



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



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

DEDICATED TO SPIRITUALLY CENTERED CARE, WHICH IMPROVES THE HEALTH OF INDIVIDUALS AND COMMUNITIES

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 \$ 344,211,902 including grants of \$ 21,016,801) (Revenue \$ 446,118,919)

ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC (SMMC) PROVIDES INPATIENT AND OUTPATIENT MEDICAL SERVICES SERVING VANDERBURGH AND CONTIGUOUS COUNTIES AND PROVIDING SERVICES WITHOUT REGARD TO PATIENT RACE, CREED, NATIONAL ORIGIN, ECONOMIC STATUS, OR ABILITY TO PAY DURING FISCAL YEAR 2013, SMMC TREATED 17,218 INPATIENTS IN THE COMMUNITY FOR A TOTAL OF 83,119 PATIENT DAYS OF SERVICE SMMC ALSO PROVIDED SERVICES TO 354,550 OUTPATIENTS, INCLUDING 4,630 INPATIENT SURGERY PATIENTS, 54,869 EMERGENCY ROOM VISITS, 42,224 PHYSICIAN OFFICE VISITS, AND 22,722 CLINIC VISITS SEE SCHEDULE H FOR A NON-EXHAUSTIVE LIST OF COMMUNITY BENEFIT PROGRAMS AND DESCRIPTIONS

4b

(Code) (Expenses \$ 33,279,840 including grants of \$) (Revenue \$)

SMMC PROVIDES A SUBSTANTIAL PORTION OF ITS CORE HEALTH SERVICES TO THE POOR, UNINSURED, OR UNDERINSURED AND HAS PROACTIVELY TAKEN STEPS TO ADDRESS ACCESSIBILITY, AND THE FINANCING, AND DELIVERY OF HEALTHCARE TO THE UNDERSERVED DURING THE FISCAL YEAR ENDING JUNE 30, 2013, THE UNREIMBURSED COST OF FREE OR DISCOUNTED SERVICES PROVIDED TO PATIENTS WHO ARE DEEMED INDIGENT UNDER STATE, COUNTY, OR HOSPITAL GUIDELINES WAS \$33,279,840, WHICH INCLUDED \$18,852,448 OF TRADITIONAL FINANCIAL ASSISTANCE AND \$14,427,392 IN UNPAID COSTS OF CARE FOR THOSE QUALIFYING FOR MEDICAID OR OTHER PUBLIC PROGRAMS FOR THE POOR SEE SCHEDULE H FOR A NON-EXHAUSTIVE LIST OF COMMUNITY BENEFIT PROGRAMS AND DESCRIPTIONS

4c

(Code) (Expenses \$ 1,452,585 including grants of \$) (Revenue \$)

IN ADDITION TO CORE MEDICAL SERVICES, SMMC AND COMMUNITY PARTNERS ASSESS COMMUNITY ASSETS AND NEEDS AND WORK TOGETHER TO ADDRESS ISSUES IMPACTING HEALTH AND QUALITY OF LIFE, WITH SPECIAL EMPHASIS ON THE POOR AND VULNERABLE IN FISCAL YEAR 2013, SMMC PROVIDED \$1,452,585 IN UNBILLED SERVICES TO THE POOR AND TO THE BROADER COMMUNITY (WHEN COMBINED WITH THE COSTS OF FREE OR DISCOUNTED SERVICES FOR THE POOR LISTED IN LINE 4B, SMMC PROVIDED A TOTAL COMMUNITY BENEFIT OF \$34,732,425 IN FISCAL YEAR 2013) SMMC SERVES AND SUPPORTS ITS COMMUNITY THROUGH SUCH PROGRAMS AS SUPPORT GROUPS, PUBLIC HEALTH SCREENINGS, AND NUTRITION COUNSELING SEE SCHEDULE H FOR A NON-EXHAUSTIVE LIST OF COMMUNITY BENEFIT PROGRAMS AND DESCRIPTIONS

4d

Other program services (Describe in Schedule O)
























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

4e

Total program service expenses 378,944,327

Part IV

Checklist of Required Schedules

| | Yes | No |
|---|---------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A  | 1 Yes | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?  | 2 Yes | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I  | 3 | No |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II  | 4 Yes | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III  | 5 | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I  | 6 | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II  | 7 | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III  | 8 | No |
| 9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV  | 9 | No |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V  | 10 | No |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI  | 11a Yes | |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII  | 11b | No |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII  | 11c | No |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX  | 11d Yes | |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X  | 11e Yes | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X  | 11f | No |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII  | 12a | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional  | 12b Yes | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 13 | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV  | 14b Yes | |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV  | 15 | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV  | 16 | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) | 17 | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | 18 | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | 19 | No |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H  | 20a Yes | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?  | 20b Yes | |

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

| | | | |
|---|--|-------|----|
| | | Yes | No |
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. | 275 | |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | 0 | |
| 1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | 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. | 3,650 | |
| 2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). | | Yes | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | | Yes | |
| 3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O. | | Yes | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | | No |
| b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | | No |
| 5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | No |
| 5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | | | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | | | No |
| 6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| 7a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | | No |
| 7b If "Yes," did the organization notify the donor of the value of the goods or services provided? | | | |
| 7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | No |
| 7d If "Yes," indicate the number of Forms 8282 filed during the year. | | | |
| 7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | No |
| 7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | No |
| 7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | | |
| 7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | | |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | |
| 9a Did the organization make any taxable distributions under section 4966? | | | |
| 9b Did the organization make a distribution to a donor, donor advisor, or related person? | | | |
| 10 Section 501(c)(7) organizations. Enter | | | |
| 10a Initiation fees and capital contributions included on Part VIII, line 12. | | | |
| 10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | | | |
| 11 Section 501(c)(12) organizations. Enter | | | |
| 11a Gross income from members or shareholders. | | | |
| 11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). | | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | | |
| 12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year. | | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| 13a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | | | |
| 13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. | | | |
| 13c Enter the amount of reserves on hand. | | | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | | | No |
| 14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O. | | | |

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

| | | | |
|--|---|-----|-----|
| | | Yes | No |
| 1a | Enter the number of voting members of the governing body at the end of the tax year | 15 | |
| 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 | 9 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | No |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | Yes |
| 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 | Yes |

Section C. Disclosure

| | | |
|----|--|---|
| 17 | List the States with which a copy of this Form 990 is required to be filed | IN |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <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 | JOHN L ZABROWSKI 3700 WASHINGTON AVENUE EVANSVILLE, IN (812) 485-4178 |

Part VII

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

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

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

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

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

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

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

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

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

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) SISTER XAVIER BALLANCE BOARD MEMBER | 1 00 4 00 | X | | | | | | 0 | 0 | 0 |
| (2) NADINE COUDRET BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (3) MARIA DEL-RIO MD BOARD MEMBER | 55 00 0 00 | X | | | | | | 394,937 | 0 | 72,996 |
| (4) DARCY ELLISON SR VP/CNO | 60 00 1 00 | X | | | | | | 293,768 | 0 | 127,565 |
| (5) DORON FINN MD BOARD MEMBER | 1 00 0 00 | X | | | | | | 0 | 0 | 0 |
| (6) PRASAD GADE MD BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (7) JOHN GALLAGHER MD SR VP/CMO | 60 00 1 00 | X | | | | | | 444,042 | 0 | 121,575 |
| (8) TRICIA HENNING BOARD MEMBER | 1 00 2 00 | X | | | | | | 0 | 0 | 0 |
| (9) MICHAEL HERRELL MD CHAIR | 1 00 5 00 | X | | X | | | | 0 | 0 | 0 |
| (10) SHARON KAZEE BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (11) SISTER SHARON RICHARDT BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (12) GWEN SANDEFUR EVP/COO | 60 00 6 20 | X | | | | | | 381,454 | 0 | 42,467 |
| (13) KARL SASH MD BOARD MEMBER | 1 00 56 00 | X | | | | | | 0 | 579,307 | 100,068 |
| (14) KENNETH SPEAR MD BOARD MEMBER | 1 00 2 00 | X | | | | | | 0 | 0 | 0 |
| (15) JOHN STANLEY BOARD MEMBER | 1 00 2 00 | X | | | | | | 0 | 0 | 0 |
| (16) TIMOTHY FLESCH CEO/PRESIDENT | 55 00 11 20 | | | X | | | | 1,704,596 | 0 | 63,161 |
| (17) KIMBERLY HODGKINSON CFO | 60 00 4 00 | | | X | | | | 368,829 | 0 | 20,703 |

Part VII

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) JANICE ERNEST VP/CARDIOVASCULAR & SYSTEM SUPPORT SERVICES | 60 00 2 00 | | | | X | | | 226,052 | 0 | 99,254 |
| (19) JOHN GREANEY VP/STRATEGIC SERVICES | 60 00 0 00 | | | | X | | | 184,725 | 0 | 24,016 |
| (20) KATHY HALL VP/SMHS REGIONAL ADMINISTRATOR | 60 00 0 00 | | | | X | | | 183,210 | 0 | 53,234 |
| (21) MICHAEL KLUEH VP/CRO | 60 00 0 00 | | | | X | | | 198,159 | 0 | 78,001 |
| (22) THOMAS LILLY SR VP/SUPPORT OPERATIONS | 60 00 1 00 | | | | X | | | 233,955 | 0 | 52,181 |
| (23) VERNON MAASMD VP/MEDICAL AFFAIRS | 60 00 0 00 | | | | X | | | 224,746 | 0 | 40,778 |
| (24) MIKE WHITMORE VP/CLINICAL SUPPORT & ANCILLARY SERVICES | 60 00 0 00 | | | | X | | | 211,751 | 0 | 66,277 |
| (25) KATHRYN BRYAN MD PHYSICIAN | 55 00 0 00 | | | | | X | | 460,866 | 0 | 58,099 |
| (26) ROBERT CUTRELL MD PHYSICIAN | 55 00 0 00 | | | | | X | | 368,482 | 0 | 69,777 |
| (27) MYLES GRANT EXECUTIVE DIRECTOR | 55 00 0 00 | | | | | X | | 422,516 | 0 | 94,704 |
| (28) CHARLES LACKEY MD PHYSICIAN | 55 00 0 00 | | | | | X | | 510,134 | 0 | 58,612 |
| (29) MUREENA TURNQUEST-WELLS MD PHYSICIAN | 55 00 1 00 | | | | | X | | 614,834 | 0 | 109,136 |
| | | | | | | | | | | |
| 1b Sub-Total | | | | | | | | | | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | 7,427,056 | 579,307 | 1,352,604 |
| 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 89 | | | | | | | | | |

| | | Yes | No |
|----------|---|-----|----|
| 3 | Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | | No |
| 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> | 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> | | 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 |
| AMBULATORY CARE CENTER LLC 1125 PROFESSIONAL BLVD EVANSVILLE IN 47714 | MEDICAL SERVICES | 25,988,358 |
| TRIMEDX PO BOX 636129 CINCINNATI OH 45263 | HEALTH CARE EQUIPMENT MANAGEMENT | 4,194,519 |
| AIR METHODS CORPORATION PO BOX 172892 DENVER CO 802172892 | AIR TRANSPORT SERVICES | 1,559,206 |
| EMERGENCY PROFESSIONAL SERVICE PO BOX 634850 CINCINNATI OH 45263 | MEDICAL SERVICES | 1,519,667 |
| ST MARY'S PERIPHERAL VASCULAR SERVICES 3700 WASHINGTON AVENUE EVANSVILLE IN 47750 | MEDICAL SERVICES | 1,181,398 |
| 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 55 | |

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 | 1,494,653 | | | | | | |
| | e | Government grants (contributions) | 1e | 32,708 | | | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | | | | |
| | g | Noncash contributions included in lines 1a-1f \$ | | 9,795 | | | | | | |
| | h | Total. Add lines 1a-1f | | 1,527,361 | | | | | | |
| Program Service Revenue | 2a | OUTPATIENT SERVICE REV | Business Code | 621110 | 219,888,425 | 219,888,425 | | | | |
| | b | INPATIENT SERVICE REV | | 621110 | 218,249,227 | 218,249,227 | | | | |
| | c | | | | | | | | | |
| | d | | | | | | | | | |
| | e | | | | | | | | | |
| | f | All other program service revenue | | | | | | | | |
| | g | Total. Add lines 2a-2f | | 438,137,652 | | | | | | |
| | Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 17,922,403 | | | 17,922,403 | | |
| 4 | | Income from investment of tax-exempt bond proceeds | | | | | | | | |
| 5 | | Royalties | | | | | | | | |
| 6a | | Gross rents | (i) Real | (ii) Personal | | | | | | |
| | | | 631,776 | | | | | | | |
| | | | b | Less rental expenses | 522,271 | | | | | |
| | | | c | Rental income or (loss) | 109,505 | | | | | |
| d | | Net rental income or (loss) | | 109,505 | | | 109,505 | | | |
| 7a | | Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | | | |
| | | | | 313,083 | | | | | | |
| | | | b | Less cost or other basis and sales expenses | | 350,130 | | | | |
| | | | c | Gain or (loss) | | -37,047 | | | | |
| d | | Net gain or (loss) | | -37,047 | -37,047 | | | | | |
| 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 | | | | | | | |
| b | | Less cost of goods sold | b | | | | | | | |
| c | | Net income or (loss) from sales of inventory | | | | | | | | |
| Miscellaneous Revenue | | Business Code | | | | | | | | |
| 11a | APOTHECARY | 446110 | 4,619,370 | 4,619,370 | | | | | | |
| b | CAFETERIA/MISC SERV | 722320 | 1,835,442 | | 108,212 | 1,727,230 | | | | |
| c | LAB SERVICES | 621500 | 828,758 | | 94,847 | 733,911 | | | | |
| d | All other revenue | | 3,426,840 | 3,398,944 | 27,896 | | | | | |
| e | Total. Add lines 11a-11d | | 10,710,410 | | | | | | | |
| 12 | Total revenue. See Instructions | | 468,370,284 | 446,118,919 | 230,955 | 20,493,049 | | | | |

