. MERCY AUXILIARY AWARDS SCHOLARSHIPS TO HIGH SCHOOL AND NON-TRADITIONAL STUDENTS PURSUING EDUCATION IN THE HEALTHCARE FIELD. THE AUXILIARY ALSO SPONSORS NUMEROUS BLOOD DRIVES AND LUNCH-AND-LEARN EVENTS ON HEALTHCARE SUBJECTS. THEY ALSO PROVIDE WIGS AND TURBANS TO THOSE INDIVIDUALS WHO HAVE LOST THEIR HAIR DUE TO ILLNESS. MERCY MEDICAL CENTER-SIOUX CITY, MERCY MEDICAL CENTER-SIOUX CITY HAS EARNED MORE NATIONAL RECOGNITION FOR QUALITY PATIENT OUTCOMES THAN ANY OTHER HOSPITAL IN THE REGION. THE MEDICAL CENTER HAS EARNED MULTIPLE HONORS FOR ITS LEADERSHIP AND EXCELLENCE IN SEVERAL CLINICAL AREAS, INCLUDING CARDIAC CARE, ORTHOPEDIC SERVICES, VASCULAR SURGERY, STROKE CARE AND CANCER CARE. MERCY MEDICAL CENTER-SIOUX CITY IS HOME TO THE ONLY LEVEL II TRAUMA CENTER IN WESTERN IOWA, AND PROVIDES A VITAL, LIFESAIVING LINK TO RURAL AREAS VIA MERCY AIR CARE, THE HOSPITAL'S HELICOPTER AMBULANCE SERVICE. MERCY MEDICAL CENTER-SIOUX CITY IS INVOLVED IN A NUMBER OF COMMUNITY VENTURES, AND SUPPORTS THE SIOUXLAND MEDICAL EDUCATION FOUNDATION (FAMILY PRACTICE RESIDENCY). WE ALSO WORK CLOSELY WITH WINNEBAGO INDIAN HEALTH SERVICES TO CLOSE HEALTH OUTCOMES DISPARITIES. IN ADDITION, THE MEDICAL CENTER COLLABORATES WITH ST. LUKE'S COLLEGE OF NURSING, WITCC SCHOOL OF NURSING AND BRIAR CLIFF UNIVERSITY SCHOOL OF NURSING. MERCY MEDICAL CENTER-DUBUQUE PROVIDES SEVERAL SERVICES THAT ARE UNIQUE TO THE COMMUNITY, INCLUDING OPEN HEART SURGERY, NEONATAL INTENSIVE CARE AND INPATIENT COMMUNITY PSYCHIATRIC SERVICES. IN ADDITION, THE HOSPITAL OPERATES AN EMERGENCY ROOM AVAILABLE TO ALL REGARDLESS OF ABILITY TO PAY.</p>



Identifier	ReturnReference	Explanation
		PART VI, LINE 6 MERCY HEALTH SERVICES-IOWA IS A MEMBER OF CHE TRINITY HEALTH, THE SECOND-LARGEST CATHOLIC HEALTH CARE SYSTEM IN THE COUNTRY CHE TRINITY HEALTH ANNUALLY REQUIRES THAT ALL MEMBER ORGANIZATIONS DEFINE - AND ACHIEVE - COMMUNITY BENEFIT GOALS THAT INCLUDE IMPLEMENTING NEEDED SERVICES OR EXPANDING ACCESS TO SERVICES FOR LOW-INCOME INDIVIDUALS AS A NOT-FOR-PROFIT HEALTH SYSTEM, CHE TRINITY HEALTH REINVESTS ITS PROFITS BACK INTO THE COMMUNITY THROUGH PROGRAMS SERVING THOSE WHO ARE POOR AND UNINSURED, HELPING MANAGE CHRONIC CONDITIONS LIKE DIABETES, PROVIDING HEALTH EDUCATION, PROMOTING WELLNESS AND REACHING OUT TO UNDERSERVED POPULATIONS OVERALL, THE ORGANIZATION INVESTS MORE THAN \$800 MILLION IN SUCH COMMUNITY BENEFITS AND WORKS TO ENSURE THAT ITS MEMBER HOSPITALS AND OTHER ENTITIES/AFFILIATES ENHANCE THE OVERALL HEALTH OF THE COMMUNITIES THEY SERVE BY ADDRESSING EACH COMMUNITY'S SPECIFIC NEEDS FOR MORE INFORMATION ABOUT CHE TRINITY HEALTH, VISIT <a href="http://WWW.NEWHEALTHMINISTRY.ORG">WWW.NEWHEALTHMINISTRY.ORG</a>



Additional Data

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?

15

Name and address	Type of Facility (describe)
MEDICAL ASSOCIATES WEST CAMPUS 1500 ASSOCIATES DRIVE DUBUQUE,IA 52001	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 1240 BIG JACK ROAD PLATTEVILLE,WI 53818	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
TRI-STATE OCCUPATIONAL HEALTH 1920 ELM STREET DUBUQUE,IA 52001	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 10988 BARTELL BLVD GALENA,IL 61036	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MERCY MEDICAL CENTER - DYERSVILLE 1121 THIRD STREET SW DYERSVILLE,IA 52040	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 208 N 12TH STREET BELLEVUE,IA 52031	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 911 NWCARTER ELKADER,IA 52043	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
CASCADE FAMILY HEALTH CENTER 805 JOHNSON STREET SW CASCADE,IA 52033	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 117 SOUTH MADISON CUBA CITY,WI 53807	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 560 PLEASANT ST ELIZABETH,IL 61028	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 107 S PAGE MONONA,IA 52159	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES EAST CAMPUS 1000 LANGWORTHY DUBUQUE,IA 52001	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MERCY DAKOTA DUNES 705 SIOUX POINT ROAD DAKOTA DUNES,SD 57049	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MASON CITY SURGERY CENTER 990 4TH STREET MASON CITY,IA 50401	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MERCY FAMILY PRACTICE - BUFFALO CENTER 115 NORTH MAIN BUFFALO CENTER,IA 50424	OCC HEALTH, PHYS THER, AMBULATORY SURGERY

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
MERCY HEALTH SERVICES - IOWA CORP

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

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

OMB No 1545-0047

2012

Open to Public  
Inspection

Employer identification number  
31-1373080

Part I General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No

2

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

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

2

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

29

3

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

3

**Part III**

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) HOUSING, UTILITIES AND AUTO SUPPORT		7,615			
(2) FOOD, CLOTHING AND TRANSPORTATION ASSISTANCE		3,254			
(3) NURSING SCHOLARSHIPS		500			
(4) MEDICAL BILLS		774			
(5) LONG TERM CARE AND MEDICATIONS	13	145,898			
(6) BOYS CLUB SCHOLARSHIPS	0	7,500			

**Part IV**

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 DONATIONS MADE BY MERCY HEALTH SERVICES - IOWA, CORP TO CHARITABLE ORGANIZATIONS ARE MADE IN FURTHERANCE OF THE RECIPIENT ORGANIZATION'S EXEMPT PURPOSE DONATIONS ARE INCLUDED IN COMMUNITY BENEFITS IN SCHEDULE H IF THE CONTRIBUTION HAS BEEN FORMALLY RESTRICTED TO A COMMUNITY BENEFIT ACTIVITY THAT MEETS THE CRITERIA TO BE REPORTED ON SCHEDULE H

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CLARKE UNIVERSITY1550 CLARKE DRIVE DUBUQUE,IA 52001	42-0680408	501(C)3		6,000		2 WHIRLPOOLS	SUPPORT OF PHYSICAL THERAPY PROGRAM
DUBUQUE COMMUNITY SCHOOLS2500 CHANEY RD DUBUQUE,IA 52001	42-6001531	PUBLIC SCHOOL	20,000				SUPPORT OF ATHLETIC TRAINERS AT 2 PUBLIC HIGH SCHOOLS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WAHLERT CATHOLIC HIGH SCHOOL2005 KANE ST DUBUQUE,IA 52001	42-0792429	RELIGIOUS SCHOOL	10,000				SUPPORT OF ATHLETIC TRAINERS AT RELIGIOUS HIGH SCHOOL
CRESCENT COMMUNITY HEALTH CENTER1789 ELM STREET DUBUQUE,IA 52001	48-1302204	501(C)3	9,999				COMMUNITY GARDENING PROJECT GRANT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTH IOWA CORRIDOR ECONOMIC DEVELOPMENT CORPORATION9 NORTH FEDERAL AVE MASON CITY,IA 50401	75-3190471	501(C)6	20,000				PLEDGE
NORTH IOWA COMMUNITY ACTION ORGANIZATION 218 5TH ST SW MASON CITY,IA 50401	42-0921505	501(C)3	63,700				PARTNERS CONTRACT



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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNITED WAY OF NORTH CENTRAL IOWA600 1ST STREET NW 102 MASON CITY,IA 50401	42-0680431	501(C)3	5,833				PLEDGES
NORTHERN LIGHTS ALLIANCE FOR THE HOMELESS INC307 NORTH MONROE MASON CITY,IA 50401	42-1501295	501(C)3	71,141				EXECUTIVE DIRECTOR SALARY AND BENEFITS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHEAST IOWA COMMUNITY ACTION CORP305 MONTGOMERY ST DECORAH,IA 52101	42-6092713	501(C)3	6,000	0			COMMUNITY SUPPORT
SIOUX CITY SYMPHONY ORCHESTRA520 PIERCE STREET SIOUX CITY,IA 51101	42-6006580	501(C)3	5,000				PROGRAM SUPPORT - SPONSORSHIP OF IOWA PIANO COMPETITION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIouxLAND COMMUNITY HEALTH CENTER1021 NEBRASKA STREET SIOUX CITY,IA 51102	42-1374894	501(C)3	109,832				COMMUNITY SUPPORT
THE CRITTENTON CENTER 303 WEST 24TH STREET SIOUX CITY,IA 51104	42-0698246	501(C)3	45,848				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WINNEBAGO TRIBE OF NEBRASKA PO BOX 687 WINNEBAGO,NE 68071	47-0489118	TRIBAL GOVERNMENT	5,000				SUPPORT WELLNESS AND DIABETES PROGRAM
LEGENDS OF GOLD INC 47256 29TH STREET BERESFORD,SD 57004	27-3794971	501(C)3	5,000				SUPPORT FOR CAMP SCHOLARSHIP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
DAKOTA VALLEY SCHOOL DISTRICT #61-81150 NORTHSHORE DRIVE NORTH SIOUX CITY,SD 57049	46-6003189	PUBLIC SCHOOL	5,200				SUPPORT FOR SCHOLARSHIPS
SIOUXLAND MENTAL HEALTH SERVICESPO BOX 1917 SIOUX CITY,IA 51102	42-6122297	501(C)3	23,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SISTERS OF ST FRANCIS 3390 WINDSOR AVE DUBUQUE,IA 52001	42-0757421	RELIGIOUS	6,000				GENERAL SUPPORT
SUNRISE MANOR DBA SUNRISE RETIREMENT COMMUNITY5501 GORDON DRIVE SIOUX CITY,IA 51106	42-0805391	501(C)3	5,000				DONATION TO CAPITAL CAMPAIGN AND FOUNTAINVIEW SPONSOR BENEFIT CONCERT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BOYS CLUB OF SIOUX CITY INC823 PEARL STREET SIOUX CITY,IA 51101	42-0940032	501(C)3	9,400				DONATION
BRIAR CLIFF UNIVERSITY 3302 REBBECA ST SIOUX CITY,IA 51104	42-0707124	501(C)3	17,600				SUPPORT FOR SCHOLARSHIPS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GIGI'S PLAYHOUSE INC 1551 INDIAN HILLS DR SIOUX CITY,IA 51104	20-0058563	501(C)3	5,000				DONATION
COMMUNITY ACTION AGENCY OF SIOUX CITY 2700 LEECH AVENUE SIOUX CITY,IA 51106	42-0989589	501(C)3	5,000				COMMUNITY SUPPORT



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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MARY J TREGLIA COMMUNITY HOUSE900 JENNINGS ST SIOUX CITY,IA 51105	42-0681107	501(C)3	5,250				COMMUNITY SUPPORT
GIRLS INCORPORATED OF SIOUX CITYPO BOX 3380 SIOUX CITY,IA 51102	42-1272032	501(C)3	10,500				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN HEART ASSOCIATION7272 GREENVILLE AVE DALLAS,TX 75231	13-5613797	501(C)3	13,100				COMMUNITY SUPPORT
BOY SCOUTS OF AMERICA 326 MID-AMERICA COUNCIL12401 WEST MAPLE RD OMAHA,NE 68164	47-0376545	501(C)3	5,000				DONATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SAINT GABRIEL COMMUNICATIONS LTD705 DOUGLAS ST STE 238 SIOUX CITY,IA 51101	42-1516853	501(C)3	12,000				DONATION TO UNDWRITE AIR TIME ON CATHOLIC RADIO STATION
ST MICHAEL'S SCHOOL 1315 1ST AVE SOUTH SIOUX CITY,NE 68776	47-0457873	501(C)3	11,400				DONATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WESTERN STATES WRESTLING CLUB LLC3130 NORWAY DR SIOUX CITY,IA 51104	73-1714642		6,400				SUPPORT FOR CAMP SCHOLARSHIPS
RAISE THE BAR FITNESS LLC31344 195TH ST LEMARS,IA 51031	27-1014455		6,000				DOWNTOWN YOUTH EXERCISE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BIG TWELVE YOUTH DEVELOPMENT PROGRAM INC3435 JACKSON ST SIOUX CITY,IA 51104	20-4018698	501(C)3	6,000				DONATION FOR AFTER SCHOOL YOUTH ACTIVITIES
HOLY SPIRIT RETIREMENT HOME1701 W 25TH STREET SIOUX CITY,IA 51103	42-6102778	501(C)3	100,000				CAPITAL CAMPAIGN PAID OVER 5 YEARS (PAID \$20K IN AUG 2012)

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  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

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. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div>			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III.	5b		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

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

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINE 3	MERCY HEALTH SERVICES - IOWA, CORP. IS A SUBSIDIARY IN THE TRINITY HEALTH SYSTEM. MERCY HEALTH SERVICES - IOWA, CORP. HOSPITAL CEOs ARE PAID DIRECTLY BY THE SYSTEM'S PARENT ENTITY, TRINITY HEALTH CORPORATION. TRINITY HEALTH CORPORATION USED THE FOLLOWING METHODS TO ESTABLISH THE COMPENSATION OF MERCY HEALTH SERVICES - IOWA, CORP. CEOs: - COMPENSATION COMMITTEE - INDEPENDENT COMPENSATION CONSULTANT - FORM 990 OF OTHER ORGANIZATIONS - WRITTEN EMPLOYMENT CONTRACT - COMPENSATION SURVEY OR STUDY, AND - APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.
	PART I, LINE 4B	THE FOLLOWING ARE PARTICIPANTS IN THE TRINITY HEALTH CASH BALANCE RESTORATION AND RETENTION PLAN, A NONQUALIFIED PLAN, WHICH PROVIDES RETENTION BENEFITS PLUS RETIREMENT BENEFITS FOR CERTAIN ASSOCIATES WITH EARNINGS ABOVE THE IRS PAY CAP FOR QUALIFIED PLANS (\$250,000 FOR 2012). THE FOLLOWING ACCRUALS FOR 2012 FOR THIS PLAN ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II: KEDRICK ADKINS - \$100,292; JAMES BOSSCHER - \$47,142; PAUL BROWNE - \$9,066; DEBRA CANALES - \$60,671; BENJAMIN CARTER - \$60,824; PAUL CONLON - \$42,044; LOUIS FIERENS - \$33,235; PRESTON GEE - \$30,120; MICHAEL HOLPER - \$38,052; RUSSELL KNIGHT - \$36,093; PAUL NEUMANN - \$57,823; RICHARD O'CONNELL - \$77,104; ROBERT PEEBLES - \$36,633; JOSEPH SWEDISH - \$543,977; MARIA SZYMANSKI - \$21,247. PART II: THE FOLLOWING INDIVIDUALS ARE VESTED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP). THE FOLLOWING VESTED SERP AMOUNTS ARE INCLUDED IN COLUMN B(III) OF SCHEDULE J, PART II: KEDRICK ADKINS - \$185,540; JENNIFER BARNETT - \$140,275; JUDITH PERSICHILLI - \$1,855,709; JOSEPH SWEDISH - \$530,000. COLUMN F OF SCHEDULE J INCLUDES THE PORTION OF THESE AMOUNTS THAT WERE REPORTED AS DEFERRED COMPENSATION IN PRIOR YEARS. PART I, LINE 4B: THE FOLLOWING ARE PARTICIPANTS IN A MERCY HEALTH SERVICES - IOWA CORP. NON-QUALIFIED ELECTIVE DEFERRED COMPENSATION PLAN. THE FOLLOWING DEFERRALS FOR 2012 FOR THIS PLAN ARE INCLUDED IN COLUMN B(III) OF SCHEDULE J, PART II: JAMES BAER - \$10,597; JOSEPH BEHR - \$30,422; JAMES KARKOS - \$46,507; CARL PLANK - \$32,064; ALIREZA YARAHMADI - \$61,595.



