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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		D Employer identification number 39-0806315
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 4425 N PORT WASHINGTON ROAD NO 301	Room/suite	E Telephone number (414) 326-2230
	City or town, state or country, and ZIP + 4 GLENDALE, WI 53212		G Gross receipts \$ 440,827,318
	F Name and address of principal officer RHONDA ANDERSON 4425 N PORT WASHINGTON ROAD NO 301 GLENDALE, WI 53212		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶ 0928
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: ▶ COLUMBIA-STMARYS.ORG	




K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other <input type="checkbox"/>	L Year of formation 1859	M State of legal domicile WI
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Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities FULL-SERVICE HOSPITAL WITH MEDICAL, SURGICAL, ADVANCED CLINICAL AND OTHER COMMUNITY SERVICES		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,665
	6 Total number of volunteers (estimate if necessary)	6	366
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	3,322,965
7b Net unrelated business taxable income from Form 990-T, line 34	7b	-254,408	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,069,589	933,007
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	462,713,797	436,026,731
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	270	58,114
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12,682,192	3,809,466
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	476,465,848	440,827,318
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	220,138,233	188,893,635
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	261,096,590	247,327,001
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	481,234,823	436,220,636
	19 Revenue less expenses Subtract line 18 from line 12	-4,768,975	4,606,682
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	619,741,975	875,254,526
	22 Net assets or fund balances Subtract line 21 from line 20	394,946,704	646,447,457
		224,795,271	228,807,069

Part II Signature Block

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

Sign Here					2014-05-15	
	Signature of officer				Date	
	RHONDA ANDERSON CSM PRESIDENT/CFO					
	Type or print name and title					
Paid Preparer Use Only	Print/Type preparer's name RACHEL J BECKER		Preparer's signature		Date	Check <input type="checkbox"/> if self-employed PTIN P00966076
	Firm's name  DELOITTE TAX LLP				Firm's EIN  86-1065772	
	Firm's address  555 E WELLS SUITE 1400 MILWAUKEE, WI 53202				Phone no (414) 271-3000	

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

Part III

Statement of Program Service Accomplishments

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

☐

1

Briefly describe the organization’s mission

COLUMBIA ST MARY'S HOSPITAL MILWAUKEE ("CSM-M") IS PART OF COLUMBIA ST MARY'S INC ("CSM"), A HEALTHCARE PROVIDER FOUNDED IN RESPONSE TO IDENTIFIED COMMUNITY NEEDS, WHICH IS SPONSORED BY ASCENSION HEALTH, A CATHOLIC NATIONAL HEALTH SYSTEM, AND COLUMBIA HEALTH SYSTEM, A NON-SECTARIAN COMMUNITY HEALTH SYSTEM CSM-M'S GOVERNING BODY HAS ADOPTED THE MISSION OF CSM CSM EXISTS TO MAKE A POSITIVE DIFFERENCE IN THE HEALTH STATUS AND LIVES OF INDIVIDUALS AND OUR COMMUNITY, WITH SPECIAL CONCERN FOR THOSE WHO ARE VULNERABLE CSM AND ITS AFFILIATES ARE COMMITTED TO PROVIDING HIGH-QUALITY, ACCESSIBLE, VALUES-DRIVEN PROGRAMS AND SERVICES WITH EQUAL ATTENTION TO THE PHYSICIAL, SPIRITUAL, AND EMOTIONAL DIMENSIONS OF HEALTH

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 \$ 341,618,463 including grants of \$) (Revenue \$ 439,894,311)