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. | 21,016,801 | 21,016,801 | | |
| 2 | Grants and other assistance to individuals in the United States. See Part IV, line 22. | | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16. | | | | |
| 4 | Benefits paid to or for members. | | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees. | 6,012,500 | | 6,012,500 | |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | | | | |
| 7 | Other salaries and wages. | 118,467,180 | 108,407,324 | 9,501,410 | 558,446 |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). | 2,647,080 | 2,317,174 | 329,906 | |
| 9 | Other employee benefits. | 20,818,340 | 18,160,756 | 2,594,591 | 62,993 |
| 10 | Payroll taxes. | 8,671,240 | 7,556,130 | 1,080,697 | 34,413 |
| 11 | Fees for services (non-employees): | | | | |
| a | Management. | 19,911,102 | 17,429,580 | 2,481,522 | |
| b | Legal. | 91,657 | 80,234 | 11,423 | |
| c | Accounting. | | | | |
| d | Lobbying. | | | | |
| e | Professional fundraising services. See Part IV, line 17. | | | | |
| f | Investment management fees. | | | | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | | | | |
| 12 | Advertising and promotion. | 125,037 | 103,957 | 15,583 | 5,497 |
| 13 | Office expenses. | 4,266,270 | 3,667,527 | 531,802 | 66,941 |
| 14 | Information technology. | 19,069,732 | 16,683,051 | 2,376,662 | 10,019 |
| 15 | Royalties. | | | | |
| 16 | Occupancy. | 8,536,938 | 7,472,979 | 1,063,959 | |
| 17 | Travel. | 418,446 | 361,343 | 52,151 | 4,952 |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 | Conferences, conventions, and meetings. | 199,962 | 174,528 | 24,921 | 513 |
| 20 | Interest. | 4,712,929 | 4,125,556 | 587,373 | |
| 21 | Payments to affiliates. | | | | |
| 22 | Depreciation, depletion, and amortization. | 21,065,232 | 18,439,871 | 2,625,361 | |
| 23 | Insurance. | 1,543,290 | 1,350,518 | 192,340 | 432 |
| 24 | Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O): | | | | |
| a | PURCHASED SERVICES | 68,662,977 | 60,105,506 | 8,557,471 | |
| b | MEDICAL SUPPLIES | 57,940,960 | 57,940,960 | | |
| c | PROVIDER TAX EXPENSE | 16,160,221 | 16,160,221 | | |
| d | COST OF GOODS SOLD | 6,051,858 | 6,051,858 | | |
| e | All other expenses | 13,120,733 | 11,338,453 | 1,782,280 | |
| 25 | Total functional expenses. Add lines 1 through 24e. | 419,510,485 | 378,944,327 | 39,821,952 | 744,206 |
| 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 | | 4,387,544 | 1 | 3,446,252 |
| | 2 | Savings and temporary cash investments | | | 2 | |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 54,931,619 | 4 | 54,541,611 |
| | 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 | | 957,935 | 7 | 854,961 |
| | 8 | Inventories for sale or use | | 5,409,364 | 8 | 6,068,368 |
| | 9 | Prepaid expenses and deferred charges | | 2,567,499 | 9 | 2,562,612 |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a358,326,159 | | | |
| | b | Less accumulated depreciation | 10b273,102,016 | 87,687,421 | 10c | 85,224,143 |
| | 11 | Investments—publicly traded securities | | | 11 | |
| | 12 | Investments—other securities See Part IV, line 11 | | | 12 | |
| | 13 | Investments—program-related See Part IV, line 11 | | 48,701 | 13 | 55,798 |
| | 14 | Intangible assets | | 450,788 | 14 | 279,255 |
| | 15 | Other assets See Part IV, line 11 | | 411,210,999 | 15 | 461,627,665 |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 567,651,870 | 16 | 614,660,665 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 38,839,540 | 17 | 37,975,128 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | | 20 | |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | | 21 | |
| | 22 | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | | 22 | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | | 23 | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | 24 | |
| | 25 | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | | 183,130,230 | 25 | 175,791,992 |
| | 26 | Total liabilities. Add lines 17 through 25 | | 221,969,770 | 26 | 213,767,120 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | 345,682,100 | 27 | 400,893,545 |
| | 28 | Temporarily restricted net assets | | | 28 | |
| | 29 | Permanently restricted net assets | | | 29 | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | | |
| | 30 | Capital stock or trust principal, or current funds | | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| | 33 | Total net assets or fund balances | | 345,682,100 | 33 | 400,893,545 |
| | 34 | Total liabilities and net assets/fund balances | | 567,651,870 | 34 | 614,660,665 |

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 | 468,370,284 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 419,510,485 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 48,859,799 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 345,682,100 |
| 5 | Net unrealized gains (losses) on investments | 5 | 11,473,267 |
| 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 | -5,121,621 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 400,893,545 |

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? | | No |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | | |

Additional Data

Software ID:

Software Version:

EIN: 35-0869065

Name: ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

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 | | | |
| SISTER XAVIER BALLANCE BOARD MEMBER | 1 00 4 00 | X | | | | | | 0 | 0 | 0 |
| NADINE COUDRET BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| MARIA DEL-RIO MD BOARD MEMBER | 55 00 0 00 | X | | | | | | 394,937 | 0 | 72,996 |
| DARCY ELLISON SR VP/CNO | 60 00 1 00 | X | | | | | | 293,768 | 0 | 127,565 |
| DORON FINN MD BOARD MEMBER | 1 00 0 00 | X | | | | | | 0 | 0 | 0 |
| PRASAD GADE MD BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| JOHN GALLAGHER MD SR VP/CMO | 60 00 1 00 | X | | | | | | 444,042 | 0 | 121,575 |
| TRICIA HENNING BOARD MEMBER | 1 00 2 00 | X | | | | | | 0 | 0 | 0 |
| MICHAEL HERRELL MD CHAIR | 1 00 5 00 | X | | X | | | | 0 | 0 | 0 |
| SHARON KAZEE BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| SISTER SHARON RICHARDT BOARD MEMBER | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| GWEN SANDEFUR EVP/COO | 60 00 6 20 | X | | | | | | 381,454 | 0 | 42,467 |
| KARL SASH MD BOARD MEMBER | 1 00 56 00 | X | | | | | | 0 | 579,307 | 100,068 |
| KENNETH SPEAR MD BOARD MEMBER | 1 00 2 00 | X | | | | | | 0 | 0 | 0 |
| JOHN STANLEY BOARD MEMBER | 1 00 2 00 | X | | | | | | 0 | 0 | 0 |
| TIMOTHY FLESCH CEO/PRESIDENT | 55 00 11 20 | | | X | | | | 1,704,596 | 0 | 63,161 |
| KIMBERLY HODGKINSON CFO | 60 00 4 00 | | | X | | | | 368,829 | 0 | 20,703 |
| JANICE ERNEST VP/CARDIOVASCULAR & SYSTEM SUPPORT SERVICES | 60 00 2 00 | | | | X | | | 226,052 | 0 | 99,254 |
| JOHN GREANEY VP/STRATEGIC SERVICES | 60 00 0 00 | | | | X | | | 184,725 | 0 | 24,016 |
| KATHY HALL VP/SMHS REGIONAL ADMINISTRATOR | 60 00 0 00 | | | | X | | | 183,210 | 0 | 53,234 |
| MICHAEL KLUEH VP/CRO | 60 00 0 00 | | | | X | | | 198,159 | 0 | 78,001 |
| THOMAS LILLY SR VP/SUPPORT OPERATIONS | 60 00 1 00 | | | | X | | | 233,955 | 0 | 52,181 |
| VERNON MAASMD VP/MEDICAL AFFAIRS | 60 00 0 00 | | | | X | | | 224,746 | 0 | 40,778 |
| MIKE WHITMORE VP/CLINICAL SUPPORT & ANCILLARY SERVICES | 60 00 0 00 | | | | X | | | 211,751 | 0 | 66,277 |
| KATHRYN BRYAN MD PHYSICIAN | 55 00 0 00 | | | | | X | | 460,866 | 0 | 58,099 |

| 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 | | | |
| ROBERT CUTRELL MD PHYSICIAN | 55 00 0 00 | | | | | X | | 368,482 | 0 | 69,777 |
| MYLES GRANT EXECUTIVE DIRECTOR | 55 00 0 00 | | | | | X | | 422,516 | 0 | 94,704 |
| CHARLES LACKEY MD PHYSICIAN | 55 00 0 00 | | | | | X | | 510,134 | 0 | 58,612 |
| MUREENA TURNQUEST-WELLS MD PHYSICIAN | 55 00 1 00 | | | | | X | | 614,834 | 0 | 109,136 |

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

OMB No 1545-0047

2012

Open to Public Inspection

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

Name of the organization
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

Part I

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

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

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

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

Part II

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

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

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

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

Part 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 ST MARY'S MEDICAL CENTER OF EVANSVILLE INC | Employer identification number 35-0869065 |
|--|--|

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? | | No | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | No | |
| c | Media advertisements? | | No | |
| d | Mailings to members, legislators, or the public? | | No | |
| e | Publications, or published or broadcast statements? | | No | |
| f | Grants to other organizations for lobbying purposes? | | No | |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | | No | |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | |
| i | Other activities? | Yes | | 3,199 |
| j | Total. Add lines 1c through 1i. | | | 3,199 |
| 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 720 for this year? | | | |

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

| Identifier | Return Reference | Explanation |
|------------------------------------|-------------------|---|
| EXPLANATION OF LOBBYING ACTIVITIES | PART II-B, LINE 1 | LOBBYING EXPENSES REPRESENT THE PORTION OF DUES PAID TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS THAT IS SPECIFICALLY ALLOCABLE TO LOBBYING ST. MARY'S MEDICAL CENTER OF EVANSVILLE, INC. DOES NOT PARTICIPATE IN OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTING OR STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF (OR IN OPPOSITION TO) ANY CANDIDATE FOR PUBLIC OFFICE. |

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

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

| | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

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

☐ Yes

☐ No

b

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

☐

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i)

unrelated organizations

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

(ii)

related organizations

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 | | 7,736,792 | | 7,736,792 |
| b Buildings | | 92,320,106 | 61,856,222 | 30,463,884 |
| c Leasehold improvements | | 21,275,229 | 11,422,404 | 9,852,825 |
| d Equipment | | 236,994,032 | 199,823,390 | 37,170,642 |
| e Other | | | | |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 85,224,143 |

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

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

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

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

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

Additional Data

Software ID:

Software Version:

EIN: 35-0869065

Name: ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Form 990, Schedule D, Part X, - Other Liabilities

| 1 | (a) Description of Liability | (b) Book Value |
|---|--|----------------|
| | PENSION LIABILITY | 5,602,628 |
| | DEFERRED COMPENSATION | 4,359,995 |
| | SELF INSURANCE LIABILITY | 1,475,372 |
| | ESTIMATED SETTLEMENT LIABILITY | 3,001,494 |
| | AH SAVINGS LIABILITY | 1,679,957 |
| | INTERCOMPANY PAYABLES | 222,973 |
| | VALUATION ALLOWANCE | 1,950,000 |
| | DEFERRED RENT PAYABLE | 459,073 |
| | PHYSICIAN GUARANTEE LIABILITY | 19,602,250 |
| | INTERCOMPANY DEBT WITH ASCENSION HEALTH ALLIANCE | 137,438,250 |

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. 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 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

| (a) Region | (b) Number of offices in the region | (c) Number of employees, agents, and independent contractors in region | (d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in region | (f) Total expenditures for and investments in region |
|--|-------------------------------------|--|---|--|--|
| NORTH AMERICA | 0 | 0 | PROGRAM SERVICES | LICENSES, PERMITS | 2,712 |
| NORTH AMERICA | 0 | 0 | PROGRAM SERVICES | MEDICAL SUPPLIES | 8,137 |
| | | | | | |
| | | | | | |
| | | | | | |
| 3a Sub-total | 0 | 0 | | | 10,849 |
| b Total from continuation sheets to Part I | 0 | 0 | | | 0 |
| c Totals (add lines 3a and 3b) | 0 | 0 | | | 10,849 |

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 | (a) Name of organization | (b) IRS code section and EIN (if applicable) | (c) Region | (d) Purpose of grant | (e) Amount of cash grant | (f) Manner of cash disbursement | (g) Amount of non-cash assistance | (h) Description of non-cash assistance | (i) Method of valuation (book, FMV, appraisal, other) |
|---|--------------------------|--|------------|----------------------|--------------------------|---------------------------------|-----------------------------------|--|---|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶
- 3 Enter total number of other organizations or entities ▶

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐ Yes

☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☐ Yes

☒ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes

☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes

☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes

☒ No

Supplemental Information
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

[illegible]

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
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

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 checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | | |
| 3 | Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" 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 checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care 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 | | No |
| b | If "Yes," did the organization make it available to the public? | 5c | | |
| | 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) | | | 18,852,448 | | 18,852,448 | 4 830 % |
| b Medicaid (from Worksheet 3, column a) | | | 55,601,119 | 41,173,727 | 14,427,392 | 4 090 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs | | | 74,453,567 | 41,173,727 | 33,279,840 | 8 920 % |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | 892,244 | 1,155,117 | 433,383 | 721,734 | 0 170 % |
| f Health professions education (from Worksheet 5) | | | 289,786 | | 289,786 | 0 070 % |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | 40,010 | 441,065 | | 441,065 | 0 110 % |
| j Total. Other Benefits | | 932,254 | 1,885,968 | 433,383 | 1,452,585 | 0 350 % |
| k Total. Add lines 7d and 7j | | 932,254 | 76,339,535 | 41,607,110 | 34,732,425 | 9 270 % |

Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

No

2

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

2

4,222,693

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

422,269

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

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

5

113,481,329

6

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

6

151,333,702

7

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

7

-37,852,373

8

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

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

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

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

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

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|---|---|--|--|---|
| 1 1 ST MARY'S PERIPHERAL VASCULAR SERVICES MANAGEMENT COMPANY LLC | MANAGEMENT | 75.000 % | 0 % | 75.000 % |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |

Section A. Hospital Facilities

Name, address, and primary website address

Schedule H (Form 990) 2012

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

ST MARY'S MEDICAL CENTER OF EVA INC

Name of hospital facility or facility reporting group

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

1

| | Yes | No |
|--|-------|----|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | |
| 1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply) | 1 Yes | |
| a <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 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 |
|--|--|-----------|-----|
| 9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | | 9 | Yes |
| 10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used | | 10 | Yes |
| 11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used | | 11 | Yes |
| 12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) | | 12 | Yes |
| a <input checked="" type="checkbox"/> Income level | | | |
| b <input checked="" type="checkbox"/> Asset level | | | |
| c <input type="checkbox"/> Medical indigency | | | |
| d <input type="checkbox"/> Insurance status | | | |
| e <input type="checkbox"/> Uninsured discount | | | |
| f <input type="checkbox"/> Medicaid/Medicare | | | |
| g <input type="checkbox"/> State regulation | | | |
| h <input type="checkbox"/> Other (describe in Part VI) | | | |
| 13 Explained the method for applying for financial assistance? | | 13 | Yes |
| 14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | | 14 | Yes |
| a <input type="checkbox"/> The policy was posted on the hospital facility's website | | | |
| b <input checked="" type="checkbox"/> The policy was attached to billing invoices | | | |
| c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | | |
| e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | | |
| f <input type="checkbox"/> The policy was available upon request | | | |
| g <input type="checkbox"/> Other (describe in Part VI) | | | |
| Billing and Collections | | | |
| 15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | | 15 | Yes |
| 16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP | | | |
| a <input type="checkbox"/> Reporting to credit agency | | | |
| b <input type="checkbox"/> Lawsuits | | | |
| c <input type="checkbox"/> Liens on residences | | | |
| d <input type="checkbox"/> Body attachments | | | |
| e <input type="checkbox"/> Other similar actions (describe in Part VI) | | | |
| 17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged | | 17 | No |
| a <input type="checkbox"/> Reporting to credit agency | | | |
| b <input type="checkbox"/> Lawsuits | | | |
| c <input type="checkbox"/> Liens on residences | | | |
| d <input type="checkbox"/> Body attachments | | | |
| e <input type="checkbox"/> Other similar actions (describe in Part VI) | | | |

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

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

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

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

18

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

Part VI

Supplemental Information

Complete this part to provide the following information

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

| Identifier | ReturnReference | Explanation |
|------------|-----------------|---|
| | | PART I, LINE 3C THE ORGANIZATION PROVIDES MEDICALLY NECESSARY CARE TO ALL PATIENTS, REGARDLESS OF RACE, COLOR, CREED, ETHNIC ORIGIN, GENDER, DISABILITY, OR ECONOMIC STATUS THE HOSPITAL USES A PERCENTAGE OF FEDERAL POVERTY LEVEL (FPL) TO DETERMINE FREE AND DISCOUNTED CARE AT A MINIMUM, PATIENTS WITH INCOME LESS THAN OR EQUAL TO 200% OF THE FPL, WHICH MAY BE ADJUSTED FOR COST OF LIVING UTILIZING THE LOCAL WAGE INDEX COMPARED TO THE NATIONAL WAGE INDEX, WILL BE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF CHARGES FOR SERVICES THAT HAVE BEEN PROVIDED TO THEM ALSO, AT A MINUMUM, PATIENTS WITH INCOMES ABOVE 200% OF THE FPL BUT NOT EXCEEDING 300% OF THE FPL, SUBJECT TO ADJUSTMENTS FOR COST OF LIVING UTILIZING THE LOCAL WAGE INDEX COMPARED TO NATIONAL WAGE INDEX, WILL RECEIVE A DISCOUNT ON THE SERVICES PROVIDED TO THEM |
| | | PART I, LINE 7 THE COST OF PROVIDING CHARITY CARE, MEANS TESTED GOVERNMENT PROGRAMS, AND COMMUNITY BENEFIT PROGRAMS IS ESTIMATED USING INTERNAL COST DATA, AND IS CALCULATED IN COMPLIANCE WITH CATHOLIC HEALTH ASSOCIATION ("CHA") GUIDELINES THE ORGANIZATION USES A COST ACCOUNTING SYSTEM THAT ADDRESSES ALL PATIENT SEGMENTS (FOR EXAMPLE, INPATIENT, OUTPATIENT, EMERGENCY ROOM, PRIVATE INSURANCE, MEDICAID, MEDICARE, UNINSURED, OR SELF PAY) THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE FOR THE INFORMATION IN THE TABLE, A COST-TO-CHARGE RATIO WAS CALCULATED AND APPLIED |

| Identifier | ReturnReference | Explanation |
|------------|------------------|---|
| | | PART II ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC PROMOTES THE HEALTH OF ITS COMMUNITIIES BY STRIVING TO IMPROVE THE QUALITY OF LIFE WITHIN THE COMMUNITY RESEARCH HAS ESTABLISHED THAT FACTORS SUCH AS ECONOMIC STATUS, EMPLOYMENT, HOUSING, EDUCATION LEVEL, AND BUILT ENVIRONMENT CAN ALL BE POWERFUL SOCIAL DETERMINANTS OF HEALTH ADDITIONALLY, HELPING TO CREATE GREATER CAPACITY WITHIN THE COMMUNITY TO ADDRESS A BROAD RANGE OF QUALITY OF LIFE ISSUES ALSO IMPACTS HEALTH ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC MEETS REGULARLY WITH LOCAL ORGANIZATIONS IN THE COMMUNITY TO LEARN WHAT RESOURCES ARE AVAILABLE AND PLAN COMMUNITY HEALTH IMPROVEMENT EFFORTS |
| | PART III, LINE 2 | AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE AND REASONABLE EFFORTS TO COLLECT FROM THE PATIENT HAVE BEEN EXHAUSTED, THE CORPORATION FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST-DUE PATIENT BALANCES WITHIN COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY ASCENSION HEALTH ACCOUNTS RECEIVABLE ARE WRITTEN OFF AFTER COLLECTION EFFORTS HAVE BEEN FOLLOWED, IN ACCORDANCE WITH THE CORPORATION'S POLICIES AFTER APPLYING THE COST-TO-CHARGE RATIO, THE SHARE OF THE BAD DEBT EXPENSE IN FISCAL YEAR 2013 WAS \$14,594,746 AT CHARGES (\$4,222,693 AT COST) |

| Identifier | ReturnReference | Explanation |
|------------|------------------|--|
| | PART III, LINE 3 | THE PROVISION FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF EXPECTED NET COLLECTIONS CONSIDERING ECONOMIC CONDITIONS, HISTORICAL EXPERIENCE, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY, INCLUDING THOSE AMOUNTS NOT COVERED BY INSURANCE THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR DOUBTFUL ACCOUNTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS |
| | PART III, LINE 4 | THE ORGANIZATION IS A PART OF THE ST VINCENT HEALTH SYSTEM'S CONSOLIDATED AUDIT IN WHICH THE FOOTNOTE THAT DISCUSSES THE BAD DEBT EXPENSE IS LOCATED ON PAGE 22 |

| Identifier | ReturnReference | Explanation |
|------------|-------------------|--|
| | PART III, LINE 8 | A COST TO CHARGE RATIO IS APPLIED TO THE ORGANIZATION'S MEDICARE EXPENSE TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATION'S MEDICARE COST REPORT ASCENSION HEALTH AND RELATED HEALTH MINISTRIES FOLLOW THE CATHOLIC HEALTH ASSOCIATION ("CHA") GUIDELINES FOR DETERMINING COMMUNITY BENEFIT CHA COMMUNITY BENEFIT REPORTING GUIDELINES SUGGEST THAT MEDICARE SHORTFALL IS NOT TREATED AS A COMMUNITY BENEFIT |
| | PART III, LINE 9B | THE ORGANIZATION HAS A WRITTEN DEBT COLLECTION POLICY THAT ALSO INCLUDES A PROVISION ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE IF A PATIENT QUALIFIES FOR CHARITY OR FINANCIAL ASSISTANCE CERTAIN COLLECTION PRACTICES DO NOT APPLY AND THE FINANCIAL ASSISTANCE PROGRAM IS FOLLOWED |

| Identifier | ReturnReference | Explanation |
|------------|---------------------------|---|
| | PART V, SECTION B, LINE 3 | IN CONDUCTING ITS CHNA, THE HOSPITAL FACILITY TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY AS WELL AS PROFESSIONAL RESEARCH CONSULTANTS, INC , A CONSULTING COMPANY THAT HAS SPECIAL KNOWLEDGE AND EXPERTISE IN PUBLIC HEALTH THE HOSPITAL FACILITY CONSULTED WITH THESE PERSONS THROUGH MEETINGS AND FOCUS GROUPS ADDITIONALLY, THE HOSPITAL CONSULTED WITH THE FOLLOWING ORGANIZATIONS AND GROUPS IN CONDUCTING ITS MOST RECENT CHNA ECHO, UNITED WAY, WELBORN BAPTIST FOUNDATION, SMOKE FREE COMMUNITIES, YMCA, DIEHL CONSULTING, THE CITY OF EVANSVILLE'S MAYOR'S OFFICE, SOUTHWEST MENTAL HEALTH, BRENTWOOD MEADOWS, CROSSPOINTE, EVANSVILLE-VANDEBURGH DRUG TASK FORCE, WARRICK CO SHERIFF DEPARTMENT, VANDERBURGH CO SHERIFF DEPARTMENT, YOUTH FIRST, EVANSVILLE STATE HOSPITAL, LAMPION CENTER, WARRICK PSYCHIATRIC CARE AND THE CHILDREN'S PSYCHIATRIC HOSPITAL |
| | PART V, SECTION B, LINE 4 | THE OTHER HOSPITAL FACILITIES WITH WHICH THE REPORTING HOSPITAL FACILITY CONDUCTED ITS CHNA INCLUDES ST MARY'S WARRICK HOSPITAL, INC , DEACONESS HOSPITAL, DEACONESS GATEWAY, DEACONESS CROSSPOINTE, AND THE WOMEN'S HOSPITAL |

| Identifier | ReturnReference | Explanation |
|------------|----------------------------|--|
| | PART V, SECTION B, LINE 5 | THE COMMUNITY HEALTH NEEDS ASSESSMENT ("CHNA") OF THE HOSPITAL FACILITY CAN BE LOCATED AT THE FOLLOWING WEB ADDRESS HTTP //WWW STMARYS ORG/CHNA |
| | PART V, SECTION B, LINE 5C | THE HOSPITAL FACILITY PRESENTED ITS CHNA TO THE COMMUNITY AT A LOCAL FINANCIAL INSTITUTION |

| Identifier | ReturnReference | Explanation |
|------------|----------------------------|---|
| | PART V, SECTION B, LINE 7 | THE HOSPITAL FACILITY'S COMMUNITY NEEDS HEALTH ASSESSMENT IDENTIFIED ACCESS TO CARE, ORAL HEALTH, AND EDUCATION TRAINING AS NEEDS OF THE COMMUNITY THE HOSPITAL FACILITY DID NOT TAKE ACTION TO ADDRESS THESE NEEDS AS IT HAS LIMITED FINANCIAL AND OTHER RESOURCES |
| | PART V, SECTION B, LINE 16 | THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOR PURPOSES OF QUESTION 16 - NOTIFIED EACH INDIVIDUAL OF THE FACILITY'S FINANCIAL ASSISTANCE POLICY (FAP) THIS NOTIFICATION BEGAN ON THE DATE CARE WAS PROVIDED AND ENDED ON THE 120TH DAY AFTER THE FIRST BILLING STATEMENT WAS PROVIDED TO THE INDIVIDUAL - INDIVIDUALS WERE NOTIFIED OF THE FAP BY METHODS AS NOTED IN QUESTION 14 THIS INCLUDES, BUT IS NOT LIMITED TO, PROVIDING THE FOLLOWING - A BRIEF DESCRIPTION OF ELIGIBILITY REQUIREMENTS AND ASSISTANCE PROVIDED- DIRECTIONS ON HOW TO ACCESS THE FAP AND APPLICATION ON OUR WEBSITE AND PHYSICAL LOCATION OF APPLICATION FORMS- INSTRUCTIONS TO OBTAIN FREE COPY OF FAP AND APPLICATION BY MAIL- CONTACT INFORMATION FOR AN INDIVIDUAL/NONPROFIT ORGANIZATION TO ASSIST IF THE INDIVIDUAL HAS QUESTIONS- STATEMENT OF TRANSLATIONS OF FAP AS WELL AS PLAIN LANGUAGE SUMMARIES- STATEMENT THAT NO FAP-ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE THAN AGB- FOR INDIVIDUALS WHO SUBMITTED AN INCOMPLETE FAP, WE PROVIDED THAT INDIVIDUAL WITH INFORMATION RELEVANT TO ASSIST THEM WITH COMPLETION OF THE FAP - FOR INDIVIDUALS WHO SUBMITTED A COMPLETE FAP, WE MADE AND DOCUMENTED A DETERMINATION AS TO WHETHER THAT PERSON WAS ELIGIBLE UNDER THE FACILITY'S FAP - WE DETERMINED ELIGIBILITY BASED ON OTHER MEANS SUCH AS ESTABLISHING THAT THE INDIVIDUAL IS ELIGIBLE UNDER ONE OR MORE MEANS TESTED PROGRAMS (AS NOTED IN QUESTION 12) |