Software ID:  
Software Version:  
EIN: 31-1373080  
Name: MERCY HEALTH SERVICES - IOWA CORP

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOSEPH SWEDISH	(i)	0	0	0	0	0	0	0
	(ii)	1,402,192	786,411	1,044,897	572,762	28,714	3,834,976	520,902
JUDITH PERSICHILLI	(i)	0	0	0	0	0	0	0
	(ii)	1,253,511	735,075	1,901,967	10,500	7,010	3,908,063	0
PAUL NEUMANN	(i)	0	0	0	0	0	0	0
	(ii)	494,416	202,805	115,660	77,823	28,506	919,210	0
AGNES HAGERTY	(i)	0	0	0	0	0	0	0
	(ii)	344,298	0	24,359	39,568	15,206	423,431	0
JENNIFER BARNETT	(i)	0	0	0	0	0	0	0
	(ii)	544,376	209,584	173,325	11,250	11,351	949,886	0
BENJAMIN CARTER	(i)	0	0	0	0	0	0	0
	(ii)	523,380	202,878	73,045	80,824	31,986	912,113	0
JAMES BOSSCHER	(i)	0	0	0	0	0	0	0
	(ii)	333,362	135,303	117,905	78,514	12,923	678,007	13,830
KEDRICK ADKINS	(i)	0	0	0	0	0	0	0
	(ii)	784,856	366,716	670,047	112,792	13,375	1,947,786	265,335
RICHARD O'CONNELL	(i)	0	0	0	0	0	0	0
	(ii)	607,209	284,428	144,773	97,104	33,319	1,166,833	0
ROBERT PEEBLES	(i)	0	0	0	0	0	0	0
	(ii)	374,071	120,488	56,154	56,633	22,570	629,916	0
RUSSELL KNIGHT	(i)	0	0	0	0	0	0	0
	(ii)	306,294	82,839	58,247	66,483	9,308	523,171	10,823
RODNEY SCHLADER	(i)	0	0	0	0	0	0	0
	(ii)	275,190	63,469	1,366	35,900	22,004	397,929	0
STEVEN EAVENSON	(i)	0	0	0	0	0	0	0
	(ii)	262,050	56,763	30,900	20,450	15,963	386,126	0
PAUL MANTERNACH	(i)	0	0	0	0	0	0	0
	(ii)	331,466	71,892	1,120	20,204	19,255	443,937	0
TERESA MOCK	(i)	0	0	100,879	0	0	100,879	0
	(ii)	270,524	58,991	2,594	34,888	19,657	386,654	0
DIANE FISCHELS	(i)	0	0	0	0	0	0	0
	(ii)	267,244	57,316	1,343	53,473	8,819	388,195	0
MARILYN KAPTAIN-DAHLEN	(i)	0	0	0	0	0	0	0
	(ii)	232,872	50,495	3,361	43,667	18,595	348,990	0
MICHAEL JOHNSTON	(i)	0	0	0	0	0	0	0
	(ii)	202,477	45,095	437	18,261	17,928	284,198	0
LINDA KREI	(i)	0	0	0	0	0	0	0
	(ii)	187,128	40,019	899	31,762	4,060	263,868	0
GARY GUETZKO	(i)	0	0	0	0	0	0	0
	(ii)	185,196	34,442	1,720	40,471	19,429	281,258	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
KIMBERLY CHAMBERLIN	(i)	0	0	0	0	0	0	0
	(ii)	170,452	37,110	824	10,558	11,095	230,039	0
KAY TAKES	(i)	0	0	0	0	0	0	0
	(ii)	167,971	30,971	815	28,453	17,405	245,615	0
ROBERT SHAFER	(i)	0	0	0	0	0	0	0
	(ii)	161,009	29,356	1,430	82,730	5,091	279,616	0
BRIAN MONSMA	(i)	0	0	0	0	0	0	0
	(ii)	149,395	33,545	321	15,274	21,216	219,751	0
TRACY LARSON	(i)	0	0	0	0	0	0	0
	(ii)	136,066	29,988	289	8,729	20,961	196,033	0
JAMES BAER	(i)	742,486	0	16,707	22,150	68,129	849,472	0
	(ii)	0	0	0	0	0	0	0
ALIREZA YARAHMADI	(i)	523,853	151,857	66,466	19,850	36,399	798,425	0
	(ii)	0	0	0	0	0	0	0
JAMES KARKOS	(i)	376,538	181,215	119,338	31,835	45,104	754,030	69,316
	(ii)	0	0	0	0	0	0	0
CARL PLANK	(i)	485,176	121,285	32,064	35,736	66,359	740,620	0
	(ii)	0	0	0	0	0	0	0
JOSEPH BEHR	(i)	486,361	77,550	41,625	19,850	42,993	668,379	0
	(ii)	0	0	0	0	0	0	0
DANIEL HALE	(i)	0	0	0	0	0	0	0
	(ii)	527,004	213,622	115,423	42,104	21,386	919,539	24,468
MARIANNE CUNNINGHAM	(i)	0	0	0	0	0	0	0
	(ii)	164,476	0	803	13,596	18,931	197,806	0
PAUL BROWNE	(i)	0	0	0	0	0	0	0
	(ii)	243,006	185,010	52,014	28,955	12,897	521,882	21,648
DEBRA CANALES	(i)	0	0	0	0	0	0	0
	(ii)	508,488	236,816	106,740	82,290	19,743	954,077	22,307
PAUL CONLON	(i)	0	0	0	0	0	0	0
	(ii)	308,921	120,954	58,780	88,694	25,670	603,019	7,849
LOUIS FIERENS	(i)	0	0	0	0	0	0	0
	(ii)	329,192	133,901	55,547	53,208	15,721	587,569	9,499
PRESTON GEE	(i)	0	0	0	0	0	0	0
	(ii)	298,570	117,923	51,982	49,970	29,779	548,224	0
MICHAEL HOLPER	(i)	0	0	0	0	0	0	0
	(ii)	292,196	109,035	48,774	69,949	24,350	544,304	5,807
TERRENCE O'ROURKE	(i)	0	0	0	0	0	0	0
	(ii)	548,590	254,064	161,351	24,584	32,380	1,020,969	0
MARIA SZYMANSKI	(i)	0	0	0	0	0	0	0
	(ii)	429,715	159,037	35,632	60,935	15,654	700,973	20,460

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
KIM PRICE	(i)	127,230	0	5,787	25,869	22,852	181,738	0
	(ii)	0	0	0	0	0	0	0
MICHAEL MURPHY	(i)	0	0	0	0	0	0	0
	(ii)	139,488	0	41,394	4,650	11,980	197,512	0
JAMES FITZPATRICK	(i)	0	0	0	0	0	0	0
	(ii)	110,324	0	34,827	20,167	5,660	170,978	19,535
LARRY SELLERS	(i)	0	0	0	0	0	0	0
	(ii)	166,723	0	46,996	32,249	10,802	256,770	0
BERNARD FOX	(i)	0	0	0	0	0	0	0
	(ii)	77,434	28,093	2,005	13,064	4,414	125,010	0

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization MERCY HEALTH SERVICES - IOWA CORP	Employer identification number  31-1373080
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

**Part V Supplemental Information**

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) UNITED CLINICAL LABORATORIES (UCL)	R SHAFER, K TAKES & B FOX (FORMER), KEY EMPLOYEES, ARE ON UCL BD	6,218,625	PAYMENTS MADE BY MERCY HEALTH SERVICES - IOWA, CORP TO UNITED CLINICAL LABORATORIES FOR LABORATORY SERVICES		No
(2) BARBARA SHAFER	FAMILY MEMBER OF ROBERT SHAFER, KEY EMPLOYEE	65,380	EMPLOYMENT ARRANGEMENT		No
(3) NANCY ROLING	FAMILY MEMBER OF ROBERT SHAFER, KEY EMPLOYEE	131,921	EMPLOYMENT ARRANGEMENT		No
(4) PREFERRED HEALTH CHOICES LLC (PHC)	RUSSELL KNIGHT, KEY EMPLOYEE, ALSO SERVES ON THE BOARD OF PHC	20,990,962	PAYMENTS MADE BY PREFERRED HEALTH CHOICES TO MERCY HEALTH SERVICES - IOWA, CORP FOR MEDICAL SERVICES PROVIDED		No
(5) PREFERRED HEALTH CHOICES LLC (PHC)	RUSSELL KNIGHT, KEY EMPLOYEE, ALSO SERVES ON THE BOARD OF PHC	13,984,818	PAYMENTS MADE BY MERCY HEALTH SERVICES - IOWA, CORP TO PREFERRED HEALTH CHOICES FOR REIMBURSEMENT OF THIRD PARTY ADMINISTRATOR PAYMENTS		No
(6) WELLMARK BLUE CROSS BLUE SHIELD OF IOWA AND SOUTH DAKOTA	MELANIE DREHER, BOARD MEMBER, ALSO SERVES ON THE BOARD OF WELLMARK BCBS	106,363,921	PAYMENTS MADE BY WELLMARK BCBS TO MERCY HEALTH SERVICES - IOWA, CORP FOR MEDICAL SERVICES PROVIDED		No
(7) TRI-STATE SURGERY CENTER LLC (TSSC)	RUSSELL KNIGHT & KAY TAKES, KEY EMPLOYEES, ALSO SERVE ON THE BOARD OF TSSC	2,382,500	PARTNERSHIP DISTRIBUTION MADE BY TSSC TO MHS-IA (MHS-IA IS A 50% PARTNER IN TSSC)		No
(8) MEDICAL ASSOCIATESMERCY FAMILY CARE NETWORK LLC (MAMFCN)	RUSSELL KNIGHT & KAY TAKES, KEY EMPLOYEES, ALSO SERVE ON THE BD OF MA/MFCN	185,000	PARTNERSHIP CAPITAL CONTRIBUTION MADE TO MA/MFCN BY MHS-IA (MHS-IA IS A 50% PARTNER IN MA/MFCN)		No
(9) RODGER MOCK	FAMILY MEMBER OF TERESA MOCK, KEY EMPLOYEE	19,378	EMPLOYMENT ARRANGEMENT		No
(10) SIOUXLAND SURGERY CENTER	ROBERT PEEBLES, KEY EMPLOYEE, ALSO SERVES ON THE BOARD OF SIOUXLAND SURGERY	8,573,250	PARTNERSHIP DISTRIBUTION MADE BY SIOUXLAND SURGERY CENTER TO MERCY HEALTH SERVICES - IOWA, CORP (MHS-IA IS A 31% PARTNER IN SIOUXLAND SURGERY CENTER)		No
(11) HEALTH MANAGEMENT SERVICES LLC (HMS)	R KNIGHT, R SHAFER & G GUETZKO, KEY EMPLOYEES, ARE ALSO HMS BD MEMBERS	939,560	PARTNERSHIP DISTRIBUTION MADE BY HEALTH MANAGEMENT SERVICES, LLC TO MHS-IA (MHS-IA IS A 50% PARTNER IN HEALTH MGMT SVCS)		No

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 MERCY HEALTH SERVICES - IOWA CORP	Employer identification number  31-1373080
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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 3	MERCY HEALTH SERVICES - IOWA, CORP (MHS-IA) HAS CONTRACTED WITH TATUM, LLC AS OF DECEMBER 2012 FOR THE PROVISION OF INTERIM CFO SERVICES AT ITS SIOUX CITY HOSPITAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF MERCY HEALTH SERVICES - IOWA, CORP IS TRINITY HEALTH - MICHIGAN SEE LINE 7 FOR ADDITIONAL INFORMATION



Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	TRINITY HEALTH - MICHIGAN IS THE SOLE MEMBER OF MERCY HEALTH SERVICES - IOWA, CORP TRINITY HEALTH - MICHIGAN HAS THE RIGHT TO APPOINT ALL PERSONS TO THE BOARD OF TRUSTEES OF MERCY HEALTH SERVICES - IOWA, CORP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	AS SOLE MEMBER, TRINITY HEALTH - MICHIGAN MUST APPROVE CERTAIN DECISIONS OF THE GOVERNING BODY, INCLUDING THE STRATEGIC PLAN, ANNUAL CAPITAL PLAN, AND ANNUAL OPERATING BUDGET TRINITY HEALTH - MICHIGAN MUST ALSO APPROVE SIGNIFICANT CHANGES SUCH AS A MERGER, DISSOLUTION, SALE OF ASSETS IN EXCESS OF CERTAIN LIMITS, A MATERIAL CHANGE IN MISSION, AND MODIFICATIONS TO GOVERNING DOCUMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	PRIOR TO FILING, THE FORM 990 FOR MERCY HEALTH SERVICES - IOWA, CORP IS REVIEWED BY SENIOR MANAGEMENT IN ADDITION, CERTAIN KEY SECTIONS ARE REVIEWED BY THE IOWA REGIONAL BOARD OF THE CHE TRINITY HEALTH SYSTEM THE MHS-IA BOARD RECEIVES A COPY OF THE RETURN IN ITS FINAL FORM BEFORE IT IS FILED WITH THE INTERNAL REVENUE SERVICE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	MERCY HEALTH SERVICES - IOWA, CORP HAS ADOPTED A CONFLICT OF INTEREST POLICY WHICH CONTAINS THE ELEMENTS IN THE MODEL CONFLICT OF INTEREST POLICY ISSUED BY THE IRS IT APPLIES TO ALL "INTERESTED PERSONS" OF MERCY HEALTH SERVICES - IOWA, CORP , WHICH INCLUDES TRUSTEES, PRINCIPAL OFFICERS AND EXECUTIVES, AND MEMBERS OF COMMITTEES WITH BOARD DESIGNATED POWERS INTERESTED PERSONS ARE REQUIRED TO ACT AT ALL TIMES IN A MANNER CONSISTENT WITH MERCY HEALTH SERVICES - IOWA, CORP 'S CHARITABLE PURPOSE AND SERVICE TO THE COMMUNITY AND TO AVOID CONFLICTS OF INTEREST INTERESTED PERSONS ARE REQUIRED TO MAKE FULL DISCLOSURE TO MERCY HEALTH SERVICES - IOWA, CORP OF ANY FINANCIAL OR BUSINESS INTERESTS THAT MIGHT RESULT IN OR HAVE THE APPEARANCE OF A CONFLICT OF INTEREST INTERESTED PERSONS ARE REQUIRED TO RECUSE THEMSELVES FROM DISCUSSION AND VOTING ON MATTERS INVOLVING A CONFLICT OF INTEREST THE BOARD OF TRUSTEES OF MERCY HEALTH SERVICES - IOWA, CORP IS RESPONSIBLE FOR THE REVIEW AND APPROVAL OF TRANSACTIONS WITH INTERESTED PERSONS, INCLUDING DETERMINING THAT SUCH TRANSACTIONS ARE FAIR AND REASONABLE TO MERCY HEALTH SERVICES - IOWA, CORP ON AN ANNUAL BASIS, INTERESTED PERSONS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT AND TO AFFIRM THEIR RECEIPT OF THE CONFLICT OF INTEREST POLICY , COMPLIANCE WITH ITS REQUIREMENTS, AND AGREE TO NOTIFY THE ORGANIZATION OF CHANGES IMPACTING THEIR ANNUAL DISCLOSURE IN ACCORDANCE WITH THE POLICY THE ANNUAL DISCLOSURES ARE REVIEWED WITH THE BOARD OF TRUSTEES OF MERCY HEALTH SERVICES - IOWA, CORP ON AN ANNUAL BASIS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	TRINITY HEALTH FOLLOWS A PROCESS AND POLICY THAT IS INTENDED TO MIRROR THE IRC SECTION 4958 GUIDELINES FOR OBTAINING A "REBUTTABLE PRESUMPTION OF REASONABLENESS" WITH REGARD TO COMPENSATION AND BENEFITS AS PART OF THAT PROCESS, THE COMPENSATION AND BENEFITS OF CERTAIN OFFICERS AND KEY MANAGEMENT OFFICIALS OF MERCY HEALTH SERVICES - IOWA, CORP ARE REVIEWED AT LEAST ANNUALLY BY THE TRINITY HEALTH BOARD OR THE TRINITY HEALTH HUMAN RESOURCES AND COMPENSATION COMMITTEE (HRCC) OF THE BOARD, AUTHORIZED TO ACT ON BEHALF OF THE BOARD WITH RESPECT TO CERTAIN COMPENSATION MATTERS AS PART OF ITS REVIEW PROCESS, THE HRCC RETAINS AN INDEPENDENT FIRM EXPERIENCED IN COMPENSATION AND BENEFIT MATTERS FOR NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS TO ADVISE IT IN THE DETERMINATIONS IT MAKES ON THE REASONABLENESS OF PROPOSED COMPENSATION AND BENEFITS ARRANGEMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	MERCY HEALTH SERVICES - IOWA, CORP IS A SUBSIDIARY ORGANIZATION IN THE TRINITY HEALTH SYSTEM. TRINITY HEALTH MAKES CERTAIN OF ITS KEY DOCUMENTS AVAILABLE TO THE PUBLIC ON ITS WEBSITE, WWW.TRINITY-HEALTH.ORG, IN THE "ABOUT US" SECTION. IN THIS SECTION, THE ANNUAL REPORT (WHICH INCLUDES COMMUNITY BENEFIT MINISTRY INFORMATION) AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE. IN ADDITION, THE HOSPITAL DIVISIONS OF MHS-IA INCLUDE A COPY OF THEIR MOST RECENT SCHEDULE H ON THEIR RESPECTIVE WEBSITES. TRINITY HEALTH ALSO INCLUDES MHS-IA'S MOST RECENTLY FILED SCHEDULE H ON ITS WEBSITE.

Identifier	Return Reference	Explanation
TRUSTEES	FORM 990, PART VII, SECTION A, LINE 1	SR SUZANNE BRENNAN, CSC, IS A MEMBER OF THE CONGREGATION OF THE SISTERS OF THE HOLY CROSS HAVING TAKEN A VOW OF POVERTY, SR SUZANNE BRENNAN DID NOT RECEIVE COMPENSATION FOR THE SERVICES SHE PROVIDED TO MERCY HEALTH SERVICES - IOWA, CORP INSTEAD, A TOTAL OF \$25,000 WAS PAID BY TRINITY HEALTH CORPORATION DIRECTLY TO THE CONGREGATION OF THE SISTERS OF THE HOLY CROSS FOR SR SUZANNE BRENNAN'S SERVICES AS A TRUSTEE FOR TRINITY HEALTH CORPORATION, MERCY HEALTH SERVICES - IOWA, CORP AND TRINITY HEALTH - MICHIGAN SR MARY MOLLISON, CSA, IS A MEMBER OF THE CONGREGATION OF SAINT AGNES HAVING TAKEN A VOW OF POVERTY, SR MARY MOLLISON DID NOT RECEIVE COMPENSATION FOR THE SERVICES SHE PROVIDED TO MERCY HEALTH SERVICES - IOWA, CORP INSTEAD, A TOTAL OF \$50,000 WAS PAID BY TRINITY HEALTH CORPORATION DIRECTLY TO THE CONGREGATION OF SAINT AGNES FOR SR MARY MOLLISON'S SERVICES AS BOARD CHAIR FOR TRINITY HEALTH CORPORATION, MERCY HEALTH SERVICES - IOWA, CORP AND TRINITY HEALTH - MICHIGAN

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	NET EQUITY TRANSFERS TO AFFILIATES -10,628,864 EQUITY EARNINGS IN UNCONSOLIDATED AFFILIATES 10,615,724 OTHER TRANSACTIONS -133,762,595



Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2	MERCY HEALTH SERVICES -IOWA, CORP 'S FINANCIAL STATEMENTS WERE INCLUDED IN THE FY 13 CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH, WHICH WERE AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTING FIRM

Identifier	Return Reference	Explanation
	FORM 990, PAGE 1, DOING BUSINESS AS NAMES	FOREST PARK PHARMACY, MARIAN HEALTH CENTER, MERCY HEALTH CENTER-DUBUQUE (ST JOSEPH'S), MERCY HEALTH CENTER-DYERSVILLE (ST MARY'S), MERCY HOME CARE-NORTH IOWA, MERCY MEDICAL CENTER-DUBUQUE, MERCY MEDICAL CENTER-DYERSVILLE, MERCY MEDICAL CENTER-NEW HAMPTON, MERCY MEDICAL CENTER-NORTH IOWA, MERCY MEDICAL CENTER-SIOUX CITY, NORTH IOWA MERCY HEALTH CENTER, NORTH IOWA MERCY HOME HEALTHCARE, SHEFFIELD PHARMACY, ST JOSEPH COMMUNITY HOSPITAL

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  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

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
See Additional Data Table									

Part V

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

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

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

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 Yes

1b Yes

1c Yes

1d

1e

1f

1g

1h

1i

1j

1k Yes

1l Yes

1m Yes

1n

1o

1p Yes

1q Yes

1r Yes

1s

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

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

Schedule R (Form 990) 2012

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]







**Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership**

[illegible]