CSM-M OPERATES A FULL-SERVICE 336-BED HOSPITAL, WHICH OFFERS A COMPLETE RANGE OF MEDICAL, SURGICAL AND ADVANCED CLINICAL SPECIALTIES CSM-M OPERATES AN EMERGENCY DEPARTMENT THAT IS OPEN TO ALL PERSONS, REGARDLESS OF ABILITY TO PAY DURING FISCAL 2013, CSM-M'S HOSPITAL AND CLINICS PROVIDED CARE TO 229,237 PATIENTS CSM-M'S ESTIMATED UNREIMBURSED COSTS OF SERVICES TO THE ELDERLY, UNINSURED, AND UNDERINSURED TOTALLED \$88,348,825 CSM-M ALSO SPONSORS A NUMBER OF PROGRAMS DESIGNED TO IMPROVE THE HEALTH CARE IN ITS COMMUNITY REFER TO THE COMMUNITY BENEFIT INFORMATION IN SCHEDULE H FOR DISCUSSION OF HOW CSM-M MAKES A POSITIVE DIFFERENCE IN THE HEALTH STATUS OF ITS COMMUNITY, FOCUSING ON THOSE WHO ARE VULNERABLE

4b

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

4c

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

4d





















Other program services (Describe in Schedule O)

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

4e

Total program service expenses ▶ 341,618,463

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
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.		
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?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
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	13	
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	11	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
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 RHONDA ANDERSON 4425 N PORT WASHINGTON ROAD NO 301 GLENDALE, WI (414) 326-2230

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) PATRICIA DOLHUN MD BOARD MEMBER	20 80	X						0	0	0
(2) GEORGE H HOFF VICE CHAIR	20 80	X						0	0	0
(3) KEVIN GONIU MD BOARD MEMBER AND CSM PHYSI	20 40 80	X						0	568,539	28,044
(4) MARK R TAYLOR PRESIDENT/CEO	25 00 25 00	X		X				0	1,605,199	40,485
(5) MASON G ROSS BOARD MEMBER	20 80	X						0	0	0
(6) MICHAEL GREBE BOARD MEMBER	20 80	X						0	0	0
(7) R BRUCE MCDONALD CHAIR	20 80	X						0	0	0
(8) RANDALL PERRY SECRETARY/TREASURER	20 80	X						0	0	0
(9) ROBERT LYON MD BOARD MEMBER	20 80	X						0	0	0
(10) ROBERT J VENABLE VICE CHAIR	20 80	X						0	0	0
(11) SISTER THERESA SULLIVAN DC BOARD MEMBER	20 80	X						0	0	0
(12) TINA CHANG BOARD MEMBER	20 80	X						0	0	0
(13) CHRISTINE NUERNBERG BOARD MEMBER	20 80	X						0	0	0
(14) MICHELLE NETTLES END 213 BOARD MEMBER	20 80	X						0	0	0
(15) RHONDA ANDERSON CSM PRESIDENT/CFO	18 00 32 00			X				0	660,752	11,123
(16) CHERYL HILL VP HUMAN RESOURCES	20 00 30 00				X			0	434,537	24,771
(17) DAVID H SHAPIRO MD CHIEF MEDICAL OFFICER	39 00 11 00				X			0	448,579	20,004

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) GERRI LIETZ-STAFFILENO VP HOSP OPERATIONS	5 00 45 00				X			0	398,589	24,492
(19) SUE SANICOLA VP CSM COMM PHYSICIANS	20 00 30 00				X			0	324,050	28,444
(20) WILLIAM HART VP/COO	33 00 17 00				X			0	497,000	13,153
(21) DEBORAH FRIBERG PRESIDENT HOSPITAL DIV END 06/12	37 00 13 00				X			0	768,773	29,832
(22) BRUCE MCCARTHY PRESIDENT PHYSICIAN DIVISION	20 00 30 00				X			0	835,070	35,735
(23) CONSTANCE J BRADLEY VP HOSPITAL OPERATIONS	41 00 9 00				X			333,603	0	17,007
(24) ALLAN SPOONER PRESIDENT HOSPITAL DIV	20 00 30 00				X			0	208,489	1,046
(25) ROBERT B ROTH MD PHYSICIAN	40 00					X		1,675,987	0	32,116
(26) ROBERT L HUXLEY MD PHYSICIAN	40 00					X		1,512,450	0	36,049
(27) DAVID W GRAMBOW MD PHYSICIAN	40 00					X		1,294,897	0	41,202
(28) SANJAY S DESHPANDE MD PHYSICIAN	40 00					X		1,541,024	0	37,870
(29) JOSHUA LIBERMAN PHYSICIAN	40 00					X		1,099,724	0	40,611
(30) LEO P BRIDEAU PRESIDENT/CEO END 02/11	0 00 40 00						X	0	727,898	0
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								7,457,685	7,477,475	461,984