| Identifier | ReturnReference | Explanation |
|------------|----------------------------|---|
| | PART V, SECTION B, LINE 17 | THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOR PURPOSES OF QUESTION 17 - NOTIFIED EACH INDIVIDUAL OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY (FAP) THIS NOTIFICATION BEGAN ON THE DATE CARE WAS PROVIDED AND ENDED ON THE 120TH DAY AFTER THE FIRST BILLING STATEMENT WAS PROVIDED TO THE INDIVIDUAL - INDIVIDUALS WERE NOTIFIED OF THE FAP AS NOTED IN QUESTION 14 THIS INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING - BRIEF DESCRIPTION OF ELIGIBILITY REQUIREMENTS AND ASSISTANCE PROVIDED- DIRECT INDIVIDUALS TO OUR WEBSITE AND PHYSICAL LOCATION OF APPLICATION FORMS- PROVIDED INSTRUCTIONS TO OBTAIN FREE COPY OF FAP AND APPLICATION BY MAIL- PROVIDED CONTACT INFORMATION FOR AN INDIVIDUAL/NONPROFIT ORGANIZATION TO ASSIST IF THE INDIVIDUAL HAS QUESTIONS- PROVIDED STATEMENT OF TRANSLATIONS OF FAP AS WELL AS PLAIN LANGUAGE SUMMARIES- PROVIDED STATEMENT THAT NO FAP-ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE THAN AGB- FOR INDIVIDUALS WHO SUBMITTED AN INCOMPLETE FAP, WE PROVIDED THAT INDIVIDUAL WITH INFORMATION RELEVANT TO ASSIST THEM WITH COMPLETION OF THE FAP - FOR INDIVIDUALS WHO SUBMITTED A COMPLETE FAP, WE MADE AND DOCUMENTED A DETERMINATION AS TO WHETHER THAT PERSON WAS ELIGIBLE UNDER THE FACILITY'S FAP - WE DETERMINED ELIGIBILITY BASED ON OTHER MEANS SUCH AS ESTABLISHING THAT THE INDIVIDUAL IS ELIGIBLE UNDER ONE OR MORE MEANS TESTED PROGRAMS (AS NOTED IN QUESTION 12) |
| | PART V, SECTION B, LINE 18 | QUESTION 18 IS MORE APPROPRIATELY ANSWERED AS NOT APPLICABLE AS THE BILLING AND COLLECTIONS POLICY OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC DOES NOT ALLOW A HOSPITAL TO ENGAGE IN EXTRAORDINARY COLLECTION ACTIONS BEFORE THE ORGANIZATION MADE REASONABLE EFFORTS TO DETERMINE WHETHER THE INDIVIDUAL IS ELIGIBLE FOR ASSISTANCE UNDER THE FINANCIAL ASSISTANCE POLICY REASONABLE EFFORTS TAKEN INCLUDE BUT ARE NOT LIMITED TO - NOTIFYING INDIVIDUALS OF THE FINANCIAL ASSISTANCE POLICY ON ADMISSION- NOTIFYING INDIVIDUALS OF THE FINANCIAL ASSISTANCE POLICY PRIOR TO DISCHARGE- NOTIFYING INDIVIDUALS OF THE FINANCIAL ASSISTANCE POLICY IN COMMUNICATIONS WITH THE PATIENTS REGARDING THE PATIENTS' BILLS- DOCUMENTING ITS DETERMINATION OF WHETHER PATIENTS WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY |

| Identifier | ReturnReference | Explanation |
|------------|-----------------------------|---|
| | PART V, SECTION B, LINE 20D | THE DISCOUNT WAS DETERMINED BY REVIEWING THE LOWEST DISCOUNT PROVIDED TO MANAGED CARE PAYERS THAT COMPRISE AT LEAST 3% OF OUR VOLUME WITH AN ADDED PROMPT PAY DISCOUNT TO THE HIGHEST PAID DISCOUNT PROVIDED TO OUR MANAGED CARE PAYERS |
| | PART V, SECTION B, LINE 21 | THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOLLOWED FOR PURPOSES OF IDENTIFYING PATIENTS ELIGIBLE FOR ASSISTANCE UNDER THE FACILITY'S FAP - NOTIFIED EACH INDIVIDUAL OF THE HOSPITALS'S FINANCIAL ASSISTANCE POLICY (FAP) THIS NOTIFICATION BEGAN ON THE DATE CARE WAS PROVIDED AND ENDED ON THE 120TH DAY AFTER THE FIRST BILLING STATEMENT WAS PROVIDED TO THE INDIVIDUAL - INDIVIDUALS WERE NOTIFIED OF THE FAP AS NOTED IN QUESTION 14 THIS INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING - BRIEF DESCRIPTION OF ELIGIBILITY REQUIREMENTS AND ASSISTANCE PROVIDED- DIRECT INDIVIDUALS TO OUR WEBSITE AND PHYSICAL LOCATION OF APPLICATION FORMS- PROVIDED INSTRUCTIONS TO OBTAIN FREE COPY OF FAP AND APPLICATION BY MAIL- PROVIDED CONTACT INFORMATION FOR AN INDIVIDUAL/NONPROFIT ORGANIZATION TO ASSIST IF THE INDIVIDUAL HAS QUESTIONS- PROVIDED STATEMENT OF TRANSLATIONS OF FAP AS WELL AS PLAIN LANGUAGE SUMMARIES- PROVIDED STATEMENT THAT NO FAP-ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE THAN AGB- FOR INDIVIDUALS WHO SUBMITTED AN INCOMPLETE FAP, WE PROVIDED THAT INDIVIDUAL WITH INFORMATION RELEVANT TO ASSIST THEM WITH COMPLETION OF THE FAP - FOR INDIVIDUALS WHO SUBMITTED A COMPLETE FAP, WE MADE AND DOCUMENTED A DETERMINATION AS TO WHETHER THAT PERSON WAS ELIGIBLE UNDER THE FACILITY'S FAP - WE DETERMINED ELIGIBILITY BASED ON OTHER MEANS SUCH AS ESTABLISHING THAT THE INDIVIDUAL IS ELIGIBLE UNDER ONE OR MORE MEANS TESTED PROGRAMS (AS NOTED IN QUESTION 12) |

| Identifier | ReturnReference | Explanation |
|------------|----------------------------|---|
| | PART V, SECTION B, LINE 22 | THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOLLOWED FOR PURPOSES OF IDENTIFYING PATIENTS ELIGIBLE FOR ASSISTANCE UNDER THE FACILITY'S FAP - NOTIFIED EACH INDIVIDUAL OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY (FAP) AS NOTED IN QUESTION 14 THIS INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING - BRIEF DESCRIPTION OF ELIGIBILITY REQUIREMENTS AND ASSISTANCE PROVIDED- DIRECT INDIVIDUALS TO OUR WEBSITE AND PHYSICAL LOCATION OF APPLICATION FORMS- PROVIDED INSTRUCTIONS TO OBTAIN FREE COPY OF FAP AND APPLICATION BY MAIL- PROVIDED CONTACT INFORMATION FOR AN INDIVIDUAL/NONPROFIT ORGANIZATION TO ASSIST IF THE INDIVIDUAL HAS QUESTIONS- PROVIDED STATEMENT OF TRANSLATIONS OF FAP AS WELL AS PLAIN LANGUAGE SUMMARIES- PROVIDED STATEMENT THAT NO FAP-ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE THAN AGB- THIS NOTIFICATION BEGAN ON THE DATE CARE WAS PROVIDED AND ENDED ON THE 120TH DAY AFTER THE FIRST BILLING STATEMENT WAS PROVIDED TO THE INDIVIDUAL - FOR INDIVIDUALS WHO SUBMITTED AN INCOMPLETE FAP, WE PROVIDED THAT INDIVIDUAL WITH INFORMATION RELEVANT TO ASSIST THEM WITH COMPLETION OF THE FAP - FOR INDIVIDUALS WHO SUBMITTED A COMPLETE FAP, WE MADE AND DOCUMENTED A DETERMINATION AS TO WHETHER THAT PERSON WAS ELIGIBLE UNDER THE FACILITY'S FAP - WE DETERMINED ELIGIBILITY BASED ON OTHER MEANS SUCH AS ESTABLISHING THAT THE INDIVIDUAL IS ELIGIBLE UNDER ONE OR MORE MEANS TESTED PROGRAMS (AS NOTED IN QUESTION 12) |
| | | PART VI, LINE 2 COMMUNITIES ARE DYNAMIC SYSTEMS IN WHICH MULTIPLE FACTORS INTERACT TO IMPACT QUALITY OF LIFE AND HEALTH STATUS AS PART OF THE ST MARY'S HEALTH SYSTEM, THE GOAL OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC IS TO WORK WITH ITS COMMUNITY TO CONDUCT AN ASSESSMENT AT LEAST EVERY THREE YEARS ASSESSMENTS MAY INCLUDE PRIMARY SURVEY DATA, SECONDARY DATA, FOCUS GROUP INPUT, COMMUNITY LEADERS' SURVEY AND OTHER DATA RESULTS ARE MADE AVAILABLE TO ORGANIZATIONS AND INDIVIDUALS THROUGHOUT THE COMMUNITY THESE NEEDS ASSESSMENTS ARE ALSO UTILIZED IN CREATING THE HOSPITAL'S INTEGRATED STRATEGIC FINANCIAL AND OPERATIONAL PLAN TO THAT END, ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC HAS BROUGHT TOGETHER A COMMUNITY ROUNDTABLE WITH THE PURPOSE OF DETERMINING THE RESOURCES AND NEEDS, PRIORITIZING ACTION AND WORKING IN PARTNERSHIP TO ADDRESS IDENTIFIED CHALLENGES WITHIN A DESIGNATED AREA SURROUNDING THE HOSPITAL ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC ALSO IDENTIFIES COMMUNITY HEALTH NEEDS BY EMPLOYING OTHER PUBLIC AGENCY NEEDS ASSESSMENTS SUCH AS WELBORN BAPTIST FOUNDATION AND THE UNITED WAY |

| Identifier | ReturnReference | Explanation |
|------------|-----------------|---|
| | | PART VI, LINE 3 ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC COMMUNICATES WITH PATIENTS IN MULTIPLE WAYS TO ENSURE THAT THOSE WHO ARE BILLED FOR SERVICES ARE AWARE OF THE HOSPITAL'S CHARITY CARE PROGRAM AS WELL AS THEIR POTENTIAL ELIGIBILITY FOR LOCAL, STATE OR FEDERAL PROGRAMS SIGNS ARE PROMINENTLY POSTED IN EACH SERVICE AREA IN ADDITION, THE HOSPITAL EMPLOYS FINANCIAL COUNSELORS, HEALTH ACCESS WORKERS, AND ENROLLMENT SPECIALISTS WHO CONSULT WITH PATIENTS ABOUT THEIR ELIGIBILITY FOR FINANCIAL ASSISTANCE PROGRAMS AND HELP PATIENTS IN APPLYING FOR ANY PUBLIC PROGRAMS FOR WHICH THEY MAY QUALIFY ALL SELF-PAY PATIENTS RECEIVE A 15% DISCOUNT OFF THE TOP ON ALL CHARGES BEFORE STATEMENTS ARE MAILED |
| | | PART VI, LINE 4 ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC IS LOCATED IN EVANSVILLE, INDIANA AND SERVES VANDERBURGH AND CONTINGUOUS COUNTIES IN SOUTHERN INDIANA AND NORTH-CENTRAL KENTUCKY THE PRIMARY SERVICE AREA IS DEFINED AS VANDERBURGH, WARRICK AND POSEY COUNTIES THE POPULATION FOR THE PRIMARY SERVICE AREA WAS 287,261 IN 2013 ALSO THE MEDIAN INCOME FOR THE PRIMARY SERVICE AREA WAS \$54,016 FOR 2013 WITH 17% OF CHILDREN BELOW POVERTY LEVEL |

| Identifier | ReturnReference | Explanation |
|------------|-----------------|--|
| | | <p>PART VI, LINE 5 TO PROVIDE THE HIGHEST QUALITY HEALTHCARE TO ALL PERSONS IN THE COMMUNITY, AND IN KEEPING WITH ITS NOT-FOR-PROFIT STATUS, ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC - DELIVERS PATIENT SERVICES, INCLUDING EMERGENCY DEPARTMENT SERVICES AND URGENT CARE SITES, TO ALL INDIVIDUALS REQUIRING HEALTHCARE, WITHOUT REGARD TO PATIENT RACE, ETHNICITY, ECONOMIC STATUS, INSURANCE STATUS OR ABILITY TO PAY - MAINTAINS AN OPEN MEDICAL STAFF THAT ALLOWS CREDENTIALED PHYSICIANS TO PRACTICE AT ITS FACILITIES - TRAINS AND EDUCATES HEALTH CARE PROFESSIONALS- PARTICIPATES IN GOVERNMENT-SPONSORED PROGRAMS SUCH AS MEDICAID AND MEDICARE TO PROVIDE TO THE POOR AND ELDERLY APPLICATION EVENTS ARE HELD AS WELL AS FOLLOW UP ASSISTANCE FOR INSURANCE - HEALTH ACCESS ADVOCATES ("HAA") ARE COMMUNITY BASED STAFF WHOSE PRIMARY ROLE IS TO SIGN CHILDREN UP FOR HOOSIER HEALTHCARE INSURANCE THEY CAN DO THIS BY ASSISTING FAMILIES IN APPLYING FOR HOOSIER HEALTHCARE INSURANCE HERE IN THE OFFICE, IN THE COMMUNITY, OR AT THE PATIENT'S HOME DURING THIS PROCESS, THEY CAN ALSO ASSIST FAMILIES WITH BASIC NEEDS SUCH AS FOOD, SHELTER AND CLOTHING THE ADVOCATES CAN ALSO ASSIST ADULTS WITH APPLYING FOR MEDICAID, HEALTHY INDIANA PLAN, AND OTHER RESOURCES SUCH AS PHARMACEUTICAL APPLICATIONS FOR THOSE WHO QUALIFY HAA WILL AT TIMES TRANSPORT PATIENTS TO NECESSARY APPOINTMENTS ADDITIONALLY, HAA PROVIDES ASSISTANCE TO THE LATINO POPULATION BY PROVIDING A BI-LINGUAL ASSOCIATE THIS ASSOCIATE SPEARHEADS A CERTIFIED MEDICAL INTERPRETER TRAINING PROGRAM THROUGH THE BRIDGING THE GAP PROGRAM - IS GOVERNED BY A BOARD IN WHICH INDEPENDENT COMMUNITY MEMBERS COMPRISE A MAJORITY- CONDUCTS COMMUNITY HEALTH NEEDS ASSESSMENTS AND HOLDS MEMBERSHIP ON OTHER PUBLIC AGENCY BOARDS TO ENHANCE WELL BEING OF THE COMMUNITY IN PARTNERSHIP PROGRAMS- PROVIDES DENTAL SERVICES FOR PRIMARY SERVICE AREA WITH MOBILE DENTAL FOR KIDS CLINIC- NUTRITION COUNSELING IS PROVIDED TO THE COMMUNITY AND SPECIFICALLY AREA SCHOOLS AND YOUTH GROUPS, SUCH AS FOOD PYRAMID PROGRAMS, STAFF HEALTH FAIR, ETC- COMPLIMENTARY THERAPIES INCLUDING MESSAGES, YOGA CLASSES, STRESS REDUCTION CLASSES AT HOPE RESOURCE CENTER FOR CANCER PATIENTS AND SURVIVORS - MALL WALKING PROGRAMS AND MONTHLY BLOOD PRESSURE SCREENINGS AT LOCAL MALL- CHRISTMAS PROGRAMS FOR THE POOR GREAT EXPECTATIONS AREA FAMILIES ARE IDENTIFIED FROM LOCAL GROUPS SUCH AS UNITED WAY, CHURCHES, AND THE SCHOOL SYSTEMS, AS NEEDING ASSISTANCE WITH CHRISTMAS ASSOCIATES OF ST MARY'S GIVE MONIES, FOOD, CLOTHING, TOYS, ETC TO FAMILIES IN NEED EACH YEAR - AUTISM VISIT WITH SANTA- WNIN KIDS DAY - MOBILE DENTAL KARE LAB- CPR CLASSES GIVEN AT LOCAL DAYCARES AND SCHOOLS- JOSLIN AND DIABETIC FOOT CLINIC - LECTURES, CLASSES, EXERCISE INSERVICES - SAFESITTERS EDUCATION FOR TEENAGERS PREPARING TO TAKE CARE OF YOUNG CHILDREN, TODDLERS, AND INFANTS- ST MARY'S NIGHTS AT CHILDREN'S MUSEUM OF EVANSVILLE - YOUTH FIRST RETREATS- AMERICAN RED CROSS BLOOD DRIVES- AMBULANCE, REHAB, AND MISC BILLINGS PAID FOR PATIENTS- PATIENT CARE FOR NON-PROFIT ECHO CLINIC- TRANSPORTATION SERVICES FOR PATIENTS AND FAMILIES - MEAL TICKETS FOR PATIENT FAMILIES</p> |
| | | <p>PART VI, LINE 6 AS A PART OF ST MARY'S HEALTH, INC , ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC IS DEDICATED TO IMPROVING THE HEALTH STATUS AND QUALITY OF LIFE FOR THE COMMUNITIES IT SERVES WHILE DESIGNATED ASSOCIATES AT ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC DEVOTE ALL OR SIGNIFICANT PORTIONS OF THEIR TIME TO LEADING AND ADMINISTERING LOCAL COMMUNITY-BASED PROGRAMS AND PARTNERSHIPS, ASSOCIATES THROUGHOUT THE ORGANIZATION ARE ACTIVE PARTICIPANTS IN COMMUNITY OUTREACH THEY ARE ASSISTED AND SUPPORTED BY DESIGNATED ST MARY'S HEALTH COMMUNITY DEVELOPMENT AND SERVICE STAFF WHO WORK WITH EACH OF ITS HEALTHCARE FACILITIES TO ADVOCATE FOR AND PROVIDE TECHNICAL ASSISTANCE FOR COMMUNITY OUTREACH, NEEDS ASSESSMENTS AND PARTNERSHIPS AS WELL AS TO SUPPORT REGIONAL AND STATE-WIDE PROGRAMS, COMMUNITY PROGRAMS SPONSORED BY ST MARY'S HEALTH IN WHICH ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC PARTICIPATES</p> |