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
COMMUNITY HEALTH VENTURES INC  565 W WESTERN AVE MUSKEGON, MI 49440 38-3522260	SOFTWARE MARKETING	MI	N/A	C					No
GOTTLIEB MANAGEMENT SERVICES INC  701 W NORTH AVE MELROSE PARK, IL 60160 36-3330529	MANAGEMENT SERVICES	IL	N/A	C					No
HACKLEY HEALTH MANAGEMENT CENTER  1415 LEAHY ST MUSKEGON, MI 49442 38-2961814	WEIGHT MANAGEMENT	MI	N/A	C					No
HACKLEY HEALTH VENTURES INC  1415 LEAHY ST MUSKEGON, MI 49442 38-2589959	OTHER MEDICAL SERVICES	MI	N/A	C					No
HACKLEY HEALTHCARE EQUIPMENT  1415 LEAHY ST MUSKEGON, MI 49442 38-2578569	HOME MEDICAL EQUIPMENT	MI	N/A	C					No
HACKLEY PROFESSIONAL CENTER  1415 LEAHY ST MUSKEGON, MI 49442 38-3024797	REAL ESTATE RENTAL	MI	N/A	C					No
HACKLEY PROFESSIONAL PHARMACY  1415 LEAHY ST MUSKEGON, MI 49442 38-2447870	PHARMACY	MI	N/A	C					No
HEF INC  1415 LEAHY ST MUSKEGON, MI 49442 38-3086401	OFFICE STAFFING	MI	N/A	C					No
HOLY CROSS PRIVATE HOME SERVICES CORP  11801 TECH ROAD SILVER SPRING, MD 20904 52-1986562	HOME CARE SERVICES	MD	N/A	C					No
HPC CO-OWNERS ASSOCIATION  1700 CLINTON MUSKEGON, MI 49442 27-0734448	CONDOMINIUM ASSOCIATION	MI	N/A	C					No
HURON ARBOR CORPORATION  5301 EAST HURON RIVER DR PO BOX 992 ANN ARBOR, MI 48106 38-2475644	PROVIDES OFFICE RENTAL SPACE	MI	N/A	C					No
IHA AFFILIATION CORPORATION  24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI 48106 38-3188895	MEDICAL MANAGEMENT	MI	N/A	C					No
MARYLAND CARE GROUP INC  11801 TECH ROAD SILVER SPRING, MD 20904 52-1815313	HEALTHCARE HOLDING	MD	N/A	C					No
MEDNOW INC  1512 12TH AVENUE ROAD NAMPA, ID 83686 82-0389927	OUTPATIENT PHARMACY	ID	N/A	C					No
MERCY MEDICAL SERVICES  801 5TH STREET SIOUX CITY, IA 51101 42-1283849	PRIMARY CARE PHYSICIANS	IA	MERCY HEALTH SERVICES- IOWA CORP	C	-8,450,677	11,948,286	100 000 %	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
MERCY SERVICES CORPORATION  2525 SOUTH MICHIGAN AVENUE CHICAGO, IL 60616 36-3227348	DORMANT	IL	N/A	C					No
MICHIGAN ATHLETIC CLUB  2500 BURTON GRAND RAPIDS, MI 49546 38-2647304	ATHLETIC CLUB	MI	N/A	C					No
MOUNT CARMEL HEALTH PROVIDERS INC  6150 EAST BROAD STREET COLUMBUS, OH 43213 31-1382442	MEDICAL SERVICES	OH	N/A	C					No
NORTH IOWA MERCY MEDICAL SERVICES INC  1000 4TH ST SW MASON CITY, IA 50401 42-1382308	MEDICAL SERVICES	IA	MERCY HEALTH SERVICES-IOWA CORP	C			100 000 %	Yes	
PRIORITY PLUS OF CALIFORNIA  PO BOX 27230 FRESNO, CA 93729 77-0395267	FORMERLY HLTH MGMT NOW DISCONTINUED OPERATIONS	CA	N/A	C					No
SAINT ALPHONSUS PHYSICIANS PA  1055 NORTH CURTIS ROAD BOISE, ID 837061370 33-1078261	PHYSICIANS	ID	N/A	C					No
SAINT MARY'S HEALTH MANAGEMENT COMPANY  1640 EAST PARIS SE GRAND RAPIDS, MI 49546 38-3450733	ATHLETIC CLUB	MI	N/A	C					No
SURGERY CENTER FINANCING CORPORATION  6150 EAST BROAD STREET COLUMBUS, OH 43213 31-1531102	FINANCE, INSURANCE AND REAL ESTATE	OH	N/A	C					No
THRE SERVICES LLC  20555 VICTOR PARKWAY LIVONIA, MI 48152 45-2603654	REAL ESTATE BROKERAGE SERVICES	MI	N/A	C					No
TRINITY HEALTH EMPLOYEE BENEFIT TRUST  20555 VICTOR PARKWAY LIVONIA, MI 48152 38-3410377	GRANTOR TRUST	MI	N/A	T					No
VENZKE INSURANCE COMPANY LTD  PO BOX 1051 GRAND CAYMAN GRAND CAYMAN CJ 98-0453602	PROVISION OF INSURANCE COVERAGE	CJ	N/A	C					No
WEST SHORE PROFESSIONAL BUILDING CONDOMINIUM  1820 44TH STREET SE KENTWOOD, MI 49508 38-2700166	CONDOMINIUM ASSOCIATION	MI	N/A	C					No
WESTSHORE HEALTH NETWORK  1820 44TH STREET KENTWOOD, MI 49508 38-3280200	PHYSICIAN HOSPITAL ORGANIZATION	MI	N/A	C					No
WORKPLACE HEALTH OF GRAND HAVEN  1415 LEAHY ST MUSKEGON, MI 49442 38-3112035	OCCUPATIONAL HEALTH	MI	N/A	C					No
SAMARITAN MEDICAL OFFICE BUILDING INC  2212 BURDETT AVENUE TROY, NY 12180 14-1607244	REAL ESTATE	NY	N/A	C					No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
AFFILIATED MANAGEMENT SERVICES CORPORATION INC  1300 MASSACHUSETTS AVENUE TROY, NY 12180 14-1668024	REAL ESTATE	NY	N/A	C					No
CATHERINE HORAN BUILDING INC  C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-2938160	BUILDING MANAGEMENT	MA	N/A	C					No
DIVERSIFIED COMMUNITY SERVICES INC  C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-3128890	MEDICAL SERVICES	MA	N/A	C					No
MERCY INPATIENT MEDICAL ASSOCIATES INC  C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-3029929	MEDICAL SERVICES	MA	N/A	C					No
PROVIDENCE HOME CARE INC  C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-3317426	HEALTH CARE SERVICES	MA	N/A	C					No
SYSTEM COORDINATED SERVICES INC  C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-2938181	LAB SERVICES	MA	N/A	C					No
PHYSICIANS MEDICAL OFFICE BUILDING CONDOMINIUM TRUST  1221 MAIN STREET ROOM 108 HOLYOKE, MA 010400000 04-6608649	PROPERTY MANAGEMENT	MA	N/A	C					No
SJM PROPERTIES INC  411 CANISTEO STREET HORNELL, NY 148482101 16-1294991	PROPERTY HOLDINGS	NY	N/A	C					No
CARBONDALE AREA PHYSICIANS' ASSOCIATION PC  100 LINCOLN AVE CARBONDALE, PA 18407 23-2801677	MEDICAL INSURANCE CONTRACTING	PA	N/A	C					No
CARBONDALE AREA PHYSICIANS' PHO INC  100 LINCOLN AVE CARBONDALE, PA 18407 23-2801676	INACTIVE	PA	N/A	C					No
CARBONDALE PHYSICIANS' SERVICES INC  100 LINCOLN AVE CARBONDALE, PA 18407 23-2365077	PHARMACY	PA	N/A	C					No
CHESTNUT RISK SERVICES LTD  11 VICTORIA STREET HAMILTON BD	INSURANCE	BD	N/A	C					No
LIFECARE PHYSICIANS PC  601 HAMILTON AVENUE TRENTON, NJ 086291986 26-1649038	HEALTH CARE SERVICES	NJ	N/A	C					No
MULTICARE PLUS INC  601 HAMILTON AVENUE TRENTON, NJ 086291986 22-3435844	INACTIVE	NJ	N/A	C					No
LANGHORNE SERVICES II INC  1201 LANGHORNE- NEWTOWN ROAD LANGHORNE, PA 19047 25-3795549	GENERAL PARTNER OF LMOB PARTNERS, II	PA	N/A	C					No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
LANGHORNE SERVICES INC  1201 LANGHORNE- NEWTOWN ROAD LANGHORNE, PA 19047 23-2625981	GENERAL PARTNER OF LMOB PARTNERS,	PA	N/A	C					No
GATEWAY HEALTH PLAN INC  600 GRANT STREET PITTSBURGH, PA 15219 25-1505506	HEALTH CARE	PA	N/A	C					No
GATEWAY HEALTH PLAN INC OF OHIO  600 GRANT STREET PITTSBURGH, PA 15219 30-0282076	HEALTH CARE	PA	N/A	C					No
MCMC EASTWICK INC  C/O MHS ONE WEST ELM STREET CONSHOHOCKEN, PA 19428 23-2184261	MEDICAL OFFICE BUILDINGS	PA	N/A	C					No
HEALTH MANAGEMENT SERVICES ORG INC  500 GROVE STREET SUITE 100 HADDON HEIGHTS, NJ 08035 22-3366580	HEALTH CARE BILLING	NJ	N/A	C					No
LOURDES MEDEICAL ASSOCIATES PA  500 GROVE STREET SUITE 100 HADDON HEIGHTS, NJ 08035 22-3361862	MEDICAL SERVICES	NJ	N/A	C					No
JEANNETTE MEDICAL PROVIDERS  3805 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 25-1787334	HOLDING COMPANY	PA	N/A	C					No
JEANNETTE OBGYN GROUP 1 INC  3805 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 23-2890748	HOLDING COMPANY	PA	N/A	C					No
JEANNETTE PRIMARY CARE GROUP 1 INC  3805 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 23-2890743	HOLDING COMPANY	PA	N/A	C					No
GEORGIA HEALTH ENTERPRISES LLC  1230 BAXTER STREET ATHENS, GA 30606 54-1806329	HEALTHCARE	GA	N/A	C					No
ST MARY'S HIGHLAND HILLS VILLAGE INC  1660 JENNINGS MILL PKLY BOGART, GA 30622 58-2276801	ASSISTED LIVING	GA	N/A	C					No
GHE PHYSICIANS PC  3500 PIEDMONT ROAD ATLANTA, GA 30305 58-2277939	PRACTICE MANAGEMENT	GA	N/A	C					No
NURSING NETWORK INC  4725 NORTH FEDERAL HIGHWAY FORT LAUDERDALE HIGHWA, FL 333080000 59-1145192	MEDICAL SERVICES	FL	N/A	C					No
MERCY PHYSICIAN GROUP INC  3663 SOUTH MIAMI AVENUE MIAMI, FL 33133 20-2970015	HEALTH CARE	FL	N/A	C					No
STELLA MARIS INSURANCE COMPANY LIMITED  PO BOX 69 GRAND CAYMAN, CAYMAN ISLANDS KY1-1102 CJ 98-0078266	INSURANCE	CJ	N/A	C					No

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								Yes	No
CATHOLIC HEALTH EAST SENIOR SERVICES  3805 WEST CHESTER PIKE SUITE 100 NEWTOWN SQUARE, PA 19073 37-1572595	SENIOR SERVICES	PA	N/A	C					No

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
TRINITY HEALTH CORPORATION	B	5,774,992	PER BOOKS
TRINITY HEALTH CORPORATION	M	53,069,392	PER BOOKS
TRINITY HEALTH CORPORATION	P	50,082,836	PER BOOKS
TRINITY HEALTH CORPORATION	Q	1,284,366	PER BOOKS
TRINITY HEALTH CORPORATION	R	9,140,199	PER BOOKS
DUBUQUE MERCY HEALTH FOUNDATION	C	118,224	PER BOOKS
DUBUQUE MERCY HEALTH FOUNDATION	B	271,062	PER BOOKS
DUBUQUE MERCY HEALTH FOUNDATION	L	417,709	PER BOOKS
DYERSVILLE HEALTH FOUNDATION INC	B	110,277	PER BOOKS
DYERSVILLE HEALTH FOUNDATION INC	L	134,564	PER BOOKS
MERCY HEART CTR OP SERVICES LLC	A	14,306	PER BOOKS
MERCY HEART CTR OP SERVICES LLC	C	908,976	PER BOOKS
MERCY HEART CTR OP SERVICES LLC	M	974,336	PER BOOKS
MASON CITY AMBULATORY SURGERY CENTER LLC	C	2,936,826	PER BOOKS
MASON CITY AMBULATORY SURGERY CENTER LLC	L	332,364	PER BOOKS
FOREST PARK IMAGING LLC	C	1,159,738	PER BOOKS
FOREST PARK IMAGING LLC	P	933,320	PER BOOKS
FOREST PARK IMAGING LLC	Q	50,856	PER BOOKS
HOSPICE OF NORTH IOWA	Q	588,213	PER BOOKS
HOSPICE OF NORTH IOWA	M	187,922	PER BOOKS
OAKLAND MERCY HOSPITAL	B	1,011,645	PER BOOKS
OAKLAND MERCY HOSPITAL	Q	300,127	PER BOOKS
OAKLAND MERCY HOSPITAL	P	118,711	PER BOOKS
MERCY MEDICAL SERVICES	B	6,351,269	PER BOOKS
MERCY MEDICAL SERVICES	M	133,698	PER BOOKS

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MERCY MEDICAL SERVICES	P	1,605,730	PER BOOKS
MERCY MEDICAL SERVICES	Q	2,103,420	PER BOOKS
BAUM HARMON MERCY HOSPITAL	B	1,825,835	PER BOOKS
BAUM HARMON MERCY HOSPITAL	M	55,363	PER BOOKS
BAUM HARMON MERCY HOSPITAL	P	186,309	PER BOOKS
BAUM HARMON MERCY HOSPITAL	Q	270,270	PER BOOKS
MERCY MEDICAL CENTER-SIOUX CITY FOUNDATION	B	262,668	PER BOOKS
MERCY MEDICAL CENTER-SIOUX CITY FOUNDATION	C	536,422	PER BOOKS
MERCY MEDICAL CENTER-CLINTON INC	L	187,574	PER BOOKS
MERCY MEDICAL CENTER FOUNDATION-NORTH IOWA	B	267,968	PER BOOKS
TRINITY HOME HEALTH SERVICES INC	L	115,040	PER BOOKS
MAGNETIC RESONANCE SERVICES PARTNERSHIP	C	1,248,276	PER TAX RETURN



# Trinity Health

Consolidated Financial Statements as of and  
for the Years Ended June 30, 2013 and 2012,  
and Independent Auditors' Report

# TRINITY HEALTH

## TABLE OF CONTENTS

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	Page
INDEPENDENT AUDITORS' REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2013 AND 2012:	
Balance Sheets	3–4
Statements of Operations and Changes in Net Assets	5–7
Statements of Cash Flows	8–9
Notes to Consolidated Financial Statements	10–51



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Trinity Health  
Livonia, Michigan

We have audited the accompanying consolidated financial statements of Trinity Health and subsidiaries (the "Corporation"), 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 Consolidated Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity Health and subsidiaries as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis-of-Matter

As discussed in Note 2 to the consolidated financial statements, the Corporation adopted the presentation and disclosure requirements of Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, and changed its presentation of the provision for bad debts in the consolidated statements of operations and changes in net assets. Our opinion is not modified with respect to this matter.

*Deloitte + Touche LLP*

September 25, 2013

# TRINITY HEALTH

## CONSOLIDATED BALANCE SHEETS

JUNE 30, 2013 AND 2012

(In thousands)

	2013	2012
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 709,683	\$ 708,889
Investments	2,088,973	1,883,325
Security lending collateral	114,865	130,702
Assets limited or restricted as to use — current portion	27,112	27,420
Patient accounts receivable — net of allowance for doubtful accounts of \$268.1 million and \$217.5 million in 2013 and 2012, respectively	942,880	965,573
Estimated receivables from third-party payors	155,534	140,614
Other receivables	137,579	140,718
Inventories	137,780	133,634
Prepaid expenses and other current assets	103,530	159,674
Total current assets	4,417,936	4,290,549
ASSETS LIMITED OR RESTRICTED AS TO USE —		
Noncurrent portion:		
Held by trustees under bond indenture agreements	-	51,114
Self-insurance, benefit plans and other	388,758	419,685
By Board	2,475,659	2,153,574
By donors	141,647	129,628
Total assets limited or restricted as to use — noncurrent portion	3,006,064	2,754,001
PROPERTY AND EQUIPMENT — Net	4,548,908	4,221,827
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	127,899	126,678
GOODWILL	118,542	107,704
INTANGIBLE ASSETS — Net of accumulated amortization of \$20.4 million and \$17.1 million in 2013 and 2012, respectively	65,409	64,475
OTHER ASSETS	164,735	110,681
TOTAL ASSETS	\$ 12,449,493	\$ 11,675,915

	2013	2012
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Commercial paper	\$ 368,923	\$ 134,989
Short-term borrowings	867,130	892,865
Current portion of long-term debt	30,862	32,362
Accounts payable	419,050	351,931
Accrued expenses	130,383	138,114
Salaries, wages and related liabilities	439,214	421,448
Current portion of self-insurance reserves	92,300	121,045
Payable under security lending agreements	114,865	130,702
Estimated payables to third-party payors	<u>285,419</u>	<u>269,377</u>
Total current liabilities	2,748,146	2,492,833
LONG-TERM DEBT — Net of current portion	2,299,594	2,302,236
SELF-INSURANCE RESERVES — Net of current portion	507,845	513,602
ACCRUED PENSION AND RETIREE HEALTH COSTS	686,946	1,057,566
OTHER LONG-TERM LIABILITIES	<u>403,928</u>	<u>440,668</u>
Total liabilities	<u>6,646,459</u>	<u>6,806,905</u>
NET ASSETS:		
Unrestricted net assets	5,627,077	4,707,202
Noncontrolling ownership interest in subsidiaries	<u>19,758</u>	<u>18,160</u>
Total unrestricted net assets	5,646,835	4,725,362
Temporarily restricted net assets	113,438	102,978
Permanently restricted net assets	<u>42,761</u>	<u>40,670</u>
Total net assets	<u>5,803,034</u>	<u>4,869,010</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,449,493</u>	<u>\$ 11,675,915</u>

The accompanying notes are an integral part of the consolidated financial statements.