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▶225

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year	
(A) Name and business address	(B) Description of services	(C) Compensation
TOUCHPOINT SUPPORT SERVICES 4721 MORRISON DR MOBILE AL 36609	SUPPORT SERVICE	12,271,921
METROPOLITAN ANESTHESIOLOGY 4225 N DOWNER AVE SHOREWOOD WI 53211	ANESTHESIOLOGY SERVICES	10,183,778
MEDICAL COLLEGE OF WISCONSIN 8701 WATERTOWN PLANK ROAD MILWAUKEE WI 53226	RESIDENT & INTERN PROGRAM	5,551,102
DUKE REALTY LIMITED PARTNER 510 E 96TH ST INDIANAPOLIS IN 46240	OCCUPANCY	3,614,573
ECOVA INC 1313 N ATLANTIC SPOKANE WA 99201	UTILITY MANAGEMENT	3,561,513
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 ▶85	

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	788,607			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	144,400			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		933,007			
Program Service Revenue	2a	NET PATIENT SERVICES	Business Code 621990	427,502,179	427,502,179		
	b	RETAIL PHARMACY REVENUE	446110	4,715,369	3,300,584	1,414,785	
	c	DIAGNOSTIC LAB REVENUE	621500	1,677,031		1,677,031	
	d	COMMUNITY EDUCATION REVENUE	900099	937,708	937,708		
	e	RENTAL INCOME	531120	738,292	738,292		
	f	All other program service revenue		456,152	225,003	231,149	
	g	Total. Add lines 2a-2f		436,026,731			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	48,707			48,707
4		Income from investment of tax-exempt bond proceeds . . .					
5		Royalties					
6a		Gross rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)				
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		CONTRACT SERVICES	900099	1,593,528	1,593,528		
	b	FOOD & NUTRITION	722210	986,268		986,268	
	c	MISCELLANEOUS REVENUE	900099	766,189	766,189		
	d	All other revenue		462,297	462,297		
	e	Total. Add lines 11a-11d		3,808,282			
12	Total revenue. See Instructions			440,827,318	435,536,371	3,322,965	1,034,975

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.				
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.	338,455		338,455	
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.	162,244,859	160,347,529	1,897,330	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	6,287,599	2,042,208	4,245,391	
9	Other employee benefits.	9,474,026	1,009,068	8,464,958	
10	Payroll taxes.	10,548,696	5,922,142	4,626,554	
11	Fees for services (non-employees):				
a	Management.	637,800	637,800		
b	Legal.	339,354	339,354		
c	Accounting.	415,775	415,775		
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).	32,836,736	32,060,469	776,267	
12	Advertising and promotion.	6,698	6,698		
13	Office expenses.	572,090	565,276	6,814	
14	Information technology.	93,579	93,579		
15	Royalties.				
16	Occupancy.	19,362,344	19,206,870	155,474	
17	Travel.	176,421	173,598	2,823	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	388,190	388,117	73	
20	Interest.				
21	Payments to affiliates.	12,424,415	3,207,902	9,216,513	
22	Depreciation, depletion, and amortization.	26,435,337	26,434,174	1,163	
23	Insurance.	2,139,037	2,139,037		
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	OVERHEAD ALLOCATION	74,937,901	11,846,742	63,091,159	
b	PATIENT CARE SUPPLIES	47,808,888	47,807,030	1,858	
c	HOSPITAL TAX ASSESSMENT	14,637,759	14,637,759		
d					
e	All other expenses	14,114,677	12,337,336	1,777,341	
25	Total functional expenses. Add lines 1 through 24e.	436,220,636	341,618,463	94,602,173	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☐