| Identifier | ReturnReference | Explanation |
|---------------------------|-----------------|---|
| REPORTS FILED WITH STATES | PART VI, LINE 7 | IN |
| | | THE STATE OF INDIANA NO LONGER REQUIRES A SEPARATE COMMUNITY BENEFIT REPORT, BUT WILL REFERENCE THE FORM 990 ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC AND ITS RELATED ST MARY'S HEALTH, INC AFFILIATES PUBLISH A COMMUNITY BENEFIT REPORT WHICH IS AVAILABLE TO THE PUBLIC A COPY OF THE FULL REPORT IS AVAILABLE AT HTTP //WWW STMARYS ORG/CHNA |

Additional Data

Software ID:
Software Version:
EIN: 35-0869065
Name: ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

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?
18

| Name and address | Type of Facility (describe) |
|--|-----------------------------|
| ST MARY'S SURGICARE 300 CIRCLE FRONT DRIVE EVANSVILLE,IN 47715 | GENERAL SURGICAL CENTER |
| ST MARY'S SURGICARE 1125 PROFESSIONAL BLVD EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S PRE-PROCEDURE CLINIC 1140 WASHINGTON AVENUE EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S MATERNAL-FETAL MEDICINE 3700 WASHINGTON AVENUE SUITE 2100A EVANSVILLE,IN 47750 | GENERAL SURGICAL CENTER |
| ST MARY'S REHAB 3900 WASHINGTON AVENUE EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S OUTPATIENT REHAB 1144 WASHINGTON SQUARE EVANSVILLE,IN 47715 | GENERAL SURGICAL CENTER |
| ST MARY'S FOR CHILDREN 3900 WASHINGTON AVENUE EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S CONVENIENT CARE - WEST 5320 WESTON ROAD EVANSVILLE,IN 47712 | GENERAL SURGICAL CENTER |
| ST MARY'S OCCMED 2330 LYNCH ROAD EVANSVILLE,IN 47711 | GENERAL SURGICAL CENTER |
| ST MARY'S CONVENIENT CARE EAST 10444 SR 66 FRONTAGE ROAD NORTH NEWBURGH,IN 47630 | GENERAL SURGICAL CENTER |
| ST MARY'S NORTH POINTE REHAB 2300 LYNCH ROAD EVANSVILLE,IN 47711 | GENERAL SURGICAL CENTER |
| ST MARY'S IMAGING AND LAB 1138 WASHINGTON SQUARE EVANSVILLE,IN 47715 | GENERAL SURGICAL CENTER |
| ST MARY'S NORTHBROOK 3838 N FIRST AVENUE EVANSVILLE,IN 47710 | GENERAL SURGICAL CENTER |
| ST MARY'S BOONVILLE PHYSICIAN OFFICE 1116 MILLIS AVENUE BOONVILLE,IN 47601 | GENERAL SURGICAL CENTER |
| JOSLIN DIABETES CENTER 3801 BELLEMEADE AVENUE EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S HEART INSTITUTE 3700 WASHINGTON AVENUE EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S WEIGHT MANAGEMENT CENTER 950 S KENMORE EVANSVILLE,IN 47714 | GENERAL SURGICAL CENTER |
| ST MARY'S WEST SIDE X-RAY 2345 W FRANKLIN STREET EVANSVILLE,IN 47712 | GENERAL SURGICAL CENTER |

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

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 |
|---|------------|------------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| (1) ST MARY'S OHIO VALLEY HEARTCARE LLC 3700 WASHINGTON AVENUE EVANSVILLE,IN 47750 | 27-3474697 | 501(C)(3) | 4,605,000 | | | | OPERATING GRANT |
| (2) ST MARY'S PHYSICIAN NETWORK LLC 3700 WASHINGTON AVENUE EVANSVILLE,IN 47750 | 20-5023387 | 501(C)(3) | 6,890,000 | | | | OPERATING GRANT |
| (3) ST MARY'S PHYSICIANS' HEALTH GROUP LLC 3700 WASHINGTON AVENUE EVANSVILLE,IN 47750 | 26-1356310 | 501(C)(3) | 2,644,408 | | | | OPERATING GRANT |
| (4) PRIMARY PHYSICIAN NETWORK LLC 3700 WASHINGTON AVENUE EVANSVILLE,IN 47750 | 20-8775914 | 501(C)(3) | 2,615,000 | | | | OPERATING GRANT |
| (5) ASCENSION HEALTH PO BOX 45998 ST LOUIS,MO 63145 | 31-1662309 | 501(C)(3) | 4,262,393 | | | | OPERATING GRANT |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

2

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

5

3

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

0

Part III

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

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

Part IV

Supplemental Information.

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

| Identifier | Return Reference | Explanation |
|--|------------------|---|
| PROCEDURE FOR MONITORING GRANTS IN THE U S | PART I, LINE 2 | SCHEDULE I, PART I, LINE 2 ONE PERSON OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC , IS RESPONSIBLE FOR RESEARCHING AND COORDINATING GRANT PROPOSALS THIS PERSON IS ALSO RESPONSIBLE FOR ENSURING THAT TIMELY REPORTS ARE SENT TO THE GRANTOR THE CHIEF EXECUTIVE OF THE ENTITY OPERATIONS REVIEWS AND APPROVES ALL THE EXPENDITURES FROM THE GRANT FUNDS, ENSURING THEY ARE WITHIN THE GUIDELINES OF THE GRANT |

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
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

| 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><input type="checkbox"/> First-class or charter travel</div> <div><input type="checkbox"/> Travel for companions</div> <div><input type="checkbox"/> Tax idemnification and gross-up payments</div> <div><input type="checkbox"/> Discretionary spending account</div> <div><input type="checkbox"/> Housing allowance or residence for personal use</div> <div><input type="checkbox"/> Payments for business use of personal residence</div> <div><input type="checkbox"/> Health or social club dues or initiation fees</div> <div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</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><input checked="" type="checkbox"/> Compensation committee</div> <div><input type="checkbox"/> Independent compensation consultant</div> <div><input type="checkbox"/> Form 990 of other organizations</div> <div><input type="checkbox"/> Written employment contract</div> <div><input checked="" type="checkbox"/> Compensation survey or study</div> <div><input checked="" type="checkbox"/> Approval by the board or compensation committee</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? | 4c | | No |
| | If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III | | | |
| | Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. | | | |
| 5 | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of | | | |
| a | The organization? | 5a | | No |
| b | Any related organization? | 5b | | No |
| | If "Yes," to line 5a or 5b, describe in Part III | | | |
| 6 | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of | | | |
| a | The organization? | 6a | | No |
| b | Any related organization? | 6b | | No |
| | If "Yes," to line 6a or 6b, describe in Part III | | | |
| 7 | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III | 7 | | No |
| 8 | Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III | 8 | | No |
| 9 | If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | 9 | | |

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

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

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

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

Part III Supplemental Information

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

| Identifier | Return Reference | Explanation |
|------------|------------------|--|
| | PART I, LINE 4B | PART I, LINE 4B ALL EMPLOYEES AND AMOUNTS LISTED ARE VOLUNTARY DEFERRALS OR COMPANY CONTRIBUTIONS TO VARIOUS NON-QUALIFIED DEFERRED COMPENSATION PLANS ORGANIZED UNDER CODE SECTION 457(F) THE EXACT PURPOSE OF EACH PLAN VARIES BUT THEY INCLUDE COMPENSATION LIMITATION MAKE-UP PLANS, VOLUNTARY DEFERRAL PLANS, DEFERRAL OF A PORTION OF INCENTIVE BONUS TYPE PLANS, ETC JOHN T GALLAGHER, MD \$64,792 CHARLES W LACKEY \$39,499 KATHRYN BRYAN, MD \$12,722 ROBERT CUTRELL, MD \$23,815 |

Software ID:
Software Version:
EIN: 35-0869065
Name: ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

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

| (A) Name | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|----------------------------|-------------|--|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|--|
| | | (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other compensation | | | | |
| MARIA DEL-RIO MD | (i) (ii) | 296,699 0 | 93,874 0 | 4,364 0 | 61,775 0 | 11,221 0 | 467,933 0 | 0 0 |
| DARCY ELLISON | (i) (ii) | 253,347 0 | 36,611 0 | 3,810 0 | 109,928 0 | 17,637 0 | 421,333 0 | 0 0 |
| JOHN GALLAGHER MD | (i) (ii) | 272,023 0 | 85,461 0 | 86,558 0 | 101,040 0 | 20,535 0 | 565,617 0 | 64,792 0 |
| GWEN SANDEFUR | (i) (ii) | 336,657 0 | 43,368 0 | 1,429 0 | 21,708 0 | 20,759 0 | 423,921 0 | 0 0 |
| KARL SASH MD | (i) (ii) | 0 371,349 | 0 206,481 | 0 1,477 | 0 69,649 | 0 30,419 | 0 679,375 | 0 0 |
| TIMOTHY FLESCH | (i) (ii) | 519,605 0 | 1,157,134 0 | 27,857 0 | 37,143 0 | 26,018 0 | 1,767,757 0 | 0 0 |
| KIMBERLY HODGKINSON | (i) (ii) | 310,911 0 | 40,177 0 | 17,741 0 | 5,000 0 | 15,703 0 | 389,532 0 | 0 0 |
| JANICE ERNEST | (i) (ii) | 196,275 0 | 25,756 0 | 4,021 0 | 80,214 0 | 19,040 0 | 325,306 0 | 0 0 |
| JOHN GREANEY | (i) (ii) | 171,930 0 | 12,523 0 | 272 0 | 5,000 0 | 19,016 0 | 208,741 0 | 0 0 |
| KATHY HALL | (i) (ii) | 170,469 0 | 11,962 0 | 779 0 | 31,054 0 | 22,180 0 | 236,444 0 | 0 0 |
| MICHAEL KLUHE | (i) (ii) | 173,063 0 | 23,408 0 | 1,688 0 | 53,414 0 | 24,587 0 | 276,160 0 | 0 0 |
| THOMAS LILLY | (i) (ii) | 200,213 0 | 26,166 0 | 7,576 0 | 32,989 0 | 19,192 0 | 286,136 0 | 0 0 |
| VERNON MAASMD | (i) (ii) | 213,933 0 | 0 0 | 10,813 0 | 19,611 0 | 21,167 0 | 265,524 0 | 0 0 |
| MIKE WHITMORE | (i) (ii) | 185,607 0 | 24,523 0 | 1,621 0 | 44,408 0 | 21,869 0 | 278,028 0 | 0 0 |
| KATHRYN BRYAN MD | (i) (ii) | 416,905 0 | 0 0 | 43,961 0 | 40,626 0 | 17,473 0 | 518,965 0 | 12,722 0 |
| ROBERT CUTRELL MD | (i) (ii) | 337,927 0 | 6,158 0 | 24,397 0 | 47,672 0 | 22,105 0 | 438,259 0 | 23,815 0 |
| MYLES GRANT | (i) (ii) | 302,498 0 | 93,874 0 | 26,144 0 | 78,585 0 | 16,119 0 | 517,220 0 | 0 0 |
| CHARLES LACKEY MD | (i) (ii) | 452,495 0 | 0 0 | 57,639 0 | 42,499 0 | 16,113 0 | 568,746 0 | 39,499 0 |
| MUREENA TURNQUEST-WELLS MD | (i) (ii) | 546,504 0 | 48,058 0 | 20,272 0 | 83,230 0 | 25,906 0 | 723,970 0 | 0 0 |

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number

35-0869065

Part I

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

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

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

2

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

\$

3

Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

\$

Part II

Loans to and/or From Interested Persons.