# TRINITY HEALTH

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
UNRESTRICTED REVENUE:		
Patient service revenue — net of contractual and other allowances	\$ 8,288,991	\$ 7,849,161
Provision for bad debts	<u>480,302</u>	<u>431,457</u>
Net patient service revenue less provision for bad debts	7,808,689	7,417,704
Capitation and premium revenue	467,093	422,493
Net assets released from restrictions	13,566	12,120
Other revenue	<u>689,037</u>	<u>617,136</u>
Total unrestricted revenue	<u>8,978,385</u>	<u>8,469,453</u>
EXPENSES:		
Salaries and wages	3,793,347	3,549,999
Employee benefits	841,318	831,816
Contract labor	<u>86,365</u>	<u>82,903</u>
Total labor expenses	4,721,030	4,464,718
Supplies	1,468,953	1,430,933
Purchased services	857,177	775,408
Depreciation and amortization	479,882	464,750
Occupancy	370,404	348,864
Medical claims	238,209	210,245
Interest	110,533	102,781
Other	<u>410,448</u>	<u>401,745</u>
Total expenses	<u>8,656,636</u>	<u>8,199,444</u>
OPERATING INCOME BEFORE CONSOLIDATION COSTS	321,749	270,009
CONSOLIDATION COSTS	<u>(16,950)</u>	<u>-</u>
OPERATING INCOME	<u>304,799</u>	<u>270,009</u>
NONOPERATING ITEMS:		
Investment income (loss)	325,646	(19,159)
Change in market value and cash payments of interest rate swaps	45,818	(114,468)
Loss from early extinguishment of debt	-	(13,458)
Gain on bargain purchase and inherent contribution	-	216,796
Other, including income taxes	<u>(9,824)</u>	<u>27,333</u>
Total nonoperating items	<u>361,640</u>	<u>97,044</u>
EXCESS OF REVENUE OVER EXPENSES	666,439	367,053
LESS EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>10,566</u>	<u>8,312</u>
EXCESS OF REVENUE OVER EXPENSES — Net of noncontrolling interest	<u>\$ 655,873</u>	<u>\$ 358,741</u>

	2013		
	Controlling Interest	Noncontrolling Interest	Total
UNRESTRICTED NET ASSETS:			
Excess of revenue over expenses	\$ 655,873	\$ 10,566	\$ 666,439
Net assets released from restrictions for capital acquisitions	15,594	-	15,594
Net change in retirement plan related items	261,557	-	261,557
Other	<u>(3,646)</u>	<u>(8,968)</u>	<u>(12,614)</u>
Increase in unrestricted net assets before discontinued operations	929,378	1,598	930,976
Discontinued operations — Battle Creek Health System (BCHS) — loss from operations	<u>(9,503)</u>	<u>-</u>	<u>(9,503)</u>
Increase in unrestricted net assets	<u>919,875</u>	<u>1,598</u>	<u>921,473</u>
TEMPORARILY RESTRICTED NET ASSETS:			
Contributions	35,831	-	35,831
Net investment gain	3,246	-	3,246
Net assets released from restrictions	(29,160)	-	(29,160)
Other	<u>543</u>	<u>-</u>	<u>543</u>
Increase in temporarily restricted net assets	<u>10,460</u>	<u>-</u>	<u>10,460</u>
PERMANENTLY RESTRICTED NET ASSETS:			
Contributions for endowment funds	1,230	-	1,230
Net investment gain	2,278	-	2,278
Other	<u>(1,417)</u>	<u>-</u>	<u>(1,417)</u>
Increase in permanently restricted net assets	<u>2,091</u>	<u>-</u>	<u>2,091</u>
INCREASE IN NET ASSETS	932,426	1,598	934,024
NET ASSETS — Beginning of year	<u>4,850,850</u>	<u>18,160</u>	<u>4,869,010</u>
NET ASSETS — End of year	<u>\$ 5,783,276</u>	<u>\$ 19,758</u>	<u>\$ 5,803,034</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Continued)



	2012		
	Controlling Interest	Noncontrolling Interest	Total
UNRESTRICTED NET ASSETS:			
Excess of revenue over expenses	\$ 358,741	\$ 8,312	\$ 367,053
Net assets released from restrictions for capital acquisitions	20,496	-	20,496
Net change in retirement plan related items	(673,340)	-	(673,340)
Other	6,090	(6,287)	(197)
(Decrease) increase in unrestricted net assets before discontinued operations	(288,013)	2,025	(285,988)
Discontinued operations — BCHS:			
Net change in retirement plan-related items	21,678	-	21,678
Loss on transfer of shares	(28,534)	-	(28,534)
Loss from operations	(5,447)	-	(5,447)
Decrease due to transfer	-	(81,153)	(81,153)
Decrease in unrestricted net assets	(300,316)	(79,128)	(379,444)
TEMPORARILY RESTRICTED NET ASSETS:			
Contributions	38,022	-	38,022
Net assets released from restrictions	(32,616)	-	(32,616)
Decrease due to transfer of shares of BCHS	(1,628)	(1,628)	(3,256)
Acquisition of Loyola University Health System (LUHS)	20,362	-	20,362
Acquisition of Mercy Health System of Chicago (MHSC)	4,016	-	4,016
Other	1,535	-	1,535
Increase (decrease) in temporarily restricted net assets	29,691	(1,628)	28,063
PERMANENTLY RESTRICTED NET ASSETS:			
Contributions for endowment funds	636	-	636
Net investment loss	(421)	-	(421)
Decrease due to transfer of shares of BCHS	(129)	(129)	(258)
Acquisition of LUHS	6,671	-	6,671
Other	(549)	-	(549)
Increase (decrease) in permanently restricted net assets	6,208	(129)	6,079
DECREASE IN NET ASSETS	(264,417)	(80,885)	(345,302)
NET ASSETS — Beginning of year	5,115,267	99,045	5,214,312
NET ASSETS — End of year	\$ 4,850,850	\$ 18,160	\$ 4,869,010

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# TRINITY HEALTH

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 934,024	\$ (345,302)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	479,882	464,750
Provision for bad debts	480,302	431,457
Deferred retirement (gain) loss arising during the year	(168,009)	718,203
Change in net unrealized and realized gains on investments	(262,870)	80,538
Change in market values of interest rate swaps	(65,387)	97,189
Undistributed equity earnings from unconsolidated affiliates	(33,738)	(33,584)
Restricted contributions and investment income received	(10,972)	(19,583)
Restricted net assets acquired related to LUHS and MHSC	-	(31,610)
Gain on bargain purchase agreement and inherent contribution — LUHS and MHSC	-	(216,796)
Net change in retirement plan related items due to transfer of shares of BCHS	-	(21,678)
Loss on transfer of shares of BCHS	-	28,534
Decrease in noncontrolling interest due to transfer of BCHS	-	82,910
Loss from extinguishment of debt	-	5,557
Gain on sale of assets and other adjustments	(10,788)	(2,302)
Changes in, excluding assets and liabilities acquired:		
Patient accounts receivable	(454,796)	(478,813)
Other assets	55,018	(42,829)
Accounts payable and accrued expenses	(2,215)	43,872
Estimated receivables from third-party payors	(14,920)	-
Estimated payables to third-party payors	16,043	8,003
Self-insurance reserves	(26,682)	31,342
Accrued pension and retiree health costs	(203,990)	(67,444)
Other liabilities	12,262	(32,063)
Total adjustments	(210,860)	1,045,653
Net cash provided by operating activities	723,164	700,351

	2013	2012
INVESTING ACTIVITIES:		
Purchases of investments	\$ (1,858,000)	\$ (1,672,413)
Proceeds from sales of investments	1,638,138	1,602,586
Purchases of property and equipment	(732,213)	(605,288)
Acquisition of subsidiaries — net of \$85.0 million in cash assumed in 2012	(14,087)	(85,889)
Dividends received from unconsolidated affiliates and other changes	32,006	25,748
Increase in assets limited as to use	(6,406)	(3,678)
Proceeds received from the transfer of shares of BCHS	-	15,843
Proceeds from sales and disposal of assets	12,914	7,178
Net cash used in investing activities	<u>(927,648)</u>	<u>(715,913)</u>
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	18,941	1,073,790
Repayments of debt	(58,568)	(961,604)
Net increase in commercial paper	233,933	35,011
Increase in financing costs and other	-	(9,647)
Restricted net assets acquired related to LUHS and MHSC	-	31,049
Proceeds from restricted contributions and restricted investment income	10,972	19,583
Net cash provided by financing activities	<u>205,278</u>	<u>188,182</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	794	172,620
CASH AND CASH EQUIVALENTS — Beginning of year	<u>708,889</u>	<u>536,269</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 709,683</u>	<u>\$ 708,889</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest (net of amounts capitalized)	\$ 110,090	\$ 96,115
New capital lease obligations for buildings and equipment	1,486	5,822
Accruals for purchases of property and equipment and other long-term assets	95,771	37,457
Unsettled investment trades — purchases	9,124	11,367
Unsettled investment trades — sales	4,027	12,346
Decrease in security lending collateral	15,837	18,940
Decrease in payable under security lending agreements	(15,837)	(18,940)

The accompanying notes are an integral part of the consolidated financial statements.

# TRINITY HEALTH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2013 AND 2012

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### 1. ORGANIZATION AND MISSION

Trinity Health, an Indiana not-for-profit corporation, and its subsidiaries are collectively referred to as the Corporation. Effective May 1, 2013, the Corporation and Catholic Health East, a Pennsylvania nonprofit corporation, consolidated to form CHE Trinity, Inc., a unified Catholic national health system that enhances the mission of service to people and communities across the United States. This transaction was accounted for as a merger and thus the Corporation's balance sheet continues to be recorded at its historical basis under the carryover method. Transition and integration are on-going with the Corporation incurring approximately \$17 million in costs during the year ended June 30, 2013, as a result of the transaction, which are included in consolidation costs in the consolidated statement of operations and changes in net assets. These consolidated financial statements reflect the results of operations and financial position of the Corporation only.

The Corporation is sponsored by Catholic Health Ministries (CHM), a Public Juridic Person of the Holy Roman Catholic Church. The Corporation operates a comprehensive integrated network of health services, including inpatient and outpatient services, physician services, managed care coverage, home health care, long-term care, assisted living care, and rehabilitation services located in 10 states. The mission statement for the Corporation is as follows:

*We, CHE Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.*

**Community Benefit Ministry** — Consistent with its mission, the Corporation provides medical care to all patients regardless of their ability to pay. In addition, the Corporation provides services intended to benefit the poor and underserved, including those persons who cannot afford health insurance or other payments, such as copays and deductibles because of inadequate resources and/or are uninsured or underinsured, and to improve the health status of the communities in which it operates. The following summary has been prepared in accordance with the Catholic Health Association of the United States' (CHA), *A Guide for Planning and Reporting Community Benefit*, 2012 Edition.

The quantifiable costs of the Corporation's community benefit ministry for the years ended June 30, 2013 and 2012, are as follows:

	2013 (In thousands)	2012 (In thousands)
Ministry for the poor and underserved:		
Charity care at cost	\$ 183,482	\$ 177,747
Unpaid cost of Medicaid and other public programs	181,020	211,104
Programs for the poor and the underserved:		
Community health services	19,451	18,210
Subsidized health services	34,950	39,296
Financial contributions	3,972	5,362
Community building activities	1,792	1,908
Community benefit operations	<u>3,117</u>	<u>2,268</u>
Total programs for the poor and underserved	<u>63,282</u>	<u>67,044</u>
Ministry for the poor and underserved	<u>427,784</u>	<u>455,895</u>
Ministry for the broader community:		
Community health services	7,858	8,452
Health professions education	85,840	89,649
Subsidized health services	23,624	18,876
Research	7,006	9,203
Financial contributions	25,895	25,631
Community building activities	3,143	4,410
Community benefit operations	<u>1,871</u>	<u>3,061</u>
Ministry for the broader community	<u>155,237</u>	<u>159,282</u>
Community benefit ministry	<u>\$ 583,021</u>	<u>\$ 615,177</u>

The Corporation provides a significant amount of uncompensated care to its uninsured and underinsured patients, which is reported as bad debt at cost and not included in the amounts reported above. During the years ended June 30, 2013 and 2012, the Corporation reported bad debt at cost (determined using a cost to charge ratio applied to the provision for bad debts) of \$170.6 million and \$157.5 million, respectively.

**Ministry for the poor and underserved** represents the financial commitment to seek out and serve those who need help the most, especially the poor, the uninsured, and the indigent. This is done with the conviction that health care is a basic human right.

**Ministry for the broader community** represents the cost of services provided for the general benefit of the communities in which the Corporation operates. Many programs are targeted toward populations that may be poor, but also include those areas that may need special health services and support. These programs are not intended to be financially self-supporting.

**Charity care at cost** represents the cost of services provided to patients who cannot afford health care services due to inadequate resources and/or are uninsured or underinsured. A patient is classified as a charity patient in accordance with the Corporation's established policies as further described in Note 4. The cost of charity care is calculated using a cost to charge ratio methodology.

**Unpaid cost of Medicaid and other public programs** represents the cost (determined using a cost to charge ratio) of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of governmental and managed care contract payments.

**Community health services** are activities and services for which no patient bill exists. These services are not expected to be financially self-supporting, although some may be supported by outside grants or funding. Some examples include community health education, free immunization services, free or low cost prescription medications, and rural and urban outreach programs. The Corporation actively collaborates with community groups and agencies to assist those in need in providing such services.

**Health professions education** includes the unreimbursed cost of training health professionals such as medical residents, nursing students, technicians, and students in allied health professions.

**Subsidized health services** are net costs for billed services that are subsidized by the Corporation. These include services offered despite a financial loss because they are needed in the community and either other providers are unwilling to provide the services or the services would otherwise not be available in sufficient amount. Examples of services include free-standing community clinics, hospice care, mobile units and behavioral health services.

**Research** includes unreimbursed clinical and community health research and studies on health care delivery.

**Financial contributions** are made by the Corporation on behalf of the poor and underserved to community agencies. These amounts include special system-wide funds used for charitable activities, as well as resources contributed directly to programs, organizations, and foundations for efforts on behalf of the poor and underserved. Amounts included here also represent certain in-kind donations.

**Community building activities** include the costs of programs that improve the physical environment, promote economic development, enhance other community support systems, develop leadership skills training, and build community coalitions.

**Community benefit operations** include costs associated with dedicated staff, community health needs and/or asset assessments, and other costs associated with community benefit strategy and operations.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation** – The consolidated financial statements include the accounts of the Corporation and all wholly owned, majority-owned and controlled organizations. Investments where the Corporation holds less than 20% of the ownership interest are accounted for using the cost method. All other investments that are not controlled by the Corporation are accounted for using the equity method of accounting. The Corporation has included its equity share of income or losses from investments in unconsolidated affiliates in other revenue in the consolidated statements of operations and changes in net assets. All material intercompany transactions and account balances have been eliminated in consolidation.

As further described in Note 3, the Corporation transferred its shares of BCHS to Bronson Healthcare Group, Inc., effective July 1, 2011. The consolidated financial statements have been reclassified to present the operations of BCHS as a discontinued operation. The consolidated statements of cash flows include impacts of cash flows related to BCHS. Notes to these consolidated financial statements exclude BCHS.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Corporation to make assumptions, estimates and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Corporation considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: recognition of net patient service revenue, which includes contractual allowances; provisions for bad debts and charity care; recorded values of investments and goodwill; reserves for losses and expenses related to health care professional and general liability; and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and other assumptions believed to be reasonable in making its judgments and estimates. Actual results could differ materially from those estimates.

**Cash and Cash Equivalents** – For purposes of the consolidated statements of cash flows, cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

**Investments** – Investments, inclusive of assets limited or restricted as to use, include marketable debt and equity securities. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value and are classified as trading securities. Investments also include investments in commingled funds, hedge funds and other investments structured as limited liability corporations or partnerships. Commingled funds and hedge funds that hold securities directly are stated at the fair value of the underlying securities, as determined by the administrator, based on readily determinable market values or based on net asset value, which is calculated using the most recent fund financial statements. Limited liability corporations and partnerships are accounted for under the equity method.

**Investment Earnings** – Investment earnings include interest, dividends, realized gains and losses on investments, holding gains and losses, and equity earnings. Investment earnings on assets held by trustees under bond indenture agreements, assets designated by the Board for debt redemption, assets held for borrowings under the intercompany loan program, and assets deposited in trust funds by a captive insurance company for self-insurance purposes in accordance with industry practices are included in other revenue in the consolidated statements of operations and changes in net assets. Investment earnings from all other unrestricted investments and board-designated funds are included in nonoperating investment income, unless the income or loss is restricted by donor or law.

**Derivative Financial Instruments** – The Corporation periodically utilizes various financial instruments (e.g., options and swaps) to hedge interest rates, equity downside risk and other exposures. The Corporation's policies prohibit trading in derivative financial instruments on a speculative basis.

**Securities Lending** – The Corporation participates in securities lending transactions whereby a portion of its investments are loaned, through its agent, to various parties in return for cash and securities from the parties as collateral for the securities loaned. Each business day the Corporation, through its agent, and the borrower determine the market value of the collateral and the borrowed securities. If on any business day, the market value of the collateral is less than the required value, additional collateral is

obtained as appropriate. The amount of cash collateral received under securities lending is reported as an asset and a corresponding payable in the consolidated balance sheets and is up to 105% of the market value of securities loaned. At June 30, 2013 and 2012, the Corporation had securities loaned of \$121.9 million and \$141.4 million, respectively, and received collateral (cash and noncash) totaling \$125.7 million and \$143.4 million, respectively, relating to the securities loaned. The fees received for these transactions are recorded in investment income (loss) in the consolidated statements of operations and changes in net assets.

**Assets Limited as to Use** – Assets set aside by the Board for future capital improvements, future funding of retirement programs and insurance claims, retirement of debt, held for borrowings under the intercompany loan program, and other purposes over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture and certain other agreements, and self-insurance trust and benefit plan arrangements are included in assets limited as to use.

**Donor-Restricted Gifts** – Unconditional promises to give cash and other assets to the Corporation's various ministry organizations are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the consolidated statements of operations and changes in net assets.

**Inventories** – Inventories are stated at the lower of cost or market. The cost of inventories is determined principally by the weighted average cost method.

**Property and Equipment** – Property and equipment, including internal-use software, are recorded at cost, if purchased, or at fair value at the date of donation, if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using either the straight-line or an accelerated method and includes capital lease and internal-use software amortization. The useful lives of these assets range from 2 to 50 years. Interest costs incurred during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

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

**Goodwill** – Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized.

**Intangible Assets** – Intangible assets include both definite and indefinite-lived intangible assets. The majority of the net balance of definite-lived intangible assets include noncompete agreements and physician guarantees with finite lives amortized using the straight-line method over their estimated useful lives, which range from 2 to 23 years and 2 to 12 years, respectively. Indefinite-lived intangible assets include trade names and renewable licenses.



## Asset Impairment –

*Property and Equipment* – Impairment testing is performed following a triggering event or whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable.

*Goodwill* – Goodwill is tested for impairment on an annual basis or when an event or change in circumstance indicates the value of a reporting unit may have changed. Testing is conducted at the reporting unit level. There is a two-step process for determining goodwill impairment. Step one compares the carrying value of each reporting unit with its fair value. If this test indicates the fair value is less than the carrying value, then step two is required. Step two compares the implied fair value of the reporting unit's goodwill with the carrying value of reporting unit's goodwill. The Corporation estimates the fair value of its reporting units using a discounted cash flow analysis.

## *Intangible Assets*

*Definite-Lived* – Impairment testing is performed if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. The Corporation estimates the fair value of its intangible assets using an undiscounted cash flow analysis.

*Indefinite-Lived* – Impairment testing is performed on an annual basis or more frequently if events or changes in circumstance indicate the asset may be impaired. The impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. The Corporation estimates the fair value of its intangible assets using a discounted cash flow analysis including the use of net revenue associated with the trade names.