				(A)		(B)	
				Beginning of year		End of year	
Assets	1	Cash—non-interest-bearing		915,083	1	326,854	
	2	Savings and temporary cash investments		346,914	2		
	3	Pledges and grants receivable, net			3		
	4	Accounts receivable, net		64,673,361	4	65,276,477	
	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		55,125	7		
	8	Inventories for sale or use		6,171,158	8	6,584,414	
	9	Prepaid expenses and deferred charges		6,272,856	9	14,015,281	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	767,173,798			
	b	Less accumulated depreciation	10b	239,138,566	531,232,178	10c	528,035,232
	11	Investments—publicly traded securities			11		
	12	Investments—other securities See Part IV, line 11			12		
	13	Investments—program-related See Part IV, line 11			13		
	14	Intangible assets		394,527	14	444,352	
	15	Other assets See Part IV, line 11		9,680,773	15	260,571,916	
	16	Total assets. Add lines 1 through 15 (must equal line 34)		619,741,975	16	875,254,526	
Liabilities	17	Accounts payable and accrued expenses		23,399,757	17	24,178,008	
	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		371,546,947	25	622,269,449	
	26	Total liabilities. Add lines 17 through 25		394,946,704	26	646,447,457	
	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		224,795,271	27	228,807,069	
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		224,795,271	33	228,807,069	
34		Total liabilities and net assets/fund balances		619,741,975	34	875,254,526	

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	440,827,318
2	Total expenses (must equal Part IX, column (A), line 25)	2	436,220,636
3	Revenue less expenses Subtract line 2 from line 1	3	4,606,682
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	224,795,271
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-594,886
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	228,807,069

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: 39-0806315

Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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			
PATRICIA DOLHUN MD BOARD MEMBER	20 80	X						0	0	0
GEORGE H HOFF VICE CHAIR	20 80	X						0	0	0
KEVIN GONIU MD BOARD MEMBER AND CSM PHYSI	20 40 80	X						0	568,539	28,044
MARK R TAYLOR PRESIDENT/CEO	25 00 25 00	X		X				0	1,605,199	40,485
MASON G ROSS BOARD MEMBER	20 80	X						0	0	0
MICHAEL GREBE BOARD MEMBER	20 80	X						0	0	0
R BRUCE MCDONALD CHAIR	20 80	X						0	0	0
RANDALL PERRY SECRETARY/TREASURER	20 80	X						0	0	0
ROBERT LYON MD BOARD MEMBER	20 80	X						0	0	0
ROBERT J VENABLE VICE CHAIR	20 80	X						0	0	0
SISTER THERESA SULLIVAN DC BOARD MEMBER	20 80	X						0	0	0
TINA CHANG BOARD MEMBER	20 80	X						0	0	0
CHRISTINE NUERNBERG BOARD MEMBER	20 80	X						0	0	0
MICHELLE NETTLES END 213 BOARD MEMBER	20 80	X						0	0	0
RHONDA ANDERSON CSM PRESIDENT/CFO	18 00 32 00			X				0	660,752	11,123
CHERYL HILL VP HUMAN RESOURCES	20 00 30 00				X			0	434,537	24,771
DAVID H SHAPIRO MD CHIEF MEDICAL OFFICER	39 00 11 00				X			0	448,579	20,004
GERRI LIETZ-STAFFILENO VP HOSP OPERATIONS	5 00 45 00				X			0	398,589	24,492
SUE SANICOLA VP CSM COMM PHYSICIANS	20 00 30 00				X			0	324,050	28,444
WILLIAM HART VP/COO	33 00 17 00				X			0	497,000	13,153
DEBORAH FRIBERG PRESIDENT HOSPITAL DIV END 06/12	37 00 13 00				X			0	768,773	29,832
BRUCE MCCARTHY PRESIDENT PHYSICIAN DIVISION	20 00 30 00				X			0	835,070	35,735
CONSTANCE J BRADLEY VP HOSPITAL OPERATIONS	41 00 9 00				X			333,603	0	17,007
ALLAN SPOONER PRESIDENT HOSPITAL DIV	20 00 30 00				X			0	208,489	1,046
ROBERT B ROTH MD PHYSICIAN	40 00					X		1,675,987	0	32,116