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

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

Part III

Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|---------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| (1) CLAUDIA RICHARDT | - SEE PART V - | 74,136 | SEE PART V | | No |
| (2) CAROL ACKERMAN | - SEE PART V - | 43,582 | SEE PART V | | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Part V Supplemental Information

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

| Identifier | Return Reference | Explanation |
|---------------------|--|--|
| SCHEDULE L, PART IV | BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS | (A) NAME OF PERSON CLAUDIA RICHARDT (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION SISTER-IN-LAW OF SISTER SHARON RICHARDT (C) AMOUNT OF TRANSACTION \$74,136 (D) DESCRIPTION OF TRANSACTION CLAUDIA RICHARDT IS AN EMPLOYEE OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC AND RECEIVES COMPENSATION FROM THE ORGANIZATION (E) SHARING OF ORGANIZATION REVENUES NO |
| SCHEDULE L, PART IV | BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS | (A) NAME OF PERSON CAROL ACKERMAN (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION SISTER-IN-LAW OF DARCY ELLISON (C) AMOUNT OF TRANSACTION \$43,582 (D) DESCRIPTION OF TRANSACTION CAROL ACKERMAN IS AN EMPLOYEE OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC AND RECEIVES COMPENSATION FROM THE ORGANIZATION (E) SHARING OF ORGANIZATION REVENUES 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 ST MARY'S MEDICAL CENTER OF EVANSVILLE INC | Employer identification number 35-0869065 |
|--|--|

| Identifier | Return Reference | Explanation |
|------------|-----------------------------------|---|
| | FORM 990, PART IV, LINE 24A | ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC IS A HEALTH FACILITY THAT IS PART OF THE ASCENSION HEALTH SYSTEM ASCENSION HEALTH IS THE BORROWER FOR TAX-EXEMPT HOSPITAL REVENUE BONDS ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC HOLDS AN INTERCOMPANY NOTE PAYABLE WITH ASCENSION HEALTH, AND THIS INFORMATION IS REPORTED ON THE BALANCE SHEET |

| Identifier | Return Reference | Explanation |
|------------|---|--|
| | FORM 990, PART VI, SECTION A, LINE 4 | EFFECTIVE JULY 1, 2012, ST MARY'S HEALTH SERVICES, INC REPLACED ST MARY'S HEALTH, INC AS THE SOLE MEMBER OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC |

| Identifier | Return Reference | Explanation |
|------------|--------------------------------------|---|
| | FORM 990, PART VI, SECTION A, LINE 6 | ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC HAS A SINGLE CORPORATE MEMBER, ST MARY'S HEALTH SERVICES, INC |

| Identifier | Return Reference | Explanation |
|------------|--|---|
| | FORM 990, PART VI, SECTION A, LINE 7A | ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC HAS A SINGLE CORPORATE MEMBER, ST MARY'S HEALTH SERVICES, INC WHO HAS THE ABILITY TO ELECT MEMBERS TO THE GOVERNING BODY OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC |

| Identifier | Return Reference | Explanation |
|------------|--|--|
| | FORM 990, PART VI, SECTION A, LINE 7B | ALL DECISIONS THAT HAVE A MATERIAL IMPACT TO ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC 'S FINANCIAL INFORMATION OR CORPORATION AS A WHOLE ARE SUBJECT TO APPROVAL BY ITS SOLE CORPORATE MEMBER, ST MARY'S HEALTH SERVICES, INC |

| Identifier | Return Reference | Explanation |
|------------|--|---|
| | FORM 990, PART VI, SECTION B, LINE 11 | ST MARY'S HEALTH, INC 'S FINANCE COMMITTEE REVIEWS THE FORM 990 IN MARCH UPON RECEIVING DIRECTION FROM ITS TAX PREPARER. THE FORM 990 IS THEN SENT TO THE GOVERNING BODY IN APRIL TO ALLOW FOR A THOROUGH REVIEW BY THE GOVERNING BODY PRIOR TO THE FILING DATE OF MAY 15TH. THE GOVERNING BODY WILL REVIEW THE FORM 990 VIA A SECURE WEB-BASED PORTAL AND ASK ANY QUESTIONS REGARDING THE FORM 990. ANY QUESTIONS AND RESPONSES WILL BE POSTED TO THE WEB-BASED PORTAL BEFORE THE RETURN IS FILED. ALL QUESTIONS AND RESPONSES WILL BE REVIEWED AND DISCLOSED IN THE MEETING MINUTES OF THE NEXT BOARD MEETING FOLLOWING THE REVIEW OF THE FORM 990. |

| Identifier | Return Reference | Explanation |
|------------|---|---|
| | FORM 990, PART VI, SECTION B, LINE 12C | THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IN THAT ANY DIRECTOR, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS, WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST, MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF THE COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT THE REMAINING INDIVIDUALS ON THE GOVERNING BOARD OR COMMITTEE MEETING WILL DECIDE IF CONFLICTS OF INTEREST EXIST EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS ANNUALLY SIGNS A STATEMENT WHICH AFFIRMS SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT THE ORGANIZATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ITS TAX-EXEMPT PURPOSE |

| Identifier | Return Reference | Explanation |
|------------|---------------------------------------|---|
| | FORM 990, PART VI, SECTION B, LINE 15 | <p>COMPENSATION DETERMINATIONS OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC 'S CEO, EXECUTIVE DIRECTOR, OR TOP MANAGEMENT OFFICIAL ARE MADE BY A COMPENSATION COMMITTEE OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC AND/OR ST MARY'S HEALTH, INC IN DETERMINING COMPENSATION OF THE ORGANIZATION'S CEO, EXECUTIVE DIRECTOR, OR TOP MANAGEMENT OFFICIAL, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE EXECUTIVE COMMITTEE OF THE ST MARY'S HEALTH SYSTEM BOARD REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATION, THE CEO, EXECUTIVE DIRECTOR, AND TOP MANAGEMENT WERE COMPARED TO OTHER HOSPITALS IN THE AREA THAT HOLD THE SAME POSITION DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES INDIVIDUALS WERE NOT PRESENT WHEN THEIR COMPENSATION WAS DECIDED COMPENSATION DETERMINATIONS OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC 'S OTHER OFFICERS OR KEY EMPLOYEES ARE MADE BY A COMPENSATION COMMITTEE OF ST MARY'S MEDICAL CENTER OF EVANSVILLE, INC AND/OR ST MARY'S HEALTH, INC IN DETERMINING COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE EXECUTIVE COMMITTEE OF THE ST MARY'S HEALTH SYSTEM BOARD REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATION, THE OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION WERE COMPARED TO OTHER HOSPITALS' EMPLOYEES IN THE AREA THAT HOLD THE SAME POSITION DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES FORM 990, PART VI, SECTION B, LINE 16B ST MARY'S HEALTH, INC AND SUBSIDIARES (ST MARY'S) JOINT VENTURE OPERATING AGREEMENTS ARE NEGOTIATED WITH OTHER MEMBERS OF THE JOINT VENTURE TO ENSURE THAT ADEQUATE SAFEGUARDS ARE IN PLACE TO PROTECT ST MARY'S EXEMPT STATUS EACH AGREEMENT CONTAINS SPECIFIC LANGUAGE RELATED TO THE PROVISION OF HEALTH CARE SERVICES WITH A FOCUS ON COMMUNITY HEALTH BENEFIT AND MUST FOLLOW A FORMAL REVIEW PROCESS PRIOR TO CONTRACT EXECUTION ST MARY'S CONTINUALLY ENSURES THAT ITS EXEMPT STATUS IS PROTECTED BY ACTIVELY PARTICIPATING IN THE GOVERNANCE OF ALL ST MARY'S JOINT VENTURES</p> |

| Identifier | Return Reference | Explanation |
|------------|--|--|
| | FORM 990, PART VI, SECTION C, LINE 19 | THE ORGANIZATION WILL PROVIDE ANY DOCUMENTS OPEN TO PUBLIC INSPECTION UPON REQUEST |

| Identifier | Return Reference | Explanation |
|--|---------------------------|--|
| CHANGES IN NET ASSETS OR FUND BALANCES | FORM 990, PART XI, LINE 9 | FAS 158 PENSION 940,396 NY DEBT OBLIGATION -410,000 PROJECT SYMPHONY -6,814,833 ASSET TRANSFER FROM ST MARY'S PHYSICIAN NETWORK, LLC 242,751 ASSET TRANSFER FROM ST MARY'S OHIO VALLEY HEARTCARE, LLC 24,193 ASSET TRANSFER TO ST MARY'S BUILDING CORPORATION -2,218,530 ASSET TRANSFER TO ST MARY'S PHYSICIANS' HEALTH GROUP, LLC 3,170,281 REDEMPTION PREMIUM AMOUNT - 2002 BOND REFINANCING -55,879 |

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
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Employer identification number
35-0869065

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

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

Part III

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

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

Part IV

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of- year assets | (h) Percentage ownership | (i) Section 512 (b)(13) controlled entity? | |
|--|--------------------------------|---|-------------------------------------|--|---------------------------------|---|--------------------------------|--|----|
| | | | | | | | | Yes | No |
| (1) SVH REAL ESTATE INC 8425 HARCOURT ROAD INDIANAPOLIS, IN 46260 20-5002285 | REAL ESTATE HOLDING COMPANY | IN | STVINCENT HEALTH INC | C | 2,784 | 2,969,423 | 100 000 % | Yes | |
| (2) ST MARY'S MEDICAL GROUP INC 3700 WASHINGTON AVENUE EVANSVILLE, IN 47750 35-2076827 | INVESTMENT | IN | ST MARY'S HEALTH SERVICES INC | C | -641,423 | 742 | 100 000 % | Yes | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

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

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

Yes

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

No

1n

No

1o

No

1p

Yes

1q

Yes

1r

Yes

1s

Yes

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

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

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]

Software ID:

Software Version:

EIN: 35-0869065

Name: ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Part VII Supplemental Information

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

| Identifier | Return Reference | Explanation | |
|------------|------------------|-------------|--|
|------------|------------------|-------------|--|

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal Domicile (State or Foreign Country) | (d) Direct Controlling Entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end- of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount on Box 20 of K-1 | (j) General or Managing Partner? | | (k) Percentage ownership |
|---|--|---|--|---|---------------------------------|--|---|----|---|--|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| BREAST MRI LEASING COMPANY LLC 10330 N MERIDIAN ST STE 430N INDIANAPOLIS, IN 46290 42-6662493 | SALE AND RENTAL SERVICES | IN | STVINCENT HOSPITAL AND HEALTH CARE CENTER INC | RELATED | 230,642 | 43,329 | | No | | Yes | | 50 000 % |
| CARMEL AMBULATORY SURGERY CENTER LLC 13421 OLD MERIDIAN ST STE 150 CARMEL, IN 46032 32-0014795 | AMBULATORY SURGERY CENTER | IN | STVINCENT CARMEL HOSPITAL INC | RELATED | 5,892,459 | 1,896,555 | | No | | Yes | | 45 000 % |
| COOPERATIVE MANAGED CARE SERVICES LLC 9045 RIVER ROAD STE 250 INDIANAPOLIS, IN 46240 35-1999227 | CASE MANAGEMENT | IN | STVINCENT HOSPITAL AND HEALTH CARE CENTER INC | UNRELATED | 212,659 | 2,119,265 | | No | | Yes | | 50 000 % |
| ENDOSCOPY CENTER LLC 13421 OLD MERIDIAN ST STE 150 CARMEL, IN 46032 32-0029881 | ENDOSCOPY CENTER | IN | STVINCENT CARMEL HOSPITAL INC | RELATED | 681,952 | 357,300 | | No | | | No | 51 000 % |
| HANCOCK PHYSICIAN NETWORK LLC 801 N STATE STREET GREENFIELD, IN 46140 35-2051598 | PRIMARY CARE PHYSICIAN PRACTICES | IN | STVINCENT HOSPITAL AND HEALTH CARE CENTER INC | RELATED | -2,692,272 | 2,094,475 | | No | | Yes | | 50 000 % |
| HCH SVH CATH LAB SERVICES LLC 1000 N 16TH STREET NEW CASTLE, IN 47362 45-2087950 | CATH LAB SERVICES | IN | STVINCENT HEALTH INC | RELATED | -229,738 | 1,629,927 | | No | | Yes | | 50 000 % |
| MERIDIAN HEIGHTS ASSOCIATES LLC 6100 W 96TH STREET STE 250 INDIANAPOLIS, IN 46278 26-4020296 | REAL ESTATE HOLDING | IN | STVINCENT CARMEL HOSPITAL INC | RELATED | | 3,029,284 | | No | | Yes | | 50 000 % |
| NEURO ONCOLOGY EQUIPMENT LLC 10330 N MERIDIAN ST STE 430N INDIANAPOLIS, IN 46290 74-3103803 | SALE AND RENTAL SERVICES | IN | STVINCENT HOSPITAL AND HEALTH CARE CENTER INC | RELATED | 151,678 | 1,684,704 | | No | | Yes | | 50 000 % |
| STVINCENT HEALTHUSP LLC 15305 DALLAS PKWY STE 1600 ADDISON, TX 75001 20-3749962 | AMBULATORY SURGERY CENTER | IN | STVINCENT HEALTH INC | RELATED | 136,436 | 387,939 | | No | | Yes | | 50 000 % |
| STVINCENT HEART CENTER OF INDIANA LLC 10580 N MERIDIAN STREET INDIANAPOLIS, IN 46290 36-4492612 | HEART HOSPITAL | IN | CENTRAL INDIANA HEALTH SYSTEM CARDIAC SERVICES INC | RELATED | 20,552,234 | 78,811,464 | | No | | | No | 74 080 % |
| WOMEN'S PHYSICIAN SURGERY CENTER LLC 8081 TOWNSHIP LINE ROAD INDIANAPOLIS, IN 46260 35-2086841 | AMBULATORY SURGERY CENTER | IN | STVINCENT HOSPITAL AND HEALTH CARE CENTER INC | RELATED | -11,530 | 252,917 | | No | | | No | 58 900 % |
| AMBULATORY CARE CENTER LLC 1125 PROFESSIONAL BLVD EVANSVILLE, IN 47714 35-2006018 | OP SURGERY | IN | ST MARY'S HEALTH SERVICES INC | RELATED | 4,879,396 | 4,549,444 | | No | | Yes | | 50 000 % |
| SETON HEALTH SERVICES LLC 3700 WASHINGTON AVENUE EVANSVILLE, IN 47750 27-0451316 | EQUIPMENT RENTAL | IN | ST MARY'S HEALTH SERVICES INC | RELATED | 36,943 | 99,375 | | No | | Yes | | 50 000 % |
| ST MARY'S PERIPHERAL VASCULAR SERVICES MANAGEMENT CO LLC 3700 WASHINGTON AVENUE EVANSVILLE, IN 47750 20-5062635 | MANAGEMENT SERVICES | IN | ST MARY'S MEDICAL CENTER OF EVANSVILLE INC | RELATED | 211,137 | 156,690 | | No | | Yes | | 75 000 % |