The following table provides information on changes in the carrying amount of goodwill, which is included in the accompanying consolidated financial statements of the Corporation at June 30:

	2013 (In thousands)	2012 (In thousands)
As of July 1:		
Goodwill	\$ 115,559	\$ 116,152
Accumulated impairment loss	(7,855)	(7,855)
Total	107,704	108,297
Goodwill acquired during the year	10,858	2,090
Decrease due to sale of subsidiary	-	(2,683)
Impairment loss	(20)	-
Total	<u>\$ 118,542</u>	<u>\$ 107,704</u>
As of June 30:		
Goodwill	\$ 126,417	\$ 115,559
Accumulated impairment loss	(7,875)	(7,855)
Total	<u>\$ 118,542</u>	<u>\$ 107,704</u>

The following table provides information regarding other intangible assets, which are included in the accompanying consolidated balance sheets of the Corporation at June 30:

	(In thousands)		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
As of June 30, 2013:			
Definite-lived intangible assets:			
Noncompete agreements	\$ 21,169	\$ 15,968	\$ 5,201
Physician guarantees	7,888	2,615	5,273
Other	<u>6,190</u>	<u>604</u>	<u>5,586</u>
Total definite-lived intangible assets	<u>35,247</u>	<u>19,187</u>	<u>16,060</u>
Indefinite-lived intangible assets:			
Trade names	43,702	-	43,702
Other	<u>6,889</u>	<u>1,242</u>	<u>5,647</u>
Total indefinite-lived intangible assets	<u>50,591</u>	<u>1,242</u>	<u>49,349</u>
Total intangible assets	<u>\$ 85,838</u>	<u>\$ 20,429</u>	<u>\$ 65,409</u>
As of June 30, 2012:			
Definite-lived intangible assets:			
Noncompete agreements	\$ 19,439	\$ 13,199	\$ 6,240
Physician guarantees	5,256	2,384	2,872
Other	<u>6,085</u>	<u>187</u>	<u>5,898</u>
Total definite-lived intangible assets	<u>30,780</u>	<u>15,770</u>	<u>15,010</u>
Indefinite-lived intangible assets:			
Trade names	43,762	-	43,762
Other	<u>7,022</u>	<u>1,319</u>	<u>5,703</u>
Total indefinite-lived intangible assets	<u>50,784</u>	<u>1,319</u>	<u>49,465</u>
Total intangible assets	<u>\$ 81,564</u>	<u>\$ 17,089</u>	<u>\$ 64,475</u>

The following is a schedule of estimated future amortization of definite-lived intangible assets as of June 30, 2013:

	(In thousands)
Years ending June 30:	
2014	\$ 5,459
2015	2,617
2016	1,491
2017	1,127
2018	569
Thereafter	<u>4,797</u>
Total	<u>\$ 16,060</u>

**Temporarily and Permanently Restricted Net Assets** – Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

**Patient Accounts Receivable, Estimated Receivables from and Payables to Third-Party Payors and Net Patient Service Revenue** – The Corporation has agreements with third-party payors that provide for payments to the Corporation's ministry organizations at amounts different from established rates. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Estimated retroactive adjustments under reimbursement agreements with third-party payors are included in net patient service revenue and estimated receivables from and payables to third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Estimated receivables from third-party payors include amounts receivable from Medicare and state Medicaid meaningful use programs.

**Allowance for Doubtful Accounts** – The Corporation recognizes a significant amount of patient service revenue at the time the services are rendered even though the Corporation does not assess the patient's ability to pay at that time. As a result, the provision for bad debts is presented as a deduction from patient service revenue (net of contractual provisions and discounts). For uninsured patients that do not qualify for charity care, the Corporation establishes an allowance to reduce the carrying value of such receivables to their estimated net realizable value. This allowance is established based on the aging of accounts receivable and the historical collection experience by ministry organization and for each type of payor. A significant portion of the Corporation's provision for doubtful accounts relates to self-pay patients, as well as co-payments and deductibles owed to the Corporation by patients with insurance.

**Short-Term Borrowings** – Short-term borrowings include puttable variable rate demand bonds supported by self liquidity or liquidity facilities considered short-term in nature.

**Other Long-Term Liabilities** – Other long-term liabilities include accrued payments for the acquisition of Loyola University Health System as stipulated in the Definitive Agreement, deferred compensation, asset retirement obligations and interest rate swaps.

**Premium and Capitation Revenue** – The Corporation has certain ministry organizations that arrange for the delivery of health care services to enrollees through various contracts with providers and common provider entities. Enrollee contracts are negotiated on a yearly basis. Premiums are due

monthly and are recognized as revenue during the period in which the Corporation is obligated to provide services to enrollees. Premiums received prior to the period of coverage are recorded as deferred revenue and included in accrued expenses in the consolidated balance sheets.

Certain of the Corporation's ministry organizations have entered into capitation arrangements whereby they accept the risk for the provision of certain health care services to health plan members. Under these agreements, the Corporation's ministry organizations are financially responsible for services provided to the health plan members by other institutional health care providers. Capitation revenue is recognized during the period for which the ministry organization is obligated to provide services to health plan enrollees under capitation contracts. Capitation receivables are included in other receivables in the consolidated balance sheets.

Reserves for incurred but not reported claims have been established to cover the unpaid costs of health care services covered under the premium and capitation arrangements. The premium and capitation arrangement reserves are classified with accrued expenses in the consolidated balance sheets. The liability is estimated based on actuarial studies, historical reporting, and payment trends. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges, and other factors. As settlements are made and estimates are revised, the differences are reflected in current operations.

**Income Taxes** – The Corporation and substantially all of its subsidiaries have been recognized as tax-exempt pursuant to Section 501(a) of the Internal Revenue Code. The Corporation also has taxable subsidiaries, which are included in the consolidated financial statements. Certain of the taxable subsidiaries have entered into tax sharing agreements and file consolidated federal income tax returns with other corporate taxable subsidiaries. The Corporation includes penalties and interest, if any, with its provision for income taxes in other nonoperating items in the consolidated statements of operations and changes in net assets.

**Excess of Revenue Over Expenses** – The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include the effective portion of the change in market value of derivatives that meet hedge accounting requirements, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets received or gifted (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), net change in retirement plan related items, discontinued operations, extraordinary items and cumulative effects of changes in accounting principles.

#### **Adopted Accounting Pronouncements –**

On July 1, 2012, the Corporation adopted Accounting Standard Update (ASU) 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*." This guidance amends the fair value disclosure requirements regarding transfers between Level 1 and Level 2 of the fair value hierarchy, and also the categorization by level of the fair value hierarchy for items that are not measured at fair value in the financial statements but for which the fair value is required to be disclosed. The adoption of this guidance resulted in additional disclosures in the footnotes to the Corporation's consolidated financial statements.

On July 1, 2012, the Corporation adopted ASU 2011-07, "*Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities*." This guidance requires certain health care entities to present the provision for bad debts related to patient service revenues as a deduction from revenue,

net of contractual allowances and discounts, versus as an expense in the statement of operations. In addition, it also requires enhanced disclosures regarding revenue recognition policies and the assessment of bad debt. The adoption of this guidance resulted in a reduction of net patient service revenue, operating revenue, and operating expense but had no impact on operating income in the consolidated statement of operations and changes in net assets. All periods presented have been reclassified in accordance with the provisions of ASU 2011-07. The adoption of this guidance also resulted in additional disclosures as presented in the allowance for doubtful accounts policy within Note 2 and net patient service revenue disclosures presented within Note 4.

On July 1, 2012, the Corporation adopted ASU 2011-08, *"Intangibles-Goodwill and Other (Topic 350). Testing Goodwill for Impairment."* This guidance provides entities the option of first assessing qualitative factors about the likelihood of goodwill impairment to determine whether further impairment assessment is necessary. The adoption of this guidance had no impact on the Corporation's consolidated financial statements.

#### **Forthcoming Accounting Pronouncements –**

In December 2011, the Financial Accounting Standards Board (FASB) issued ASU 2011-11, *"Disclosures About Offsetting Assets and Liabilities."* This guidance contains new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance is effective for the Corporation beginning July 1, 2013, and retrospective application is required. The Corporation does not expect this guidance to have an impact on its consolidated financial statements.

In July 2012, the FASB issued ASU 2012-02, *"Intangibles Goodwill and Other (Topic 350): Testing Indefinite-lived Intangible Assets for Impairment."* This guidance provides entities the option of first assessing qualitative factors about the likelihood that an indefinite-lived intangible asset is impaired to determine whether further impairment assessment is necessary. It also enhances the consistency of the impairment testing guidance among long-lived asset categories by permitting entities to assess qualitative factors to determine whether it is necessary to calculate the asset's fair value when testing an indefinite-lived intangible asset for impairment. This guidance is effective for the Corporation beginning July 1, 2013, with early adoption permitted. The Corporation does not expect this guidance to have an impact on its consolidated financial statements.

In October 2012, the FASB issued ASU 2012-05, *"Statement of Cash Flows (Topic 230): Not-for-Profit Entities' Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows."* This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash flows. This guidance is effective for the Corporation beginning July 1, 2013, with early adoption permitted. The Corporation does not expect this guidance to have a material impact on its consolidated statement of cash flows.

In January 2013, the FASB issued ASU 2013-01, *"Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities."* This guidance provides clarification on the scope of the offsetting disclosure requirements in ASU 2011-11. This guidance is effective for the Corporation beginning July 1, 2013, with early adoption permitted. The Corporation does not expect this guidance to have a material impact on its consolidated balance sheets.

In February 2013, the FASB issued ASU 2013-04, *"Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date."* This guidance requires entities to measure obligations resulting from the joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at

the reporting date. This guidance is effective for the Corporation beginning July 1, 2014, with early adoption permitted. The Corporation has not yet evaluated the impact this guidance may have on its consolidated financial statements.

### 3. INVESTMENTS IN UNCONSOLIDATED AFFILIATES, BUSINESS ACQUISITIONS AND DIVESTITURES

**Investments in Unconsolidated Affiliates** – The Corporation and certain of its ministry organizations have investments in entities that are recorded under the cost and equity methods of accounting. At June 30, 2013, the Corporation maintained investments in unconsolidated affiliates with ownership interests ranging from 3% to 50%. The Corporation's share of equity earnings from entities accounted for under the equity method was \$33.7 million and \$33.6 million for the years ended June 30, 2013 and 2012, respectively, which is included in other revenue in the consolidated statements of operations and changes in net assets.

The unaudited summarized financial position and results of operations for the entities accounted for under the equity method as of and for the periods ended June 30 are as follows:

2013						
(In thousands)						
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	\$ 63,069	\$ 94,075	\$ 71,019	\$ 25,728	\$ 167,523	\$ 421,414
Total debt	36,094	11,685	37,027	17	38,609	123,432
Net assets	22,481	58,804	26,425	6,806	100,543	215,059
Revenue, net	11,712	165,426	116,943	29,663	205,753	529,497
Excess of revenue over expenses	7,954	19,295	34,938	916	14,927	78,030

2012						
(In thousands)						
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	\$ 88,425	\$ 116,970	\$ 76,078	\$ 17,530	\$ 137,711	\$ 436,714
Total debt	51,182	17,804	36,003	27	35,800	140,816
Net assets	30,765	69,368	29,733	5,576	80,235	215,677
Revenue, net	22,823	155,521	125,615	20,537	169,724	494,220
Excess of revenue over (under) expenses	1,607	24,908	44,245	(188)	13,972	84,544

**Business Acquisitions** – The Corporation entered into the following significant acquisition activities during the year ended June 30, 2012:

**Acquisition of Mercy Health System of Chicago (MHSC)** – Effective April 1, 2012, the Corporation became the sole member of MHSC. MHSC is the parent of Mercy Hospital and Medical Center (Mercy Hospital) and other subsidiaries and affiliates that provide health care services in Chicago, Illinois. Mercy Hospital has a network of primary care clinics, physician offices and satellite facilities. The fair value of assets acquired exceeded liabilities assumed resulting in an inherent contribution of \$140.8 million, which was recorded in gain on bargain purchase and inherent contribution in the consolidated statement of operations and changes in net assets for the year ended June 30, 2012. Transactions costs accrued and paid totaled \$0.8 million, primarily for legal and consulting services, and are included in purchased services in the consolidated statement of operations and changes in net assets.

Summarized consolidated opening balance sheet information for MHSC is shown below:

(In thousands)			
Cash, cash equivalents and investments	\$ 13,777	Current portion of long-term debt	\$ 819
Patient accounts receivable, net	42,746	Accounts payable and accrued expenses	41,815
Other current assets	35,018	Other current liabilities	12,957
Assets limited or restricted as to use	16,451	Long-term debt	48,907
Property and equipment	166,529	Self-insurance reserves	<u>36,362</u>
Intangibles	11,000		
Other assets	<u>749</u>	Total liabilities acquired	<u>\$ 140,860</u>
Total assets acquired	<u>\$286,270</u>		
		Unrestricted noncontrolling interest	\$ 561
		Temporarily restricted net assets	<u>4,016</u>
		Total net assets	<u>\$ 4,577</u>

The operating results of MHSC for the year ended June 30, 2013, include total unrestricted revenue of \$244.3 million, operating income of \$4.6 million and excess of revenue over expense of \$4.5 million. The operating results of MHSC for the period April 1, 2012 through June 30, 2012, included total unrestricted revenue of \$64.0 million, operating income of \$4.7 million, and excess of revenue over expense of \$4.5 million.

**Acquisition of Loyola University Health System (LUHS)** – On July 1, 2011, the Corporation replaced Loyola University of Chicago (University) as the sole member of LUHS, an Illinois not-for-profit corporation. LUHS is the sole member of Loyola University Medical Center and Gottlieb Memorial Hospital (Gottlieb), both Illinois not-for-profit corporations. LUHS was also the sole shareholder of Loyola University of Chicago Insurance Company (LUCIC), a Cayman Islands Corporation until December 31, 2011, as further described in Note 7. The Corporation will coordinate with the University to support health science education and research. The entities seek to work collaboratively both within and outside the Chicago market to become one of the nation's leading providers of Catholic health care, research and medical education.

The Corporation acquired LUHS for \$212.9 million, \$88.3 million in cash at the effective date, \$49.6 million in cash based on a post closing reconciliation adjustment to the purchase price as stipulated in the Definitive Agreement paid in October 2011, and an accrual of an additional \$75.0 million to be paid over future years, which remains outstanding as of June 30, 2013. The Corporation recorded indefinite-lived intangible assets, primarily for a trade name, of \$36.1 million in the consolidated balance sheet at the acquisition date. Based on the purchase price allocation, the fair value of assets acquired and liabilities assumed exceeded the fair value of consideration paid and accrued. As a result, the Corporation recognized a gain of \$76.0 million in gain on bargain purchase and inherent contribution in the consolidated statement of operations and changes in net assets. Transaction costs accrued and paid totaled \$6.0 million, primarily for legal and consulting services, and are included in purchased services in the consolidated statement of operations and changes in net assets.

Summarized consolidated opening balance sheet information for LUHS is shown below:

(In thousands)			
Cash, cash equivalents and investments	\$ 76,865	Current portion of long-term debt	\$ 163,834
Patient accounts receivable, net	153,006	Accounts payable and accrued expenses	50,947
Inventory	15,276	Estimated payables to third party payors	72,320
Other current assets	49,568	Other current liabilities	48,245
Assets limited or restricted as to use	298,997	Long-term debt	212,536
Property and equipment	522,076	Self-insurance reserves	242,058
Intangibles	36,170	Pension and post retirement plan obligations	59,866
Other assets	<u>32,378</u>	Other liabilities	<u>18,596</u>
Total assets acquired	<u>\$ 1,184,336</u>	Total liabilities acquired	<u>\$ 868,402</u>
		Temporarily restricted net assets	\$ 20,362
		Permanently restricted net assets	<u>6,671</u>
		Total net assets	<u>\$ 27,033</u>

As of August 8, 2011, all of LUHS' debt was retired with the proceeds from the Corporation's issuance of \$234 million of taxable commercial paper and cash on hand as further described in Note 6.

As part of the LUHS acquisition, certain executed agreements provide for ongoing financial support from the Corporation including:

- A Definitive Agreement upon which the Corporation has agreed that over the seven year period from July 1, 2011 to 2018, at least \$300 million will be expended on capital projects and, if certain operating thresholds are met, the amount may be increased to \$400 million.
- An Academic Affiliation Agreement, which has an initial term of ten years starting July 1, 2011, and provides for an annual academic support payment from the Corporation to the University adjusted annually for inflation. The payment totaled \$22.7 million and \$22.5 million for the years ended June 30, 2013 and 2012, respectively.
- A Shared Services Agreement between the University and LUHS who have agreed on a cost sharing agreement related to common employees and services. Cost incurred to the University totaled \$7.1 million and \$9.6 million for the years ended June 30, 2013 and 2012, respectively.

The operating results of LUHS for the years ended June 30, 2013 and 2012 include total unrestricted revenue of \$1.2 billion and \$1.1 billion, respectively, operating income of \$42.1 million and \$0.3 million, respectively, and excess (deficiency) of revenue over expense of \$51.6 million and (\$13.0) million, respectively.



The amount of the Corporation's revenue, earnings, and changes in net assets had the acquisitions of LUHS and MHSC occurred on July 1, 2011, are as follows:

	2013	2012
	(In thousands)	
Total operating revenue	\$ 8,978,385	\$ 8,662,121
Excess of revenue over expenses	666,439	374,352
Change in unrestricted net assets	921,473	(372,145)
Change in temporarily restricted net assets	10,460	27,871
Change in permanently restricted net assets	2,091	6,079

#### **Business Divestitures:**

On July 1, 1991, Battle Creek Health System (BCHS) was formed through an agreement between the Corporation and Community Hospital Association of Battle Creek, Michigan, with the Corporation owning 50% of the stock of BCHS with effective control of BCHS. Effective July 1, 2011, the Corporation transferred its shares of BCHS to Bronson Healthcare Group, Inc., for \$76.0 million. As described in Note 2, the consolidated financial statements for year ended June 30, 2012, present the operations of BCHS as a discontinued operation. As a result of the transfer, the Corporation reported a loss of \$28.5 million, which includes a pension curtailment gain of \$5.8 million and settlement loss of \$27.5 million in discontinued operations in the consolidated statements of operations and changes in net assets. For the years ended June 30, 2013 and 2012, the Corporation reported a loss on operations of \$9.5 million and \$5.4 million, respectively, in discontinued operations in the consolidated statements of operations and changes in net assets.

#### **4. NET PATIENT SERVICE REVENUE**

A summary of the payment arrangements with major third-party payors follows:

*Medicare* – Acute inpatient and outpatient services rendered to Medicare program beneficiaries are paid primarily at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediaries.

*Medicaid* – Reimbursement for services rendered to Medicaid program beneficiaries includes prospectively determined rates per discharge, per diem payments, discounts from established charges, fee schedules, and cost reimbursement methodologies with certain limitations. Cost reimbursable items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediaries.

*Other* – Reimbursement for services to certain patients is received from commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement includes prospectively determined rates per discharge, per diem payments, and discounts from established charges.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

*Charity Care* – The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify for charity care, they are not reported as net patient service revenue in the consolidated statements of operations and changes in net assets.

Patient service revenues, net of contractual and other allowances (but before the provision for bad debts), recognized during the years ended June 30 is as follows:

	2013 (In thousands)	2012 (In thousands)
Medicare	\$3,149,767	\$2,958,591
Blue Cross	1,899,297	1,865,238
Medicaid	1,005,540	828,620
Uninsured	350,887	314,292
Commercial and other	<u>1,883,500</u>	<u>1,882,420</u>
Total	<u>\$8,288,991</u>	<u>\$7,849,161</u>

A summary of net patient service revenue before provision for bad debts for the years ended June 30 is as follows:

	2013 (In thousands)	2012 (In thousands)
Gross charges:		
Acute inpatient	\$ 9,496,833	\$ 9,226,067
Outpatient, nonacute inpatient, and other	<u>10,744,217</u>	<u>10,045,912</u>
Gross patient service revenue	20,241,050	19,271,979
Less:		
Contractual and other allowances	(11,228,833)	(10,725,957)
Charity care charges	(552,429)	(541,490)
Allowance for self-insured health benefits	<u>(170,797)</u>	<u>(155,371)</u>
Net patient service revenue before provision for bad debts	<u>\$ 8,288,991</u>	<u>\$ 7,849,161</u>

In October 2012, the Corporation received cash of \$50.0 million, net of legal costs, as a result of an industry-wide settlement with the U.S. Department of Health and Human Services (HHS), the Secretary of HHS and the Centers for Medicare and Medicaid Services that corrects Medicare payments made to providers for inpatient hospital services for a number of prior periods. The net gain is recorded in patient service revenue, net of contractuals and other allowances, for the year ended June 30, 2013.