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 L HUXLEY MD PHYSICIAN	40 00					X		1,512,450	0	36,049
DAVID W GRAMBOW MD PHYSICIAN	40 00					X		1,294,897	0	41,202
SANJAY S DESHPANDE MD PHYSICIAN	40 00					X		1,541,024	0	37,870
JOSHUA LIBERMAN PHYSICIAN	40 00					X		1,099,724	0	40,611
LEO P BRIDEAU PRESIDENT/CEO END 02/11	0 00 40 00						X	0	727,898	0

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization COLUMBIA ST MARY'S HOSPITAL MILWAUKEE	Employer identification number 39-0806315
-------------------------------------------------------------------	----------------------------------------------

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

Part II

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

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

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

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

Part 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 COLUMBIA ST MARY’S HOSPITAL MILWAUKEE	Employer identification number 39-0806315
-------------------------------------------------------------------	--------------------------------------------------

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? b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? c Media advertisements? d Mailings to members, legislators, or the public? e Publications, or published or broadcast statements? f Grants to other organizations for lobbying purposes? g Direct contact with legislators, their staffs, government officials, or a legislative body? h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? i Other activities? j Total Add lines 1c through 1i				
		No		
		No		
		No		
		No		
		No		
		No		
		No		
		No		
		No		
		Yes		14,319
			14,319	
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b If "Yes," enter the amount of any tax incurred under section 4912				
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

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

Part III-B

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

1	Dues, assessments and similar amounts from members.	1	
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a	Current year.		
b	Carryover from last year.		
c	Total.		
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	CSMM DOES NOT PARTICIPATE IN OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTING OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF (OR IN OPPOSITION TO) ANY CANDIDATE FOR PUBLIC OFFICE. LOBBYING EXPENSES REPRESENT THE PORTION OF DUES PAID TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS THAT IS SPECIFICALLY ALLOCABLE TO LOBBYING.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

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

☐

Part V

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		17,101,206		17,101,206
b Buildings		616,326,029	130,628,780	485,697,249
c Leasehold improvements		4,622,970	2,578,031	2,044,939
d Equipment		128,327,425	105,931,755	22,395,670
e Other		796,168		796,168
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				528,035,232

Schedule D (Form 990) 2012

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
		PART X ASC 740 FOOTNOTE REGARDING UNCERTAIN TAX POSITIONS IN AUDITED FINANCIALS NOT APPLICABLE

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2012

Open to Public Inspection

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

Name of the organization
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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)			10,080,153		10,080,153	2 310 %
b Medicaid (from Worksheet 3, column a)			93,781,071	87,975,850	5,805,221	1 330 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			103,861,224	87,975,850	15,885,374	3 640 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,557,207	741,652	3,815,555	0 870 %
f Health professions education (from Worksheet 5)			13,843,414	4,986,358	8,857,056	2 030 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			544,183		544,183	0 120 %
j Total Other Benefits			18,944,804	5,728,010	13,216,794	3 020 %
k Total. Add lines 7d and 7j			122,806,028	93,703,860	29,102,168	6 660 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			127,450		127,450	0.030 %
7Community health improvement advocacy						
8Workforce development			56,701		56,701	0.010 %
9Other						
10Total			184,151		184,151	0.040 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

1

No

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

2

12,137,645

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

242,753

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

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

5

438,157,903

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

6

458,591,589

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

7

-20,433,686

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

☐ Cost accounting system

☒ Cost to charge ratio

☐ Other

Section C. Collection Practices

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

9a

Yes

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

9b

Yes

Part IVManagement Companies and Joint Ventures

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

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	COLUMBIA ST MARYS HOSPITAL MILWAUKEE 2323 N LAKE DRIVE MILWAUKEE, WI 53211	X	X					X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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 type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input 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	Yes
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
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 checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input checked="" type="checkbox"/> Uninsured discount			
f <input checked="" type="checkbox"/> Medicaid/Medicare			
g <input checked="" type="checkbox"/> State regulation			
h <input type="checkbox"/> Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input 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 checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		17	No
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
34