--> **Form 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 |
|---|---------------------------------|------------------------|---|
| ASCENSION HEALTH INC | P | 56,510,766 | FMV OF SERVICES OR CASH |
| PRIMARY PHYSICIAN NETWORK LLC | J | 229,493 | FMV OF SERVICES OR CASH |
| PRIMARY PHYSICIAN NETWORK LLC | B | 2,615,000 | FMV OF SERVICES OR CASH |
| PRIMARY PHYSICIAN NETWORK LLC | Q | 16,446,849 | FMV OF SERVICES OR CASH |
| ST MARY'S AT HOME INC | Q | 6,588,415 | FMV OF SERVICES OR CASH |
| ST MARY'S BUILDING CORPORATION LLC | K | 1,484,068 | FMV OF SERVICES OR CASH |
| ST MARY'S BUILDING CORPORATION LLC | Q | 1,880,874 | FMV OF SERVICES OR CASH |
| ST MARY'S HEALTH SERVICES INC | Q | 4,529,608 | FMV OF SERVICES OR CASH |
| ST MARY'S HEALTH INC | Q | 5,933,755 | FMV OF SERVICES OR CASH |
| ST MARY'S MEDICAL CENTER FOUNDATION OF EVANSVILLE INC | C | 1,449,919 | FMV OF SERVICES OR CASH |
| ST MARY'S OHIO VALLEY HEARTCARE LLC | B | 4,605,000 | FMV OF SERVICES OR CASH |
| ST MARY'S OHIO VALLEY HEARTCARE LLC | P | 79,750 | FMV OF SERVICES OR CASH |
| ST MARY'S OHIO VALLEY HEARTCARE LLC | Q | 2,492,502 | FMV OF SERVICES OR CASH |
| ST MARY'S PERIPHERAL VASCULAR SERVICES MANAGEMENT COMPANY LLC | E | 138,881 | FMV OF SERVICES OR CASH |
| ST MARY'S PERIPHERAL VASCULAR SERVICES MANAGEMENT COMPANY LLC | L | 1,610,684 | FMV OF SERVICES OR CASH |
| ST MARY'S PERIPHERAL VASCULAR SERVICES MANAGEMENT COMPANY LLC | Q | 308,596 | FMV OF SERVICES OR CASH |
| ST MARY'S PHYSICIAN NETWORK LLC | B | 6,890,000 | FMV OF SERVICES OR CASH |
| ST MARY'S PHYSICIAN NETWORK LLC | Q | 16,300,171 | FMV OF SERVICES OR CASH |
| ST MARY'S PHYSICIANS' HEALTH GROUP LLC | Q | 5,118,280 | FMV OF SERVICES OR CASH |
| ST MARY'S WARRICK EMERGENCY MEDICAL SERVICES INC | Q | 2,160,247 | FMV OF SERVICES OR CASH |
| ST MARY'S WARRICK HOSPITAL INC | P | 250,000 | FMV OF SERVICES OR CASH |
| ST MARY'S WARRICK HOSPITAL INC | D | 83,077 | FMV OF SERVICES OR CASH |
| ST MARY'S WARRICK HOSPITAL INC | Q | 1,114,355 | FMV OF SERVICES OR CASH |
| SVSM INC | P | 2,443,131 | FMV OF SERVICES OR CASH |
| ST MARY'S PHYSICIAN NETWORK LLC | S | 242,751 | FMV OF SERVICES OR CASH |

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 |
|--|---------------------------------|------------------------|---|
| ST MARY'S PHYSICIANS' HEALTH GROUP LLC | B | 1,694,408 | FMV OF SERVICES OR CASH |
| ST MARY'S PHYSICIANS' HEALTH GROUP LLC | R | 3,170,281 | FMV OF SERVICES OR CASH |
| ST MARY'S BUILDING CORPORATION | R | 2,218,530 | FMV OF SERVICES OR CASH |
| ASCENSION HEALTH INC | B | 4,262,393 | FMV OF SERVICES OR CASH |

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2012

Attachment
Sequence No **179**

Name(s) shown on return
ST MARY'S MEDICAL CENTER OF EVANSVILLE INC

Business or activity to which this form relates
FORM 990 PAGE 10

Identifying number

35-0869065

Part I

Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

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

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

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

Part II

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

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

Part III

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

| Section A | | |
|---|-----------|--------------------------|
| 17 MACRS deductions for assets placed in service in tax years beginning before 2012 | 17 | |
| 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | <input type="checkbox"/> |

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

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

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

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

Part IV

Summary (see instructions)

| | | |
|--|-----------|------------|
| 21 Listed property Enter amount from line 28 | 21 | |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions | 22 | 21,084,981 |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V

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

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

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

Section B—Information on Use of Vehicles

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

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

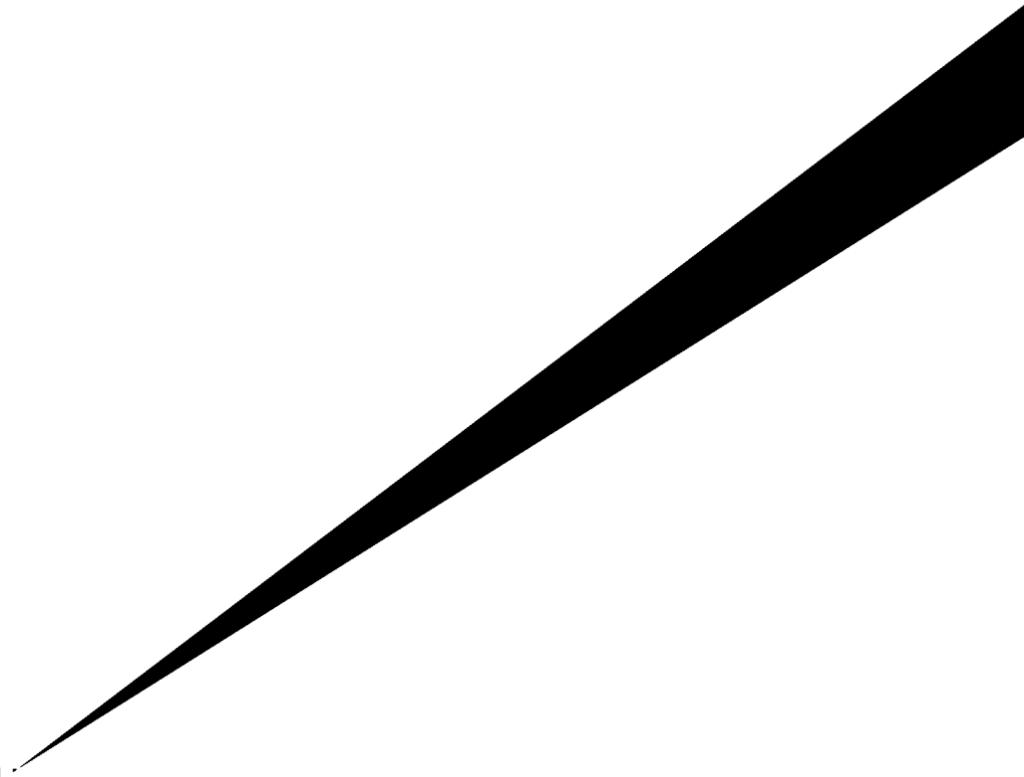
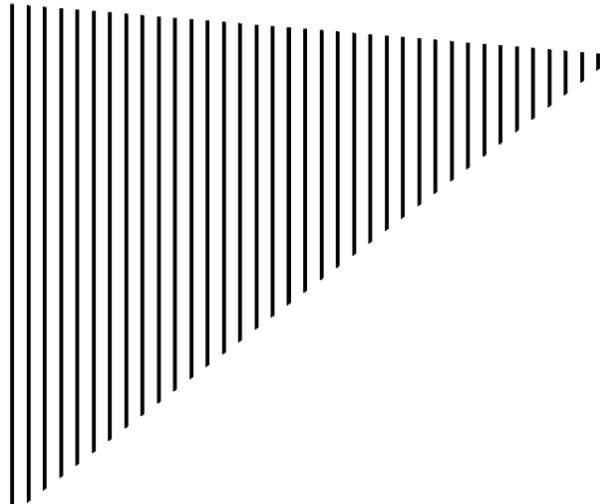
Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

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

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

Part VI Amortization

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



CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

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

Ernst & Young LLP



St. Vincent Health, Inc.

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2013 and 2012

Contents

| | |
|---|----|
| Report of Independent Auditors | 1 |
| Consolidated Financial Statements | |
| Consolidated Balance Sheets | 3 |
| Consolidated Statements of Operations and Changes in Net Assets | 5 |
| Consolidated Statements of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | 8 |
| Supplementary Information | |
| Report of Independent Auditors on Supplementary Information | 51 |
| Consolidating Balance Sheet | 52 |
| Consolidating Statement of Operations and Changes in Net Assets | 60 |
| Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs | 66 |

Report of Independent Auditors

The Board of Directors
St Vincent Health, Inc

We have audited the accompanying consolidated financial statements of St Vincent Health, Inc, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

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

Ernst + Young LLP

September 13, 2013

St. Vincent Health, Inc.

Consolidated Balance Sheets
(Dollars in Thousands)

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

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

See accompanying notes.

St. Vincent Health, Inc.

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

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

Continued on next page

St. Vincent Health, Inc.

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

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

See accompanying notes

St. Vincent Health, Inc.

Consolidated Statements of Cash Flows

(Dollars in Thousands)

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

See accompanying notes

St. Vincent Health, Inc.

Notes to the Consolidated Financial Statements (Dollars in Thousands)

Years Ended June 30, 2013 and 2012

1. Organization and Mission

Organizational Structure

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

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

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

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

St. Vincent Health, Inc.

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

1. Organization and Mission (continued)

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

Acute Care Hospitals:

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

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

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

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

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

St. Vincent Health, Inc.

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

1. Organization and Mission (continued)

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

Physician Groups:

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

Other Health Care Entities:

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

St. Vincent Health, Inc.

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

1. Organization and Mission (continued)

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

St. Vincent Health, Inc.

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

1. Organization and Mission (continued)

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

Acquisitions and Change in Corporate Membership

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

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

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

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

St. Vincent Health, Inc.

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

1. Organization and Mission (continued)

Mission

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

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

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

St. Vincent Health, Inc.

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

1. Organization and Mission (continued)

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

2. Significant Accounting Policies

Principles of Consolidation

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

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

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

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

Use of Estimates

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

Fair Value of Financial Instruments

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

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

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

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

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

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

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

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

Inventories

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

Intangible Assets

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

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

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

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

Property and Equipment

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

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

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

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

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

Noncontrolling Interest

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

Temporarily and Permanently Restricted Net Assets

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

Performance Indicator

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

Operating and Nonoperating Activities

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

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

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

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

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

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

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

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

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

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

Hospital Assessment Fee

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

Electronic Health Record Incentive Payments

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

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

Impairment, Restructuring, and Nonrecurring Gains (Losses)

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

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

Income Taxes

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

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

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

Regulatory Compliance

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

St. Vincent Health, Inc.

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

2. Significant Accounting Policies (continued)

Reclassifications

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

Subsequent Events

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

Adoption of New Accounting Standards

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

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

St. Vincent Health, Inc.

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

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

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

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

St. Vincent Health, Inc.

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

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

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

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

St. Vincent Health, Inc.

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

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

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

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

Investment return recognized by the Corporation is summarized as follows

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements

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

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

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

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

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

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements (continued)

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

Cash and cash equivalents and short-term investments

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

Pooled short-term investment funds

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

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

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

Corporate and foreign fixed income securities

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements (continued)

Asset-backed securities

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

Equity securities

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

Alternative investments and other investments

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

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements (continued)

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

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

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements (continued)

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements (continued)

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

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

St. Vincent Health, Inc.

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

4. Fair Value Measurements (continued)

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

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

5. Long-Term Debt

Long-term debt consists of the following:

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

St. Vincent Health, Inc.

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

5. Long-Term Debt (continued)

Scheduled principal repayments of long-term debt are as follows

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

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

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

St. Vincent Health, Inc.

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

5. Long-Term Debt (continued)

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

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

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

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

St. Vincent Health, Inc.

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

5. Long-Term Debt (continued)

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

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

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

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

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

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

St. Vincent Health, Inc.

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

6. Pension Plans

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

Ascension Health Pension Plan

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

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

St. Vincent Health, Inc.

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

6. Pension Plans (continued)

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

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

St. Vincent Health, Inc.

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

6. Pension Plans (continued)

Ascension Health Defined Contribution Plan

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

St. Vincent Heart Center of Indiana Retirement Plan

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

St. Vincent Health, Inc.

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

7. Self-Insurance Programs

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

Professional and General Liability Programs

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

St. Vincent Health, Inc.

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

7. Self-Insurance Programs (continued)

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

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

Workers' Compensation

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

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

St. Vincent Health, Inc.

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

7. Self-Insurance Programs (continued)

Medical and Dental Claims

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

8. Lease Commitments

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

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

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

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

St. Vincent Health, Inc.