## 5. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	2013	2012
	(In thousands)	
Land	\$ 246,363	\$ 237,551
Buildings and improvements	4,880,923	4,651,308
Equipment	3,405,298	3,158,288
Capital leased assets	87,022	84,083
Total	8,619,606	8,131,230
Less accumulated depreciation	(4,542,149)	(4,220,346)
Less accumulated amortization	(24,818)	(19,969)
Construction in progress	496,269	330,912
Property and equipment, net	\$ 4,548,908	\$ 4,221,827

At June 30, 2013, commitments to purchase property and equipment of approximately \$367 million were outstanding. Significant commitments are primarily for facility expansion at existing campuses and related infrastructures at the following ministry organizations: Holy Cross Hospital in Silver Spring, Maryland - \$182 million; Mount Carmel Health System in Columbus, Ohio - \$54 million; Saint Joseph Mercy Oakland in Pontiac, Michigan - \$34 million; St. Joseph Mercy Ann Arbor, Michigan - \$33 million; LUHS in Chicago, Illinois - \$26 million, and MHSC in Chicago, Illinois - \$14 million. Costs of these projects are expected to be financed by proceeds from bond issuances, available funds, future operations of the hospitals and contributions.

## 6. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

A summary of short-term borrowings and long-term debt at June 30 is as follows:

	2013 (In thousands)	2012 (In thousands)
Short-term borrowings:		
Variable rate demand bonds with contractual maturities through 2048. Interest payable monthly at rates ranging from 0.04% to 0.82% during 2013 and from 0.02% to 0.86% during 2012	\$ 867,130	\$ 892,865
Long-term debt:		
Tax-exempt revenue bonds and refunding bonds, fixed rate term and serial bonds, payable at various dates through 2048. Interest rate ranges from 2.0% to 6.5% during 2013 and 2012	\$2,134,525	\$2,162,070
Notes payable to banks. Interest payable at rates ranging from 2.0% to 7.8%, fixed and variable, payable in varying monthly installments through 2021	3,941	4,582
Capital lease obligations (excluding imputed interest of \$41.3 million and \$51.2 million at June 30, 2013 and 2012, respectively)	73,126	72,746
Mortgage obligations. Interest payable at rates ranging from 4.1% to 6.5% during 2013 and 4.1% to 6.0% during 2012	82,507	64,000
Other	7,888	-
Total long-term debt	2,301,987	2,303,398
Less current portion, net of current discounts	(30,862)	(32,362)
Unamortized premiums, net	28,469	31,200
Long-term debt, net of current portion	\$2,299,594	\$2,302,236

Contractually obligated principal repayments on short-term borrowings and long-term debt as of June 30, 2013, are as follows:

	(In thousands)	
	Short-Term Borrowings	Long-Term Debt
Years ending June 30:		
2014	\$ 33,250	\$ 31,131
2015	23,710	41,189
2016	25,015	48,289
2017	26,590	42,466
2018	28,000	43,700
Thereafter	730,565	2,095,212
Total	\$867,130	\$2,301,987

A summary of interest costs on borrowed funds primarily under the revenue bond indentures during the years ended June 30 is as follows:

	2013 (In thousands)	2012
Interest costs incurred	\$ 118,901	\$ 108,390
Less capitalized interest	<u>(8,368)</u>	<u>(5,609)</u>
Interest expense included in operations	<u>\$ 110,533</u>	<u>\$ 102,781</u>

**Obligated Group and Other Requirements** – The Corporation has debt outstanding under a Master Trust Indenture dated July 1, 1998, as amended and supplemented thereto, the Amended and Restated Master Indenture (ARMI). The ARMI permits the Corporation to issue obligations to finance certain activities. Obligations issued under the ARMI are general, direct obligations of the Corporation and any future members of the Trinity Health Obligated Group. Proceeds from the tax-exempt bonds and refunding bonds are to be used to finance the construction, acquisition and equipping of capital improvements. Since the implementation of the ARMI, the Corporation is the sole member of the Trinity Health Obligated Group. Certain ministry organizations of the Corporation constitute designated affiliates and the Corporation covenants to cause each designated affiliate to pay, loan, or otherwise transfer to the Corporation such amounts necessary to pay the amounts due on all obligations issued under the ARMI. The Corporation, the designated affiliates and all other controlled affiliates are referred to as the Credit Group. The Corporation has granted a security interest in certain pledged property and has caused not less than 85% of the designated affiliates representing, when combined with the Corporation and any future members, not less than 85% of the consolidated net revenue of the Credit Group to grant to the Corporation security interests in certain pledged property in order to secure all obligations issued under the ARMI. The aggregate amount of obligations outstanding using the ARMI (other than obligations that have been advance refunded) were \$3,002 million and \$3,055 million at June 30, 2013 and 2012, respectively.

There are several conditions and covenants required by the ARMI with which the Corporation must comply, including covenants that require the Corporation to maintain a minimum debt service coverage and limitations on liens or security interests in property, except for certain permitted encumbrances, affecting the property of the Corporation or any Material Designated Affiliate (a designated affiliate whose total revenues for the most recent fiscal year exceed 5% of the total revenues of the Credit Group for the most recent fiscal year). Long-term debt outstanding at June 30, 2013 and 2012, excluding amounts issued under the ARMI, is generally collateralized by certain property and equipment.

MHSC has a commitment from the U.S. Department of Housing and Urban Development (HUD) to insure an approximate \$66 million mortgage loan, under the Federal Housing Administration's Section 242 Hospital Mortgage Insurance Program. At June 30, 2013 and 2012, the outstanding obligation was \$63 million and \$53 million, respectively. MHSC's main hospital campus and two satellite facilities are collateral for the mortgage. The mortgage loan agreement with HUD contains various covenants, including those relating to limitations on incurring additional debt, disposing of designated property, financial performance, insurance coverage and timely submission of specified financial reports.

**Issuance and Defeasance of Debt** – In May 2012, the Corporation issued \$101.9 million in tax-exempt, fixed rate hospital revenue bonds (Series 2012 Bonds) under its ARMI. The proceeds, along with cash, were used to refund the Corporation's \$126.2 million series 2002C bonds and pay costs of issuance. Concurrently, with the series 2012 financing, the Corporation re-offered approximately \$192.8 million

of its existing series 2008C, series 2009B and series 2009C variable rate demand bonds in a long-term fixed rate mode. The Corporation also defeased \$35.0 million of outstanding hospital revenue bonds. These transactions resulted in a loss from extinguishment of debt of \$7.0 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets. In addition, on June 1, 2012, the Corporation converted \$189.3 million of its currently outstanding variable rate bonds (Series 2008D-2 Bonds) from a weekly mode to a flexible mode.

In December 2011, the Corporation defeased \$36.2 million of outstanding hospital revenue bonds. This transaction resulted in a loss from extinguishment of debt of \$0.7 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets.

In October 2011, the Corporation issued \$648.7 million in tax-exempt, fixed rate hospital revenue bonds and \$100.0 million in variable rate hospital revenue bonds (Series 2011 Bonds) under its ARMI. The proceeds were used to finance, refinance and reimburse a portion of the costs of acquisition, construction, renovation and equipping of health facilities, and to pay related costs of issuance. Proceeds, together with assets released from bond trustees, were used to retire \$69.4 million of the Corporation's then outstanding fixed rate hospital revenue bonds and \$102.9 million of the Corporation's then outstanding variable rate hospital revenue bonds. These transactions resulted in a loss from extinguishment of debt of \$2.5 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets. In addition, \$354.0 million of the proceeds were used to pay off commercial paper obligations.

In July 2011, the Corporation extinguished \$338.4 million of outstanding hospital revenue bonds related to LUHS through the issuance of commercial paper. These transactions resulted in a loss from extinguishment of debt of \$3.3 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets.

The outstanding balance of all bonds advance refunded through net defeasance and excluded from the consolidated balance sheets was \$170.0 million and \$318.5 million at June 30, 2013 and 2012, respectively. The Corporation advance refunded the bonds by depositing funds in trustee-held escrow accounts exclusively for the payment of principal and interest. The trustees/escrow agents are solely responsible for the subsequent extinguishment of the bonds. The trustee-held escrow accounts are invested in U.S. government securities.

**Commercial Paper** – The Corporation's commercial paper program is authorized for borrowings up to \$600 million. In fiscal year 2013, the Corporation issued \$234 million in commercial paper with a total of \$368.9 million and \$135.0 million outstanding at June 30, 2013 and 2012, respectively. Proceeds from this program are to be used for general purposes of the Corporation. The notes are payable from the proceeds of subsequently issued notes and from other funds available to the Corporation, including funds derived from the liquidation of securities held by the Corporation in its investment portfolio. The interest rate charged on borrowings outstanding during the years ended June 30, 2013 and 2012, ranged from 0.07% to 0.20% and 0.08% to 0.22%, respectively.

**Liquidity Facilities** – In July 2012, the Corporation renewed the Amended and Restated 2010 Revolving Credit Agreements (2012 Credit Agreements) with U.S. Bank National Association, which acts as an administrative agent for a group of lenders thereunder. The 2012 Credit Agreements establish a revolving credit facility for the Corporation under which that group of lenders agrees to lend to the Corporation amounts that may fluctuate from time to time, but as of June 30, 2013, the amount available was \$731 million. Amounts drawn under the 2013 Credit Agreements can only be used to support the Corporation's obligation to pay the purchase price of bonds that are subject to tender and that have not been successfully remarketed, and the maturing principal of and interest on commercial paper notes. Of

the \$731 million, \$150 million expires in July 2013, \$110 million expires in July 2014, \$256 million expires in July 2015, and \$215 million expires in July 2016. In addition, in August 2012, the Corporation added a second general purpose facility of \$200 million, which expires in July 2016. There were no draws on these credit agreements during the years ended June 30, 2013 or 2012.

**Standby Letters of Credit** – The Corporation entered into various standby letters of credit totaling approximately \$22.9 million and \$21.5 million at June 30, 2013 and 2012, respectively. These standby letters of credit are renewed annually and are available to the Corporation as necessary under its insurance programs and for unemployment liabilities. There were no draws on these letters of credit during the years ended June 30, 2013 or 2012.

## **7. PROFESSIONAL AND GENERAL LIABILITY PROGRAMS**

The Corporation's insurance company, Venzke Insurance Company, Ltd. (Venzke), a wholly owned subsidiary of Trinity Health, qualifies as a captive insurance company in the domicile where it operates and provides certain insurance coverage to the Corporation's ministry organizations. The Corporation is self-insured for certain levels of general and professional liability, workers' compensation, and certain other claims. The Corporation, through Venzke, has limited its liability by purchasing reinsurance and commercial coverage from unrelated third-party insurers.

As discussed in Note 3, on July 1, 2011, Trinity Health-Michigan, a wholly-owned subsidiary of Trinity Health, replaced LUHS as the sole shareholder of LUCIC, a captive insurance company in the domicile where it operates. Effective July 1, 2011, Venzke's policies include the facilities and individuals that were previously insured with LUCIC. Policies issued and reinsurance purchased by LUCIC prior to July 1, 2011, and all losses previous to July 1, 2011, were assumed through a merger with Venzke at December 31, 2011. On April 1, 2012, the Corporation became the sole member of MHSC, which included assuming MHSC's professional liability losses.

For the years ended June 30, 2013 and 2012, the Corporation's self-insurance program includes \$20 million per occurrence for the first layers of professional liability, as well as \$10 million per occurrence for hospital government liability, \$5 million per occurrence for errors and omission liability, and \$1 million per occurrence for directors' and officers' liability and the insured auto liability program. Additional layers of professional liability insurance are available with coverage provided through other insurance carriers and various reinsurance arrangements. The total amount available for these subsequent layers is \$100 million in aggregate. The Corporation also self-insures \$500,000 in property damage liability with commercial insurance providing coverage up to \$1 billion.

The liability for self-insurance reserves represents estimates of the ultimate net cost of all losses and loss adjustment expenses, which are incurred but unpaid at the consolidated balance sheet date. The reserves are based on the loss and loss adjustment expense factors inherent in the Corporation's premium structure. Independent consulting actuaries determined these factors from estimates of the Corporation's expenses and available industry-wide data. Beginning in fiscal year 2013, the Corporation began discounting the reserves to their present value using a discount rate of 3.0%. The impact of this change resulted in a decrease of \$43 million in expense in the consolidated statements of operations for fiscal year 2013, of which \$37 million was recorded in other expense and \$6 million was recorded in employee benefits. The reserves include estimates of future trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid claims and related adjustment expenses is adequate based on the loss experience of the Corporation. The estimates are continually reviewed and adjusted as necessary.

Claims in excess of certain insurance coverage and the recorded self-insurance liability have been asserted against the Corporation by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. There are known incidents occurring through June 30, 2013, that may result in the assertion of additional claims, and other claims may be asserted arising from services provided in the past. While it is possible that settlement of asserted claims and claims that may be asserted in the future could result in liabilities in excess of amounts for which the Corporation has provided, management, based upon the advice of Counsel, believes that the excess liability, if any, should not materially affect the consolidated financial position, operations, or cash flows of the Corporation.

## **8. PENSION AND OTHER BENEFIT PLANS**

**Self-Insured Employee Health Benefits** – The Corporation administers self-insured employee health benefit plans for employees. The majority of the Corporation's employees participate in the programs. The provisions of the plans permit employees and their dependents to elect to receive medical care at either the Corporation's ministry organizations or other health care providers. Gross patient service revenue has been reduced by an allowance for self-insured employee health benefits of \$170.8 million and \$155.4 million for the years ended June 30, 2013 and 2012, respectively, which represented revenue attributable to medical services provided by the Corporation to its employees and dependents in such years.

**Deferred Compensation** – The Corporation has nonqualified deferred compensation plans at certain ministry organizations that permit eligible employees to defer a portion of their compensation. The deferred amounts are distributable in cash after retirement or termination of employment. As of June 30, 2013 and 2012, the assets under these plans totaled \$74.8 million and \$60.8 million, and liabilities totaled \$80.3 million and \$67.4 million, respectively.

**Retirement Plan Acquisitions** – The Corporation acquired LUHS on July 1, 2011, including its benefit plans. LUHS maintains three qualified, noncontributory defined benefit pension plans that provide retirement benefits for substantially all full-time employees. Two of these plans are governed by the Employee Retirement Income Security Act of 1974 (ERISA). One of the ERISA plans was frozen by LUHS for employees with service through March 2004. This plan is a multiple-employer plan and administration of the plan is the responsibility of Loyola University of Chicago. LUHS's calculated accrued benefit obligation represents approximately 62% of the total multiple-employer plan accrued benefit obligation. The third plan is a Church plan as determined by the Internal Revenue Service and is not governed by ERISA. This plan was merged into the Corporation's Church plan on January 1, 2013. The Corporation amended the remaining two plans to freeze accrued benefits effective December 31, 2012, and participants in those plans became participants of the Corporation's defined benefit plan effective January 1, 2013. The amendments to freeze both plans resulted in a decrease in the plans' liabilities of \$27.0 million at June 30, 2012.

LUHS also maintains qualified defined contribution plans for certain eligible employees as well as nonqualified pension programs and deferred compensation arrangements for eligible executives. In addition, LUHS provides other postretirement benefits (primarily health benefits) to an eligible group of employees. LUHS discontinued contributions to the cost of retiree health coverage in 2001 for certain future retirees. This plan is closed to new participants. Health benefits are provided subject to various cost-sharing features and are not prefunded.

The Corporation acquired MHSC on April 1, 2012, including its defined contribution plan. The plan covers substantially all of MHSC's employees and provides a 1.5% employer contribution and an employer matching contribution of up to 2% of compensation.



**Defined Contribution Benefits** – The Corporation sponsors defined contribution pension plans covering substantially all of its employees. The plans include discretionary employer matching contributions of up to 3% of compensation. Effective January 1, 2013, the Corporation suspended the majority of employer matching contributions for the calendar year 2013. Employer and employee contributions are self-directed by plan participants in defined contribution plans. Contribution expense under the plans totaled \$35.2 million and \$71.4 million during the years ended June 30, 2013 and 2012, respectively.

**Noncontributory Defined Benefit Pension Plans (Pension Plans)** – Substantially all of the Corporation's employees participate in a qualified, noncontributory defined benefit pension plan. Certain non-qualified, supplemental plan arrangements also provide retirement benefits to specified groups of participants. For the majority of plan participants prior to June 30, 2010, benefits were based on years of service and employees' highest five years of compensation at which time an accrued frozen benefit was calculated for all active participants. As of July 1, 2010, participants accrue benefits based on a cash balance formula, which credits participants annually with a percentage of eligible compensation based on age and years of service, as well as an interest credit based on a benchmark interest rate. A transition adjustment is provided to participants who were vested as of June 30, 2010, whose age and service met certain requirements at that date. The transition adjustment applies to the pension benefit earned through June 30, 2010, and increased compensation under the final average pay formula over a five-year period. Because the Pension Plan has Church Plan status as defined in the ERISA, funding in accordance with ERISA is not required. The Corporation's adopted funding policy for its qualified plan, which is reviewed annually, is to fund the current normal cost based on the accumulated benefit obligation at the plans' December 31 year-end, and amortization of any under or over funding over a ten year period. The Corporation funded \$27.2 million in excess of the stated funding policy for the combined fiscal years 2013 and 2012.

During the year ended June 30, 2012, the Corporation recorded a pension curtailment gain of \$5.8 million and a pension settlement loss of \$27.5 million related to the sale of BCHS described in Note 3. The net loss is included in the loss from discontinued operations in the 2012 consolidated statement of operations and changes in net assets.

**Postretirement Health Care and Life Insurance Benefits (Postretirement Plans)** – The Corporation sponsors both funded and unfunded contributory plans to provide health care benefits to certain of its retirees. All of the Postretirement Plans are closed to new participants. The plans cover certain hourly and salaried employees who retire from certain ministry organizations. Medical benefits for these retirees are subject to deductibles and co-payment provisions. Effective January 1, 2011, the funded plans provide benefits to certain retirees at fixed dollar amounts in Health Reimbursement Account arrangements for Medicare eligible participants.

The following table sets forth the changes in projected benefit obligations, accumulated postretirement obligations, and changes in plan assets and funded status of the plans for both the Pension and Postretirement Plans for the years ended June 30, 2013 and 2012:

	2013	2012	2013	2012
	(In thousands)			
	Pension Plans		Postretirement Plans	
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 5,161,197	\$ 3,961,864	\$ 116,721	\$ 110,739
Service cost	143,567	141,408	884	1,023
Interest cost	255,483	256,058	5,371	6,254
Amendments	(1,998)	(32,761)	-	-
Actuarial (gain) loss	(214,944)	601,102	(10,137)	(482)
Benefits paid	(176,572)	(159,211)	(5,067)	(5,707)
Medicare Part D reimbursement	-	-	96	674
Acquisition of LUHS	-	392,737	-	4,220
Benefit obligation, end of year	<u>5,166,733</u>	<u>5,161,197</u>	<u>107,868</u>	<u>116,721</u>
Change in plan assets:				
Fair value of plan assets, beginning of year	4,141,192	3,647,407	79,160	78,254
Actual return on plan assets	254,759	168,122	9,131	4,649
Employer contributions	285,132	146,347	1,299	1,964
Benefits paid	(176,572)	(159,211)	(5,067)	(5,707)
Acquisition of LUHS	-	338,527	-	-
Fair value of plan assets, end of year	<u>4,504,511</u>	<u>4,141,192</u>	<u>84,523</u>	<u>79,160</u>
Unfunded amount recognized June 30	(662,222)	(1,020,005)	(23,345)	(37,561)
Recognized in prepaid assets	-	-	1,379	-
Recognized in accrued liabilities	<u>\$ (662,222)</u>	<u>\$ (1,020,005)</u>	<u>\$ (24,724)</u>	<u>\$ (37,561)</u>

Actuarial gains and losses incurred during the years ended June 30, 2013 and 2012 are primarily related to changes in discount rates used to measure the plan's liabilities.