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 6A CSM HOSPITAL MILWAUKEE PREPARES AND FILES AN ANNUAL COMMUNITY BENEFIT PLAN REPORT WITH THE WISCONSIN HOSPITAL ASSOCIATION ("WHA") THE INFORMATION ON THIS REPORT INCLUDES INFORMATION ONLY FOR CSM MILWAUKEE AND NOT ANY OF ITS AFFILIATED HOSPITALS
		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 CERTAIN CATEGORIES IN THE TABLE, THIS WAS A COST ACCOUNTING SYSTEM, IN OTHER CATEGORIES, A SPECIFIC COST-TO-CHARGE RATIO WAS APPLIED PART I, LINE 7 THE TOTAL AMOUNT OF CHARITY CARE AND OTHER COMMUNITY BENEFITS IN PART I, LINE 7 IS DIFFERENT FROM THE COMMUNITY BENEFIT AS REPORTED IN THE ANNUAL COMMUNITY BENEFIT REPORT BY THE AMOUNT OF COMMUNITY BUILDING ACTIVITIES REPORTED ON PART II OF SCHEDULE H THE IRS DOES NOT CONSIDER COMMUNITY BUILDING ACTIVITIES TO BE COMMUNITY BENEFIT, HOWEVER, THESE COSTS ARE INCLUDED IN THE TOTAL COMMUNITY BENEFIT AMOUNT AS REPORTED IN THE ANNUAL COMMUNITY BENEFIT REPORT PART I, LINE 7G THE ORGANIZATION EMPLOYS ITS PHYSICIANS AT ITS HOSPITALS AND PHYSICIAN CLINICS, SO THE ASSOCIATED COSTS AND CHARGES RELATING TO THOSE PHYSICIAN SERVICES ARE INCLUDED IN ALL RELEVANT CATEGORIES IN PART I