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

8. Lease Commitments (continued)

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

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

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

St. Vincent Health, Inc.

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

9. Related-Party Transactions

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

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

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

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

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

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

St. Vincent Health, Inc.

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

9. Related-Party Transactions (continued)

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

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

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

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

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

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

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

St. Vincent Health, Inc.

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

10. Contingencies and Commitments

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

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

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

St. Vincent Health, Inc.

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

10. Contingencies and Commitments (continued)

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

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

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

Supplementary Information

Report of Independent Auditors on Supplementary Information

The Board of Directors
St Vincent Health, Inc

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

Ernst & Young LLP

September 13, 2013

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

(Dollars in Thousands)

| | Consolidated St Vincent Health | Reclassifications and Eliminations | St. Vincent Health Inc | SVH Real Estate Inc | St. Vincent Health Wellness & Preventive Care Institute Inc | St. Joseph Hospital & Health Center Inc | St. Vincent Anderson Regional Hospital Inc | CIHSC S and CIHSC Newco LLC | St. Vincent Heart Center of Indiana LLC | St. Vincent Hospital and Health Care Center Inc |
|--|-----------------------------------|--|---------------------------|------------------------|--|--|--|--------------------------------|---|---|
| Operating revenue | | | | | | | | | | |
| Net patient service revenue | \$ 2,229,714 | \$ (19) | \$ — | \$ — | \$ 43 | \$ 1,680,114 | \$ 205,248 | \$ — | \$ 1,959,999 | \$ 1,113,847 |
| Less provision for doubtful accounts | 115,480 | — | 2,040 | — | — | 10,257 | 14,141 | — | 1,485 | 38,605 |
| Net patient service revenue less provision for doubtful accounts | 2,607,494 | (19) | (2,040) | — | 43 | 126,544 | 191,107 | — | 1,958,114 | 1,075,242 |
| Other revenue | 128,431 | (10,399) | 4,395 | 57 | 343 | 1,448 | 16,780 | 177 | 589 | 57,540 |
| Income from unconsolidated entities net | 20,639 | — | 396 | — | — | — | — | 884 | — | 13,525 |
| Net assets released from restrictions for operations | 4,595 | — | 51 | — | — | 54 | 262 | — | 40 | 2,800 |
| Total operating revenue | 2,761,159 | (10,418) | 2,802 | 57 | 386 | 128,046 | 208,149 | 1,061 | 1,958,743 | 1,149,107 |
| Operating expenses | | | | | | | | | | |
| Salaries and wages | 1,074,841 | — | (3,606) | — | 723 | 42,498 | 67,346 | 1,582 | 31,884 | 384,645 |
| Employee benefits | 261,330 | (286) | (3,556) | — | 142 | 11,325 | 19,583 | 484 | 8,901 | 100,712 |
| Purchased services | 294,490 | (4) | 89,785 | 4 | 20 | 13,417 | 16,552 | — | 6,674 | 75,348 |
| Professional fees | 139,196 | (9,551) | 18,647 | 4 | 129 | 5,287 | 18,937 | 12 | 6,303 | 49,655 |
| Supplies | 348,610 | (202) | 1,032 | — | 16 | 15,099 | 32,885 | — | 30,400 | 149,372 |
| Insurance | 11,184 | — | — | — | 5 | 326 | 272 | — | 139 | 4,443 |
| Interest | 15,549 | — | (465) | — | — | 584 | 555 | — | 2,036 | 5,169 |
| Depreciation and amortization | 112,205 | — | 21,423 | 7 | — | 5,317 | 4,622 | 50 | 3,839 | 34,886 |
| Medicaid tax | 98,748 | — | — | — | — | 6,872 | 9,925 | — | 3,836 | 49,114 |
| Other | 237,929 | (375) | (130,119) | 49 | 167 | 13,963 | 25,526 | 5,427 | 14,582 | 193,273 |
| Total operating expenses before impairment restructurings and nonrecurring gains (losses) net | 2,594,082 | (10,418) | (6,859) | 64 | 1,202 | 114,688 | 196,203 | 7,555 | 108,594 | 1,046,616 |
| Income (loss) from operations before impairment restructurings and nonrecurring gains (losses) net | 167,077 | — | 9,661 | (7) | (816) | 13,358 | 11,946 | (6,494) | 30,149 | 102,491 |
| Impairment restructurings and nonrecurring gains (losses) net | (11,499) | — | (3,502) | — | — | (317) | (492) | — | (310) | (2,704) |
| Income (loss) from operations | 155,578 | — | 6,159 | (7) | (816) | 13,041 | 11,454 | (6,494) | 29,839 | 99,787 |
| Nonoperating gains (losses) | | | | | | | | | | |
| Investment return | 180,105 | — | 1,219 | — | (1) | 10,578 | 5,261 | 3,265 | 480 | 57,780 |
| Income (loss) from unconsolidated entities | 796 | — | 1,352 | — | — | (49) | — | — | — | 77 |
| Other | (8,162) | — | (3,247) | — | — | (57) | (222) | — | — | (1,307) |
| Total nonoperating gains (losses) net | 172,739 | — | (676) | — | (1) | 10,472 | 5,039 | 3,265 | 480 | 56,550 |
| Excess (deficit) of revenues and gains over expenses and losses | 328,317 | — | 5,483 | (7) | (817) | 23,513 | 16,493 | (3,229) | 30,319 | 156,337 |
| Less noncontrolling interests | 13,479 | — | — | — | — | — | — | 7,859 | — | — |
| Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest | 314,838 | — | 5,483 | (7) | (817) | 23,513 | 16,493 | (11,088) | 30,319 | 156,337 |

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

(Dollars in Thousands)

| | St. Vincent Hospital Foundation, Inc. | St. Vincent Fishers Hospital, Inc. | St. Vincent Carmel Hospital, Inc. | St. Vincent Mercy Hospital | St. Vincent Randolph Hospital, Inc. | St. Vincent Clay Hospital, Inc. | St. Vincent New Hope, Inc. | St. Vincent Frankfort Hospital, Inc. | St. Vincent Williamsport Hospital, Inc. | St. Vincent Jennings Hospital, Inc. |
|--|--|---------------------------------------|--------------------------------------|-------------------------------|--|------------------------------------|-------------------------------|---|---|--|
| Operating revenue | | | | | | | | | | |
| Net patient service revenue | \$ - | \$ - | \$ 1,671 | \$ 2,934 | \$ 2,760 | \$ 22,728 | \$ 22,153 | \$ 2,086 | \$ 22,748 | \$ 19,816 |
| Less: provision for doubtful accounts | - | 1,063 | 3,308 | 1,078 | 1,737 | 1,279 | - | 312 | 1,593 | 2,448 |
| Net patient service revenue less: provision for doubtful accounts | - | 6,614 | 1,644 | 24,856 | 2,913 | 21,449 | 22,153 | 26,773 | 21,155 | 17,268 |
| Other revenue | (1,569) | 336 | 12,546 | 517 | 780 | 476 | 33 | 780 | 677 | 331 |
| Income from unconsolidated entities, net | - | - | 4,868 | - | - | - | - | - | - | - |
| Net assets released from restrictions for operations | - | - | 22 | 66 | 146 | 9 | 29 | 70 | - | 227 |
| Total operating revenue | (1,569) | 7,350 | 17,139 | 25,428 | 26,839 | 21,934 | 22,215 | 27,623 | 21,832 | 17,816 |
| Operating expenses | | | | | | | | | | |
| Salaries and wages | - | 3,636 | 47,999 | 8,399 | 9,666 | 6,459 | 13,806 | 8,404 | 9,638 | 5,932 |
| Employee benefits | - | 757 | 12,459 | 2,301 | 2,846 | 1,967 | 5,896 | 2,246 | 2,616 | 1,839 |
| Purchased services | - | 802 | 9,018 | 2,509 | 3,113 | 3,046 | 326 | 3,320 | 1,409 | 2,882 |
| Professional fees | - | 1,059 | 4,103 | 2,038 | 1,806 | 1,066 | 154 | 1,823 | 1,047 | 1,036 |
| Supplies | - | 612 | 19,508 | 2,631 | 1,944 | 1,748 | 490 | 1,644 | 1,090 | 908 |
| Insurance | - | 43 | 306 | 68 | 33 | 34 | 86 | 24 | 40 | (21) |
| Interest | - | - | 742 | 406 | 506 | 278 | 60 | 17 | 144 | 374 |
| Depreciation and amortization | - | 877 | 4,653 | 1,049 | 891 | 580 | 341 | 499 | 432 | 487 |
| Medicaid tax | - | 231 | 4,076 | 969 | 956 | 1,056 | - | 1,001 | 1,116 | 801 |
| Other | (1,966) | 1,656 | 17,803 | 2,600 | 3,001 | 3,089 | 2,250 | 4,588 | 2,461 | 2,462 |
| Total operating expenses before impairment restructurings and nonrecurring gains (losses), net | (1,966) | 9,673 | 120,667 | 22,970 | 24,769 | 19,322 | 23,406 | 23,566 | 19,991 | 16,699 |
| Income (loss) from operations before impairment restructurings and nonrecurring gains (losses), net | 397 | (2,323) | 50,772 | 2,458 | 2,080 | 2,612 | (1,191) | 4,057 | 1,841 | 1,117 |
| Impairment restructurings and nonrecurring gains (losses), net | - | (10) | (192) | (456) | (64) | (57) | - | (48) | (21) | (90) |
| Income (loss) from operations | 397 | (2,333) | 50,580 | 2,003 | 2,026 | 2,555 | (1,191) | 4,009 | 1,820 | 1,027 |
| Nonoperating gains (losses) | | | | | | | | | | |
| Investment return | 5781 | (13) | 40,774 | 1,046 | 1,761 | 2,308 | 3 | 2,671 | 2,359 | 307 |
| Income (loss) from unconsolidated entities | - | - | (593) | - | - | - | - | - | - | - |
| Other | (2,028) | - | (174) | (161) | (126) | (14) | (1) | - | 32 | (2) |
| Total nonoperating gains (losses), net | 3753 | (13) | 40,007 | 884 | 1,635 | 2,294 | 2 | 2,671 | 2,391 | 305 |
| Excess (deficit) of revenues and gains over expenses and losses | 4150 | (2,346) | 90,587 | 2,887 | 3,661 | 4,849 | (1,189) | 6,680 | 4,211 | 1,332 |
| Less noncontrolling interests | - | - | 608 | - | - | - | - | - | - | - |
| Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest | 4150 | (2,346) | 89,979 | 2,887 | 3,661 | 4,849 | (1,189) | 6,680 | 4,211 | 1,332 |

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013
(Dollars in Thousands)

| | St Vincent Salem Hospital Inc | St Vincent Dunn Hospital Inc | St Vincent Medical Group Inc | Quality Healthcare Solutions LLC (Nashville) | St Vincent Seton Specialty Hospital Inc | St Mary's Health Inc (Evansville) |
|--|----------------------------------|---------------------------------|---------------------------------|--|---|--------------------------------------|
| Operating revenue | | | | | | |
| Net patient service revenue | \$ 20,419 | \$ 26,148 | \$ 171,172 | \$ - | \$ 8,646 | \$ 81,790 |
| Less: provision for doubtful accounts | 1,382 | 1,008 | 12,850 | - | 376 | 20,411 |
| Net patient service revenue less: provision for doubtful accounts | 19,037 | 25,140 | 158,322 | - | 8,270 | 49,789 |
| Other revenue | 214 | 1,060 | 8,717 | 12,727 | 154 | 19,325 |
| Income from unconsolidated entities net | - | - | - | - | - | 966 |
| Net assets released from restrictions for operations | 39 | 2 | 136 | - | 4 | 649 |
| Total operating revenue | 19,290 | 26,202 | 167,175 | 12,727 | 8,428 | 81,849 |
| Operating expenses | | | | | | |
| Salaries and wages | 6,499 | 9,264 | 194,021 | 8,391 | 24,793 | 198,863 |
| Employee benefits | 2,118 | 3,012 | 32,250 | 1,322 | 6,314 | 46,087 |
| Purchased services | 3,111 | 3,640 | 4,018 | 8 | 4,871 | 80,922 |
| Professional fees | 1,136 | 1,059 | 6,072 | 2,119 | 788 | 24,473 |
| Supplies | 1,054 | 1,993 | 9,309 | 17 | 886 | 71,193 |
| Insurance | 81 | 163 | 2,848 | - | 69 | 2,252 |
| Interest | - | 272 | 10 | - | 18 | 4,847 |
| Depreciation and amortization | 906 | 953 | 3,632 | 2,480 | 1,186 | 23,128 |
| Medicaid tax | 898 | 843 | - | - | - | 17,388 |
| Other | 2,643 | 3,423 | 30,378 | (2,674) | 6,399 | 37,326 |
| Total operating expenses before impairment restructurings and nonrecurring gains (losses) net | 18,111 | 24,622 | 282,932 | 8,670 | 49,969 | 473,446 |
| Income (loss) from operations before impairment restructurings and nonrecurring gains (losses) net | 1,179 | 1,580 | (115,757) | 4,057 | 8,459 | 48,051 |
| Impairment restructurings and nonrecurring gains (losses) net | (38) | (88) | (339) | (38) | (42) | (2,381) |
| Income (loss) from operations | 1,144 | 1,522 | (116,096) | 4,022 | 8,417 | 45,670 |
| Nonoperating gains (losses) | | | | | | |
| Investment return | 391 | 64 | 903 | 1,121 | 8,091 | 36,987 |
| Income (loss) from unconsolidated entities | - | - | - | - | - | 9 |
| Other | - | (2) | - | - | - | (853) |
| Total nonoperating gains (losses) net | 391 | 62 | 903 | 1,121 | 8,091 | 36,143 |
| Excess (deficit) of revenues and gains over expenses and losses | 1,535 | 1,584 | (114,793) | 5,143 | 16,508 | 81,813 |
| Less noncontrolling interests | - | - | - | - | - | 8,008 |
| Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest | 1,535 | 1,584 | (114,793) | 5,143 | 16,508 | 73,805 |

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013
(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

(Dollars in Thousands)

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

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013
(Dollars in Thousands)

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

St. Vincent Health, Inc.

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

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

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

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 167,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm located in the United States.