The accumulated benefit obligation and fair value of plan assets for the qualified defined benefit pension plans for the years ended June 30 are as follows:

	2013	2012
	(In thousands)	
	Pension Plans	
Accumulated benefit obligation	\$ 5,074,277	\$ 5,038,497
Fair value of plan assets	<u>4,504,511</u>	<u>4,141,192</u>
Funded status	<u>\$ (569,766)</u>	<u>\$ (897,305)</u>

Components of net periodic benefit cost for the years ended June 30 consisted of the following:

	2013	2012	2013	2012
	(In thousands)			
	Pension Plans		Postretirement Plans	
Service cost	\$ 143,567	\$ 141,408	\$ 884	\$ 1,023
Interest cost	255,483	255,990	5,371	6,254
Expected return on assets	(317,426)	(317,290)	(5,675)	(6,025)
Amortization of prior service cost	(23,092)	(19,438)	(7,318)	(7,318)
Recognized net actuarial loss	<u>122,718</u>	<u>70,336</u>	<u>1,243</u>	<u>1,283</u>
Net periodic benefit cost (income)	<u>\$ 181,250</u>	<u>\$ 131,006</u>	<u>\$ (5,495)</u>	<u>\$ (4,783)</u>

The amounts in unrestricted net assets, including amounts arising during the year and amounts reclassified into net periodic benefit cost, are as follows:

	(In thousands)		
	Pension Plans		
	Net Loss (Gain)	Prior Service Cost	Total
Balance at July 1, 2011	\$ 1,183,248	\$ (198,349)	\$ 984,899
Curtailments/settlements	(21,678)	-	(21,678)
Reclassified into net periodic benefit cost	(70,336)	19,438	(50,898)
Arising during the year	<u>750,047</u>	<u>(32,762)</u>	<u>717,285</u>
Balance at June 30, 2012	1,841,281	(211,673)	1,629,608
Reclassified into net periodic benefit cost	(122,718)	23,092	(99,626)
Arising during the year	<u>(158,207)</u>	<u>3,785</u>	<u>(154,422)</u>
Balance at June 30, 2013	<u>\$ 1,560,356</u>	<u>\$ (184,796)</u>	<u>\$ 1,375,560</u>

	(In thousands)		
	Postretirement Plans		
	Net Loss (Gain)	Prior Service Credit	Total
Balance at July 1, 2011	\$ 18,480	\$ (24,795)	\$ (6,315)
Curtailments/settlements	-	-	-
Reclassified into net periodic benefit cost	(1,283)	7,318	6,035
Arising during the year	<u>918</u>	<u>-</u>	<u>918</u>
Balance at June 30, 2012	18,115	(17,477)	638
Reclassified into net periodic benefit cost	(1,243)	7,318	6,075
Arising during the year	<u>(13,584)</u>	<u>-</u>	<u>(13,584)</u>
Balance at June 30, 2013	<u>\$ 3,288</u>	<u>\$ (10,159)</u>	<u>\$ (6,871)</u>

The following are estimated amounts to be amortized from unrestricted net assets into net periodic benefit cost during 2014:

	(In thousands)	
	Pension Plans	Postretirement Plans
Amortization of prior service credit	\$ (22,738)	\$ (5,763)
Recognized net actuarial loss (gain)	<u>98,729</u>	<u>(167)</u>
Total	<u>\$ 75,991</u>	<u>\$ (5,930)</u>

Assumptions used to determine benefit obligations and net periodic benefit cost were as follows:

	2013	2012	2013	2012
	Pension Plans		Postretirement Plans	
Benefit obligations:				
Discount rate	4.95%–5.45%	4.70%–5.05%	4.40%–5.20%	4.25%–4.85%
Rate of compensation increase in 2013 graduated to 4% by 2017	3.0 %	2.0 %	N/A	N/A
Net periodic benefit cost:				
Discount rate	4.70%–5.10%	5.95%–6.0%	4.25%–4.85%	5.10%–5.75%
Expected long-term return on plan assets	7.00%–7.50%	7.80%–8.0%	7.50 %	8.00 %
Rate of compensation	2.0 %	4.0 %	N/A	N/A

Approximately 95% of the Corporation's pension plan liabilities are measured using the 5.45% discount rate at June 30, 2013.

The Corporation uses an efficient frontier analysis approach in determining its asset allocation and long-term rate of return for plan assets. Efficient frontier analysis models the risk and return trade-offs among asset classes while taking into consideration the correlation among the asset classes. Historical market returns and risks are examined as part of this process, but risk-based adjustments are made to correspond with modern portfolio theory. Long-term historical correlations between asset classes are used, consistent with widely accepted capital markets principles. Current market factors, such as inflation and interest rates, are evaluated before long-term capital market assumptions are determined. The long-term rate of return is established using the efficient frontier analysis approach with proper consideration of asset class diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonableness and appropriateness.

**Health Care Cost Trend Rates** – Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement plans. The postretirement benefit obligation includes assumed health care cost trend rates as follows:

	2013	2012
Medical and drugs, pre-age 65	7.8 %	8.3 %
Medical and drugs, post-age 65	7.8 %	8.3 %
Ultimate trend rate	5.0 %	5.0 %
Year rate reaches the ultimate rate	2018	2018

A one-percentage point change in assumed health care cost trend rates would have the following effects at June 30, 2013:

	(In thousands)	
	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on postretirement benefit obligation	\$ 3,181	\$ (2,721)
Effect on total of service cost and interest	251	(210)

The Corporation's investment allocations at June 30, by investment category, are as follows:

	2013 Pension Plans	2012 Pension Plans	2013 Postretirement Plans	2012 Postretirement Plans
Investment category:				
Cash and cash equivalents	10 %	10 %	1 %	2 %
Marketable securities:				
U.S. and non-U.S. equity securities	5	7	65	59
Equity mutual funds	7	2	-	-
Debt securities	30	35	34	39
Other investments:				
Commingled funds	9	11	-	-
Hedge funds	30	30	-	-
Private equity funds	6	5	-	-
Other	3	-	-	-
Total	100 %	100 %	100 %	100 %

The Corporation employs a total return investment approach whereby a mix of equities and fixed-income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value, and small and large capitalizations. Other investments, such as hedge funds, interest rate swaps, and private equity are used judiciously to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset/liability studies. For the majority of the Corporation's pension plan investments, the combined target investment allocation at June 30, 2013 was U.S. and non-U.S. equity securities 15%; fixed-income obligations 35%; hedge funds 20%; long/short equity 15%; private equity 5%; opportunistic fixed income 7%; and real assets 3%.

The following tables summarize the Pension and Postretirement Plans' assets measured at fair value at June 30, 2013 and 2012. See Note 10 for definitions of Levels 1, 2, and 3 of the fair value hierarchy.

	2013			
	(In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Pension plans:				
Cash and cash equivalents	\$ 452,032	\$ 11,073	\$ -	\$ 463,105
Equity securities	238,493	-	-	238,493
Debt securities				
Government and government agency obligations	-	322,538	-	322,538
Corporate bonds	-	1,000,922	1,632	1,002,554
Asset backed securities	-	34,342	-	34,342
Mutual funds				
Equity mutual funds	309,119	-	-	309,119
Fixed-income mutual funds	95,504	9,533	-	105,037
Commingled funds	-	416,453	-	416,453
Hedge funds	-	344,730	1,016,262	1,360,992
Private equity	-	-	251,228	251,228
Real estate partnerships	-	-	52	52
Other	598	-	-	598
Total pension plans' assets at fair value	<u>\$ 1,095,746</u>	<u>\$ 2,139,591</u>	<u>\$ 1,269,174</u>	<u>\$ 4,504,511</u>
Postretirement plans:				
Mutual funds				
Short-term investment mutual funds	\$ 817	\$ -	\$ -	\$ 817
Fixed-income mutual fund	28,321	-	-	28,321
Commingled funds	-	55,385	-	55,385
Total postretirement plans' assets at fair value	<u>\$ 29,138</u>	<u>\$ 55,385</u>	<u>\$ -</u>	<u>\$ 84,523</u>

	2012			
	(In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Pension plans:				
Cash and cash equivalents	\$396,043	\$ 1,422	\$ -	\$ 397,465
Equity securities	273,125	682	-	273,807
Debt securities				
Government and government agency obligations	-	433,634	-	433,634
Corporate bonds	-	1,010,844	-	1,010,844
Asset backed securities	-	23,046	-	23,046
Mutual funds				
Equity mutual funds	96,352	-	-	96,352
Fixed-income mutual funds	11,393	7,617	-	19,010
Commingled funds	-	438,575	-	438,575
Hedge funds	-	39,693	1,211,388	1,251,081
Private equity	-	-	204,250	204,250
Real estate partnerships	-	-	520	520
Other	(7,392)	-	-	(7,392)
Total pension plans' assets at fair value	<u>\$769,521</u>	<u>\$ 1,955,513</u>	<u>\$ 1,416,158</u>	<u>\$ 4,141,192</u>
Postretirement plans:				
Mutual funds				
Short-term investment mutual funds	\$ 1,178	\$ -	\$ -	\$ 1,178
Fixed-income mutual fund	31,291	-	-	31,291
Commingled funds	-	46,638	-	46,638
Other	53	-	-	53
Total postretirement plans' assets at fair value	<u>\$ 32,522</u>	<u>\$ 46,638</u>	<u>\$ -</u>	<u>\$ 79,160</u>

Unfunded capital commitments related to Level 3 private equity investments totaled \$181.8 million and \$191.5 million at June 30, 2013 and 2012, respectively.

The Corporation's policy is to recognize transfers between all levels as of the beginning of the reporting period. There were no significant transfers to or from Levels 1 and 2 during the years ended June 30, 2013 or 2012.

See Note 10 for the Corporation's methods and assumptions to estimate the fair value of equity and debt securities, mutual funds, commingled funds, and hedge funds.

**Private Equity** – These assets include several private equity funds that invest primarily in the United States, Asia and Europe, both directly and on the secondary market, pursuing distressed opportunities and natural resources, primarily energy. These funds are valued at net asset value, which is calculated using the most recent fund financial statements.

**Real Estate Partnerships** – These assets are reported at fair value based on either independent appraisals performed by the general partner during the year, or estimated using discounted cash flow and market analysis, supported by sales comparison information.

**Other** – Represents unsettled transactions relating primarily to purchases and sales of plan assets, accrued income, and derivatives. Due to the short maturity of these assets and liabilities, the fair value is equal to the carrying amounts. Concerning derivatives, the Pension Plans are party to certain agreements, which are designed to manage exposures to equities and interest rate risks. These instruments are used for the purpose of hedging changes in the fair value of assets and actuarial present value of accumulated plan benefits that result from interest rate changes or as an efficient substitute for traditional securities. The fair value of the derivatives is estimated utilizing the terms of the derivative instruments and publicly available market yield curves. The Pension Plans' investment policies specifically prohibit the use of derivatives for speculative purposes.

The following tables summarize the changes in Level 3 Pension Plan assets for the years ended June 30:

	(In thousands)				
	Corporate Bonds	Hedge Funds	Private Equity	Real Estate Partnerships	Total
Balance at July 1, 2011	\$ -	\$ 1,045,751	\$ 134,336	\$ 3,848	\$ 1,183,935
Acquisition of LUHS	-	-	7,038	119	7,157
Realized gain	-	24,990	6,761	18	31,769
Unrealized (loss) gain	-	(29,924)	3,730	(480)	(26,674)
Purchases	-	537,598	75,340	-	612,938
Sales	-	(367,524)	(2,911)	(36)	(370,471)
Settlements	-	497	(20,044)	(2,949)	(22,496)
Balance at June 30, 2012	-	1,211,388	204,250	520	1,416,158
Realized gain	-	82,063	7,711	-	89,774
Unrealized (loss) gain	(142)	33,232	11,444	81	44,615
Purchases	1,774	286,768	63,668	-	352,210
Sales	-	(389,652)	(2,180)	(452)	(392,284)
Settlements	-	(240)	(33,665)	(97)	(34,002)
Transfers to Level 2	-	(207,297)	-	-	(207,297)
Balance at June 30, 2013	<u>\$ 1,632</u>	<u>\$ 1,016,262</u>	<u>\$ 251,228</u>	<u>\$ 52</u>	<u>\$ 1,269,174</u>

Transfers out of Level 3 to Level 2 were made for direct hedge funds where initial lock-up periods expired during fiscal 2013.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Expected Contributions** – The Corporation expects to contribute \$163.0 million to its Pension Plans, and \$1.4 million to its Postretirement Plans during the year ended June 30, 2014 under the Corporation's stated funding policy.



**Expected Benefit Payments** – The Corporation expects to pay the following for pension benefits, which reflect expected future service as appropriate, and expected postretirement benefits, before deducting the Medicare Part D subsidy.

	(In thousands)		
	Pension Plans	Postretirement Plans	Postretirement Medicare Part D Subsidy
2014	\$ 223,491	\$ 7,508	\$ 107
2015	231,604	7,707	104
2016	253,976	7,929	99
2017	280,171	8,092	94
2018	309,031	8,186	88
Years 2019–2023	1,938,177	40,463	335

## 9. COMMITMENTS AND CONTINGENCIES

**Operating Leases** – The Corporation leases various land, equipment, and facilities under operating leases. Total rental expense, which includes provisions for maintenance in some cases, was \$105.1 million and \$103.2 million for the years ended June 30, 2013 and 2012, respectively.

The following is a schedule of future minimum lease payments under operating leases as of June 30, 2013, that have initial or remaining lease terms in excess of one year:

	(In thousands)
Years ending June 30:	
2014	\$ 73,886
2015	58,281
2016	48,131
2017	39,093
2018	29,995
Thereafter	94,327
Total	<u>\$ 343,713</u>

**Asset Retirement Obligations** – The Corporation has conditional asset retirement obligations for certain fixed assets mainly related to the removal of asbestos contained within facilities and the removal of underground storage tanks.

A reconciliation of the asset retirement obligations at June 30 is as follows:

	2013	2012
	(In thousands)	(In thousands)
Asset retirement obligation, beginning of year	\$ 18,857	\$ 17,487
Accretion	716	587
Liabilities incurred	27	877
Liabilities settled	<u>(111)</u>	<u>(94)</u>
Asset retirement obligation, end of year	<u>\$ 19,489</u>	<u>\$ 18,857</u>

## **Litigation and Settlements –**

On September 21, 2007, in Boise, Idaho a jury awarded \$58.9 million in damages to MRI Associates, LLP, an Idaho limited partnership (MRIA) against Saint Alphonsus Regional Medical Center and its subsidiary Saint Alphonsus Diversified Care, Inc. (collectively, “Saint Alphonsus”). The lawsuit involved Saint Alphonsus’ withdrawal from the MRIA partnership. The jury’s award was reduced by the trial judge to \$36.3 million, which was offset by the award of \$4.6 million to Saint Alphonsus, the value of its partnership interest in MRIA. St. Alphonsus appealed and, in October 2009, the Idaho Supreme Court overturned the trial court decision and remanded the case for a new trial. The second trial was held during October 2011 with a jury awarding approximately \$52 million in damages to MRIA. After Saint Alphonsus filed an objection, the trial court entered amended judgments indicating that the plaintiffs could execute alternative judgments which vary in amount from approximately \$20 million to \$52 million. Saint Alphonsus continues to have an offset of \$4.6 million plus 10% interest running from September 21, 2007. Saint Alphonsus filed a Notice of Appeal to the Idaho Supreme Court in May 2012, because the Corporation believes that the proof of damages is insufficient to sustain the jury’s award under Idaho law. The Corporation recorded management’s estimation for litigation expense of \$20 million in the consolidated statement of operations and changes in net assets during the year ended June 30, 2007. As of June 30, 2013 and 2012, the liability is included in other long-term liabilities in the consolidated balance sheets in the event of an unfavorable resolution of this matter.

In June 2007, the Corporation was added to litigation pending in the United States District Court for the Eastern District of Michigan, alleging that certain hospitals in Southeastern Michigan conspired to suppress the wages of nurses over a period of five years. The plaintiffs brought the action on their own behalf and on behalf of all others similarly situated and seeking certification of the class. The complaint alleges that there was a direct agreement among the executives of defendant hospitals to suppress compensation and that they shared non-public compensation information, which had an anticompetitive effect on wages. The complaint specifically references certain of the Corporation’s Southeast Michigan hospitals. Mediation was held in November 2011 and the parties reached a settlement in March 2013, the amount of which is immaterial to these financial statements.

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

## **10. FAIR VALUE MEASUREMENTS**

The Corporation’s consolidated financial statements reflect certain assets and liabilities recorded at fair value. Assets and liabilities measured at fair value on a recurring basis in the Corporation’s consolidated balance sheets include cash, cash equivalents, equity securities, debt securities, mutual funds, commingled funds, hedge funds, securities lending collateral, and derivatives. Defined benefit retirement plan assets are measured at fair value on an annual basis. Liabilities measured at fair value on a recurring basis for disclosure only include debt.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

To determine fair value, the Corporation uses various valuation methodologies based on market inputs. For many instruments, pricing inputs are readily observable in the market; the valuation methodology is widely accepted by market participants and involves little to no judgment. For other instruments, pricing inputs are less observable in the marketplace. These inputs can be subjective in nature and involve uncertainties and matters of considerable judgment. The use of different assumptions, judgments and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Corporation assesses the inputs used to measure fair value using a three-level hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The fair value hierarchy is as follows:

*Level 1* – Quoted (unadjusted) prices for identical instruments in active markets

*Level 2* – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar instruments in active markets
- Quoted prices for identical or similar instruments in non-active markets (few transactions, limited information, non-current prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the instrument (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

*Level 3* – Unobservable inputs that cannot be corroborated by observable market data

**Valuation Methodologies** – Exchange-traded securities whose fair value is derived using quoted prices in active markets are classified as Level 1. In instances where quoted market prices are not readily available, fair value is estimated using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures. The inputs to these models depend on the type of security being priced, but are typically benchmark yields, credit spreads, prepayment speeds, reported trades and broker-dealer quotes, all with reasonable levels of transparency. Generally, significant changes in any of those inputs in isolation would result in a significantly different fair value measurement. The Corporation classifies these securities as Level 2 within the fair value hierarchy.

The Corporation maintains policies and procedures to value instruments using the best and most relevant data available. The Corporation's Level 3 securities are primarily investments in hedge funds. The fair values of Level 3 investments in these securities are predominately valued using a net asset value per share, which is provided by third-party administrators; however, in some cases, they are obtained directly from the investment fund manager. We have not adjusted the prices we have obtained. Third-party administrators do not provide access to their proprietary valuation models, inputs, and assumptions. Accordingly, the Corporation reviews the independent reports of internal controls for these service providers. In addition, on a quarterly basis, the Corporation performs reviews of investment consultant industry peer group benchmarking and supporting relevant market data. Finally, all of the fund managers of the Corporation's Level 3 securities have an annual independent audit performed by an accredited accounting firm. The Corporation reviews these audited financials for ongoing validation of pricing used. Based on the information available, we believe that the fair values provided by the third-party administrators and investment fund managers are representative of prices that would be received to sell the assets at June 30, 2013 and 2012, respectively.

In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Corporation's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset.

Following is a description of the valuation methodologies the Corporation used for instruments recorded at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

**Cash and Cash Equivalents** – The carrying amounts reported in the consolidated balance sheets approximate their fair value. Certain cash and cash equivalents are included in investments and assets limited or restricted as to use in the consolidated balance sheets.