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE AMOUNT OF CSMM'S BAD DEBT EXPENSE IS \$28,092,824 THIS AMOUNT IS NETTED AGAINST PATIENT SERVICE REVENUE ON FORM 990, PART VII, LINE 2A AND IS NOT REPORTED ON FORM 990, PART IX, LINE 25 OR INCLUDED FOR PURPOSES OF CALCULATING THE PERCENTAGES ON SCHEDULE H, PART 1, LINE 7
		PART II OTHER COMMUNITY PROGRAMS AND SERVICES ARE DELIVERED ON A PROACTIVE BASIS FROM THE COMMUNITY BENEFIT PLAN GOALS HIGHLIGHTS OF PLAN GOALS INCLUDE WORK TO IMPROVE INFANT MORTALITY, PROGRAMS AT SETON DENTAL CLINIC TO SUPPORT ORAL HEALTH ACCESS, PARTICULARLY FOR CHILDREN, IMPROVEMENT IN ACCESS TO PRIMARY AND SECONDARY CARE, IMPROVED EDUCATION AND ACCESS REGARDING CANCER SCREENING AND COLLABORATION WITH THE MILWAUKEE HEALTH CARE PARTNERSHIP INFANT MORTALITY, PARTICULARLY AMONG THE AFRICAN AMERICAN COMMUNITY IN MILWAUKEE, IS A PARTICULAR HEALTH ISSUE NEEDING IMPROVEMENT CSM HAS BEEN AN IMPORTANT COLLABORATOR IN CITY AND STATE EFFORTS TO IMPROVE BIRTH OUTCOMES AND REDUCE INFANT MORTALITY RATES IN MILWAUKEE CSM HAS SUPPORTED THE LIFECOURSE INITIATIVE FOR HEALTHY FAMILIES AS A COMMUNITY/ACADEMIC PARTNERSHIP FOR INITIATION OF A FIVE YEAR FUNDED PLAN FOR MORTALITY IMPROVEMENT A PARTICULAR CSM FOCUS HAS BEEN THAT OF SAFE SLEEP INITIATIVES TO ASSURE THAT INFANTS HAVE A SAFE PLACE TO SLEEP BY PROVIDING PACK AND PLAY CRIBS FOR MOTHERS WITHOUT A DEDICATED INFANT SLEEP SPACE ADDITIONALLY, PARENTS ARE EDUCATED ABOUT THE IMPORTANCE OF AN INFANT SLEEPING ON HIS BACK THROUGH A "BACK TO SLEEP" CAMPAIGN OF INFANT APPAREL WITH THAT MESSAGE IMPRINTED PRENATAL EDUCATION IS DELIVERED IN A COMMUNITY SETTING THROUGH THE CSM BLANKET OF LOVE PROGRAM LACK OF ACCESS TO ORAL HEALTH CARE HAS ALSO BEEN IDENTIFIED IN THE NEEDS ASSESSMENT CSM MILWAUKEE SPONSORED THE SMART SMILES PROGRAM OF SCHOOL-BASED ORAL HEALTH CARE TO SERVE 4,000 CHILDREN IN FISCAL 2013 DENTIST ASSESSMENT, ORAL HYGIENE CARE, DENTAL SEALANTS AND FLUORIDE TREATMENTS ARE PROVIDED IN MORE THAN 30 SCHOOLS TO MEET THESE NEEDS THE ST ELIZABETH ANN SETON DENTAL CLINIC SERVES AS THE URGENT DENTAL CARE PROVIDER FOR UNINSURED PEOPLE IN MILWAUKEE, BOTH CHILDREN AND ADULTS ACCESS TO PRIMARY CARE HAS BEEN IMPROVED IN MILWAUKEE THROUGH THE WORK OF ST BENS CLINIC FOR THE HOMELESS AND THE COMMUNITY CHRONIC DISEASE MANAGEMENT (CCDM) CLINIC TO TREAT HYPERTENSION AND DIABETES THROUGH CHURCH PARTNERSHIPS ADDITIONALLY CSM SPONSORS MEDICAL RESIDENCY PROGRAMS THROUGH CSM FAMILY HEALTH CENTER AND THE CSM OB/GYN CLINIC THE COLUMBIA COLLEGE OF NURSING SPONSORS EL CENTRO DE SALUD TO PROVIDE HEALTH EDUCATION, SCREENING AND SERVICE THROUGH A PRIMARY EDUCATION SYSTEM IN AN IMPOVERISHED AREA OF MILWAUKEE CSM CO-SPONSORSHIP OF THE SATURDAY FREE CLINIC WITH THE MEDICAL COLLEGE OF WISCONSIN ALSO DELIVERS HEALTH SCREENING AND BASIC HEALTH CARE TO UNINSURED PEOPLE SPECIALTY CARE ACCESS HAS BEEN IMPROVED THROUGH THE WORK OF THE MILWAUKEE HEALTH CARE PARTNERSHIP, (MHCP) A COLLABORATION OF MILWAUKEES FIVE HEALTH SYSTEMS AND FOUR FEDERALLY QUALIFIED HEALTH CENTERS ONE PROGRAM TARGETS UNINSURED PEOPLE FROM THE FQHCs AND FROM AREA FREE CLINICS FOR ACCESS TO SPECIALTY CARE THE SPECIALTY ACCESS FOR UNINSURED PROGRAM (SAUP) PAIRS HOSPITALS WITH FQHCs AND FREE CLINICS TO DELIVER SPECIALTY CARE FOR PRIMARY CARE PATIENTS ADDITIONALLY, THE MHCP COLLABORATES