**Commercial Paper** – The fair value of commercial paper is based on amortized cost. Commercial paper is designated as Level 2 investments with significant observable inputs, including security cost, maturity, and credit rating. Commercial paper is classified as either cash and cash equivalents or marketable securities in the consolidated balance sheets depending upon the length to maturity when purchased.

**Security Lending Collateral** – The security lending collateral is invested in a Northern Trust sponsored commingled collateral fund, which is comprised primarily of short-term securities. The fair value amounts of the commingled collateral fund are determined using the calculated net asset value per share (or its equivalent) for the fund with the underlying investments valued using techniques similar to those used for marketable securities noted below.

**Equity Securities** – Equity securities are valued at the closing price reported on the applicable exchange on which the security is traded or are estimated using quoted market prices for similar securities.

**Debt Securities** – Debt securities are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures.

**Mutual Funds** – Mutual funds are valued using the net asset value based on the value of the underlying assets owned by the fund, minus liabilities, divided by the number of shares outstanding, and multiplied by the number of shares owned.

**Commingled Funds** – Commingled funds are developed for investment by institutional investors only and therefore do not require registration with the Securities and Exchange Commission. Commingled funds are recorded at fair value based on either the underlying investments that have a readily determinable market value or based on net asset value, which is calculated using the most recent fund financial statements. Commingled funds are categorized as Level 2 unless they have a redemption restriction greater than 90 days, in which case they are categorized as Level 3.

**Hedge Funds** – The Corporation invests in various hedge fund strategies. These funds utilize either a direct or a "fund-of-funds" approach resulting in diversified multi-strategy, multi-manager investments. Underlying investments in these funds may include equities, fixed income securities, commodities, currencies and derivatives. These funds are valued at net asset value, which is calculated using the most recent fund financial statements. Hedge funds are categorized as Level 2, unless they have a redemption restriction greater than 90 days, in which case, they are categorized as Level 3.

The Corporation classifies its equity and debt securities, mutual funds, commingled funds and hedge funds as trading securities. Holding gains (losses) included in the excess of revenue over expenses for the years ended June 30, 2013 and 2012, were \$238.9 million and (\$44.3) million, respectively.

**Equity Method Investments** – The Corporation accounts for certain other investments using the equity method. These investments are structured as limited liability corporations and partnerships and are designed to produce stable investment returns regardless of market activity. These investments utilize a combination of “fund-of-funds” and direct fund investment resulting in a diversified multi-strategy, multi-manager investments approach. Some of these funds are developed by investment managers specifically for the Corporation’s use and are similar to mutual funds, but are not traded on a public exchange. Underlying investments in these funds may include other funds, equities, fixed-income securities, commodities, currencies and derivatives. Audited information is only available annually based on the limited liability corporations, partnerships or funds’ year-end. Management’s estimates of the fair values of these investments are based on information provided by the third-party administrators and fund managers or the general partners. Management obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the recorded value. In addition to a review of external information provided, management’s internal procedures include such things as review of returns against benchmarks and discussions with fund managers on performance, changes in personnel or process, along with evaluations of current market conditions for these investments. Investment managers meet with the Corporation’s Investment Subcommittee of the Finance and Stewardship Committee of the Board of Directors on a periodic basis. Because of the inherent uncertainty of valuations, values may differ materially from the values that would have been used had a ready market existed. The balance of these investments at June 30, 2013 and 2012, was \$781.5 million and \$999.8 million, respectively. Unfunded capital commitments related to equity method investments totaled \$113.7 million and \$89.1 million at June 30, 2013 and 2012, respectively.

Cash and cash equivalents, equity and debt securities, mutual funds, commingled funds, hedge funds, and equity method investments totaled \$5,906 million and \$5,308 million at June 30, 2013 and 2012, respectively.

**Interest Rate Swaps** – The fair value of the Corporation’s derivatives, which are mainly interest rate swaps, are estimated utilizing the terms of the swaps and publicly available market yield curves along with the Corporation’s nonperformance risk as observed through the credit default swap market and bond market and based on prices for recent trades. These swap agreements are classified as Level 2 within the fair value hierarchy.

The following tables present information about the fair value of the Corporation's financial instruments measured at fair value on a recurring basis and recorded at June 30:

	2013			
	(In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Cash and cash equivalents	\$ 1,283,675	\$ 46,370	\$ -	\$ 1,330,045
Security lending collateral	-	114,865	-	114,865
Equity securities	432,398	405	1,449	434,252
Debt securities:				
Government and government agency obligations	-	297,195	-	297,195
Corporate bonds	-	260,138	2,886	263,024
Asset backed securities	-	30,412	-	30,412
Other	-	11,731	-	11,731
Mutual funds:				
Equity mutual funds	494,910	-	-	494,910
Fixed-income mutual funds	725,890	2,944	-	728,834
Real estate investment funds	5,705	-	-	5,705
Other	5,218	2,674	-	7,892
Commingled funds	-	674,956	-	674,956
Hedge funds	-	304,262	419,509	723,771
Interest rate swaps	-	30,500	-	30,500
Total assets	<u>\$ 2,947,796</u>	<u>\$ 1,776,452</u>	<u>\$ 423,844</u>	<u>\$ 5,148,092</u>
Liabilities				
Interest rate swaps	<u>\$ -</u>	<u>\$ 144,576</u>	<u>\$ -</u>	<u>\$ 144,576</u>

	2012			
	(In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Cash and cash equivalents	\$ 1,295,525	\$ 55,634	\$ -	\$ 1,351,159
Security lending collateral	-	130,702	-	130,702
Equity securities	533,221	463	1,472	535,156
Debt securities:				
Government and government agency obligations	-	405,740	-	405,740
Corporate bonds	-	273,845	1,114	274,959
Asset backed securities	-	76,537	559	77,096
Other	-	6,795	-	6,795
Mutual funds:				
Equity mutual funds	199,080	39	-	199,119
Fixed-income mutual funds	157,334	3,338	-	160,672
Real estate investment funds	7,173	-	-	7,173
Other	2,403	2,363	-	4,766
Commingled funds and hedge funds	-	1,167,130	109,165	1,276,295
Interest rate swaps	-	27,183	-	27,183
Total assets	<u>\$ 2,194,736</u>	<u>\$ 2,149,769</u>	<u>\$ 112,310</u>	<u>\$ 4,456,815</u>
Liabilities:				
Interest rate swaps	\$ -	\$ 205,111	\$ -	\$ 205,111

The Corporation's policy is to recognize transfers between all levels as of the beginning of the reporting period. There were no significant transfers to or from Levels 1 and 2 during the years ended June 30, 2013 or 2012. Transfers out of Level 3 to Level 2 were made for direct hedge funds where initial lock-up periods expired during fiscal 2013.

The following table summarizes the changes in Level 3 assets for the years ended June 30:

(In thousands)						
	Equity Securities	Government and Government Agency Obligations	Corporate Bonds	Asset Backed Securities	Hedge Funds	Total
Balance at July 1, 2011	\$ 500	\$ 116	\$ 2,467	\$ 715	\$ 8,600	\$ 12,398
Realized gain	35	-	(7)	44	-	72
Unrealized (loss) gain	(35)	-	(81)	-	2,361	2,245
Purchases	972	-	992	-	98,227	100,191
Settlements	-	-	-	(200)	-	(200)
Transfers to Level 2	-	(116)	(2,257)	-	(23)	(2,396)
Balance at June 30, 2012	1,472	-	1,114	559	109,165	112,310
Realized gain	-	-	(53)	(43)	-	(96)
Unrealized (loss) gain	(19)	-	(23)	43	40,568	40,569
Purchases	-	-	-	-	310,000	310,000
Settlements	(6)	-	(125)	(559)	-	(690)
Transfers (to) from Level 2	2	-	1,973	-	(40,224)	(38,249)
Balance at June 30, 2013	<u>\$ 1,449</u>	<u>\$ -</u>	<u>\$ 2,886</u>	<u>\$ -</u>	<u>\$ 419,509</u>	<u>\$ 423,844</u>

**Investments in Entities that Calculate Net Asset Value per Share:** The Corporation holds shares or interests in investment companies at year-end, included in commingled funds and hedge funds, where the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company. There were no unfunded commitments as of June 30, 2013 or 2012. The fair value and redemption rules of these investments are as follows:

Investments Held at June 30, 2013			
(In thousands)	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled funds	\$ 615,684	Daily-Monthly	0-60 days
Hedge funds	<u>723,771</u>	Monthly, quarterly, semi-annually	30-95 days
Total	<u>\$ 1,339,455</u>		
Investments Held at June 30, 2012			
(In thousands)	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled funds	\$ 965,096	Monthly	5 days
Hedge funds	<u>249,592</u>	Monthly, quarterly, semi-annually	30-95 days
Total	<u>\$ 1,214,688</u>		

The hedge fund category includes equity long/short hedge funds, multi-strategy hedge funds and relative value hedge funds. Equity long/short hedge funds invest both long and short, primarily in U.S. common stocks. Management of the fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. Multi-strategy hedge funds pursue multiple strategies to diversify risks and reduce volatility. Relative value hedge funds' strategy is to exploit structural and technical inefficiencies in the market by investing in financial instruments that are perceived to be inefficiently priced as a result of business, financial or legal uncertainties.



The commingled fund category primarily includes investments in funds that invest in financial instruments of U.S. and non-U.S. entities, primarily bonds, notes, bills, debentures, currencies, and interest rate and derivative products.

The composition of investment returns included in the consolidated statement of operations and changes in net assets for the years ended June 30 is as follows:

	2013 (In thousands)	2012 (In thousands)
Dividend, interest income and other	\$ 77,900	\$ 74,258
Realized gain, net	102,842	68,360
Realized equity gain (loss), other investments	69,693	(2,258)
Change in net unrealized gain (loss) on investments	<u>90,335</u>	<u>(146,640)</u>
Total investment return	<u>\$ 340,770</u>	<u>\$ (6,280)</u>
Included in:		
Operating income	\$ 9,600	\$ 13,300
Nonoperating items	325,646	(19,159)
Changes in restricted net assets	<u>5,524</u>	<u>(421)</u>
Total investment return	<u>\$ 340,770</u>	<u>\$ (6,280)</u>

In addition to investments, assets restricted as to use include receivables for unconditional promises to give cash and other assets net of allowances for uncollectible promises to give. Unconditional promises to give consist of the following at June 30:

	2013 (In thousands)	2012 (In thousands)
Amounts expected to be collected in:		
Less than one year	\$ 10,904	\$ 8,632
One to five years	18,905	13,896
More than five years	<u>4,059</u>	<u>3,676</u>
	33,868	26,204
Discount to present value of future cash flows	(2,523)	(2,094)
Allowance for uncollectible amounts	<u>(2,829)</u>	<u>(2,301)</u>
Total unconditional promises to give, net	<u>\$ 28,516</u>	<u>\$ 21,809</u>

**Patient Accounts Receivable, Estimated Receivables from Third-Party Payors, and Current Liabilities** – The carrying amounts reported in the consolidated balance sheets approximate their fair value.

**Long-Term Debt** – The carrying amounts of the Corporation's variable rate debt approximate their fair values. The fair value of the Corporation's fixed rate long-term debt is estimated using discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the fixed rate long-term revenue and refunding bonds was

\$2,247 million and \$2,389 million at June 30, 2013 and 2012, respectively. Under the fair value hierarchy, these financial instruments are valued primarily using Level 2 inputs. The related carrying value of the fixed rate long-term revenue and refunding bonds was \$2,135 million and \$2,162 million at June 30, 2013 and 2012, respectively. The fair values of the remaining fixed rate capital leases, notes payable to banks, and mortgage loans are not materially different from their carrying values.

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

**Derivative Financial Instruments** – In the normal course of business, the Corporation is exposed to market risks, including the effect of changes in interest rates and equity market volatility. To manage these risks the Corporation enters into various derivative contracts, primarily interest rate swaps. Interest rate swaps are used to manage the effect of interest rate fluctuations.

Management reviews the Corporation's hedging program, derivative position, and overall risk management on a regular basis. The Corporation only enters into transactions it believes will be highly effective at offsetting the underlying risk.

**Interest Rate Swaps** – The Corporation utilizes interest rate swaps to manage interest rate risk related to the Corporation's variable interest rate debt, variable rate leases and a fixed-income investment portfolio. Cash payments on interest rate swaps totaled \$19.6 million and \$17.3 million for the years ended June 30, 2013 and 2012, respectively, and are included in nonoperating income.

Certain of the Corporation's interest rate swaps contain provisions that give certain counterparties the right to terminate the interest rate swap if a rating is downgraded below specified thresholds. If a ratings downgrade threshold is breached, the counterparties to the derivative instruments could demand immediate termination of the swaps. Such termination could result in a payment from the Corporation or a payment to the Corporation depending on the market value of the interest rate swap.

Certain of the Corporation's interest rate swaps are secured by \$11.2 million and \$89.4 million of collateral included in prepaid expenses and other current assets in the Corporation's consolidated balance sheets at June 30, 2013 and 2012, respectively.

**Effect of Derivative Instruments on Excess of Revenue over Expenses** – The following table represents the effect derivative instruments had on the Corporation's financial performance for the years ended June 30:

Derivatives Not Designated as Hedging Instruments	Location of Net Gain (Loss) Recognized in Excess of Revenue over Expenses or Unrestricted Net Assets	2013	2012
		(In thousands)	
		Amount of Net Gain (Loss) Recognized in Excess of Revenue over Expenses	
Excess of revenue over expenses:			
Interest rate swaps	Change in market value and cash payment on interest rate swaps	\$ 45,818	\$(114,468)
Interest rate swaps	Investment income	(1,953)	1,087
		<u>\$ 43,865</u>	<u>\$(113,381)</u>

**Balance Sheet Effect of Derivative Instruments** - The following table summarizes the estimated fair value of the Corporation's derivative financial instruments at June 30:

<b>Derivatives Not Designated as Hedging Instruments</b>	<b>Consolidated Balance Sheet Location</b>	<b>2013 (In Thousands)</b>	<b>2012 (In Thousands)</b>
Asset derivatives:			
Interest rate swaps	Investments	\$ 6,696	\$ 8,401
Interest rate swaps	Other assets	<u>23,804</u>	<u>18,782</u>
Total asset derivatives		<u>\$ 30,500</u>	<u>\$ 27,183</u>
Liability derivatives:			
Interest rate swaps	Other long-term liabilities	<u>\$ 144,576</u>	<u>\$ 205,111</u>

The counterparties to the interest rate swaps expose the Corporation to credit loss in the event of non-performance. At June 30, 2013 and 2012, an adjustment for non-performance risk reduced derivative assets by \$1.2 million and \$1.1 million and derivatives liabilities by \$5.3 million and \$14.6 million, respectively.

## **12. ENDOWMENTS**

The Corporation's endowments consist of funds established for a variety of purposes. Endowments include both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Corporation considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

The Corporation employs a total return investment approach whereby a mix of equities and fixed-income investments are used to maximize the long-term return of endowment funds for a prudent level of risk. The Corporation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Corporation can appropriate each year all available earnings in accordance with donor restrictions. The endowment corpus is to be maintained in perpetuity. Certain donor-restricted endowments require a portion of annual earnings to be maintained in perpetuity along with the corpus. Only amounts exceeding the amounts required to be maintained in perpetuity are expended.

Endowment net asset composition by type of fund at June 30 is as follows:

	2013			
	(In thousands)			
	Unrestricted	Temporarily	Permanently	
	Net Assets	Restricted	Restricted	Total
	Net Assets	Net Assets	Net Assets	
Donor-restricted endowment funds	\$ -	\$456	\$ 42,761	\$ 43,217
Board-designated endowment funds	<u>36,873</u>	<u>-</u>	<u>-</u>	<u>36,873</u>
Total endowment funds	<u>\$ 36,873</u>	<u>\$456</u>	<u>\$ 42,761</u>	<u>\$ 80,090</u>
	2012			
	(In thousands)			
	Unrestricted	Temporarily	Permanently	
	Net Assets	Restricted	Restricted	Total
	Net Assets	Net Assets	Net Assets	
Donor-restricted endowment funds	\$ -	\$438	\$ 40,670	\$ 41,108
Board-designated endowment funds	<u>34,291</u>	<u>-</u>	<u>-</u>	<u>34,291</u>
Total endowment funds	<u>\$ 34,291</u>	<u>\$438</u>	<u>\$ 40,670</u>	<u>\$ 75,399</u>

Changes in endowment net assets for the years ended June 30 include:

	(In thousands)			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Endowment net assets, July 1, 2011	<u>\$ 34,988</u>	<u>\$446</u>	<u>\$ 34,462</u>	<u>\$ 69,896</u>
Investment return:				
Investment gain	1,477	7	(30)	1,454
Change in net realized and unrealized gain and loss	<u>(1,651)</u>	<u>(10)</u>	<u>(391)</u>	<u>(2,052)</u>
Total investment return	(174)	(3)	(421)	(598)
Contributions	91	-	636	727
Appropriation of endowment assets for expenditures	(624)	(5)	-	(629)
Acquisition of LUHS	-	-	6,671	6,671
Other	<u>10</u>	<u>-</u>	<u>(678)</u>	<u>(668)</u>
Endowment net assets, June 30, 2012	<u>34,291</u>	<u>438</u>	<u>40,670</u>	<u>75,399</u>
Investment return:				
Investment gain (loss)	1,139	13	1,071	2,223
Change in net realized and unrealized gain and loss	<u>2,174</u>	<u>14</u>	<u>1,207</u>	<u>3,395</u>
Total investment return	3,313	27	2,278	5,618
Contributions	51	-	1,230	1,281
Appropriation of endowment assets for expenditures	(782)	(9)	-	(791)
Other	<u>-</u>	<u>-</u>	<u>(1,417)</u>	<u>(1,417)</u>
Endowment net assets, June 30, 2013	<u>\$36,873</u>	<u>\$456</u>	<u>\$42,761</u>	<u>\$80,090</u>

The table below describes endowment amounts classified as permanently restricted net assets and temporarily restricted net assets at June 30:

	2013 (In thousands)	2012
Permanently restricted net assets:		
Hospital operations support	\$ 18,053	\$ 17,537
Medical program support	6,491	5,941
Scholarship funds	2,912	2,247
Research funds	7,869	8,241
Community service funds	5,756	5,496
Other funds	<u>1,680</u>	<u>1,208</u>
Total endowment funds classified as permanently restricted net assets	<u>\$ 42,761</u>	<u>\$ 40,670</u>
Temporarily restricted net assets:		
Term endowment funds	\$ 131	\$ 127
Other	<u>325</u>	<u>311</u>
Total endowment funds classified as temporarily restricted net assets	<u>\$ 456</u>	<u>\$ 438</u>

**Funds with Deficiencies** – Periodically, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the Corporation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations and/or continued appropriation for certain programs that was deemed prudent by the Corporation.

### 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2013, the date the consolidated financial statements were issued. The following subsequent events were noted:

**Liquidity Facilities** – In July 2013, the Corporation renewed the Amended and Restated 2010 Revolving Credit Agreements (2013 Credit Agreements) discussed in Note 6 with U.S. Bank National Association, which acts as an administrative agent for a group of lenders thereunder. The 2013 Credit Agreements establish a revolving credit facility for the Corporation, under which that group of lenders agrees to lend to the Corporation amounts that may fluctuate from time to time but, as of September 25, 2013, the amount available was \$731 million along with an option to increase that amount by \$200 million.

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