WITH STATE AND COUNTY RESOURCES TO PLAN FOR IMPROVEMENT IN BEHAVIORAL HEALTH DELIVERY IN MILWAUKEE COUNTY THIS ADVISORY WORK CONTINUES THROUGH PARTICIPATION BY CSM VICE-PRESIDENTS AND DIRECTORS A HIGHLIGHT OF CANCER SCREENING IS THE USE OF A MOBILE MAMMOGRAPHY DIGITAL COACH TO DELIVER BREAST SCREENING WITHIN COMMUNITY SETTINGS THIS IS PARTICULARLY IMPORTANT FOR PARTNERSHIP WITH CENTRAL CITY CHURCHES TO IDENTIFY WOMEN WHO OTHERWISE WOULD NOT ACCESS TRADITIONAL HOSPITAL BASED SCREENING OFTEN CHURCH PARTNERSHIPS SUPPORT CSM'S WORK IN THE COMMUNITY CSM PARISH NURSES WORK WITH MORE THAN 40 CHURCHES OF THE NORTHWEST CHURCH OF GOD IN CHRIST (COGIC) JURISDICTION UNDER A LOCAL BISHOP TO DELIVER HEALTH EDUCATION AND SCREENING THROUGH COMMUNITY HEALTH WORKERS AND CHURCH HEALTH LIAISONS THROUGH A PROGRAM CALLED THE COGIC COVENANT PARTNERSHIP IS A KEY ELEMENT IN COMMUNITY BENEFIT ACTIVITIES OF CSM A PARTICULARLY STRONG PARTNER THESE ACTIVITIES HAS BEEN THE MEDICAL COLLEGE OF WISCONSIN IN SPONSORSHIP OF PROGRAMS CSM COLLABORATES WITH THE MEDICAL COLLEGE OF WISCONSIN IN SPONSORING THE FOLLOWING - THE FAMILY HEALTH CENTER, A RESIDENCY-BASED FAMILY MEDICINE CLINIC THAT PROVIDES PRIMARY CARE TO MORE THAN 9,000 INDIVIDUALS IN THE COMMUNITY - THE OB/GYN CLINIC, A RESIDENCY-BASED PROGRAM THAT SERVES OVER 150 PATIENTS, 250 OB APPOINTMENTS PER MONTH, AND 325 DELIVERIES PER YEAR - THE CHRONIC DISEASE MANAGEMENT CLINIC, WHICH SCREENS AND MANAGES HYPERTENSION, DIABETES, OBESITY, AND SMOKING FOR LOW INCOME ADULTS THROUGH A CLINIC BASED IN A FOOD PANTRY - THE SATURDAY CLINIC FOR THE UNINSURED, WHICH USES MEDICAL STUDENTS AND VOLUNTEER PHYSICIANS TO SERVE HUNDREDS OF UNINSURED PATIENTS EACH YEAR ALL OF THESE SERVICES ARE REPORTED AS PART OF THE COMMUNITY BENEFIT EXPENSES IN SECTION H ADDITIONALLY CSM PARTICIPATES IN COMMUNITY BUILDING ACTIVITIES THROUGH PROGRAMS SUCH AS INROADS, WHICH IS AN OPPORTUNITY FOR CULTURALLY DIVERSE COLLEGE STUDENTS TO SERVE AN INTERNSHIP OVER SUMMER BREAK TO FAMILIARIZE THEMSELVES WITH THE CHALLENGES AND OPPORTUNITIES IN HEALTH CARE AND GAIN REAL WORLD EXPERIENCE INROADS IS REFLECTED IN THE COMMUNITY BUILDING SECTION OF THE REPORT

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 THE ORGANIZATION IS A PART OF THE COLUMBIA ST MARY'S, INC CONSOLIDATED AUDIT AND FURTHER INCLUDED AS PART OF THE ASCENSION HEALTH CONSOLIDATED AUDITED FINANCIALS THE FOOTNOTE THAT REFERENCES BAD DEBT EXPENSE IN THE FISCAL 2013 CONSOLIDATED AUDITED FINANCIALS IS AS FOLLOWS "THE PROVISION FOR BAD DEBTS 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 ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE OFF EXPERIENCE BY PAYOR CATEGORY, INCLUDING THOSE AMOUNTS NO COVERED BY INSURANCE THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE AND REASONABLE EFFORTS TO COLLECT FROM THE PATIENT HAVE BEEN EXHAUSTED, THE ORGANIZATION 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 THE ORGANIZATION ACCOUNTS RECEIVABLE ARE WRITTEN OFF AFTER COLLECTION EFFORTS HAVE BEEN FOLLOWED IN ACCORDANCE WITH THE ORGANIZATION'S POLICIES "</p>
		<p>PART III, LINE 8 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 COMMUNITY BENEFIT</p>

Identifier	ReturnReference	Explanation
		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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 3 THE HOSPITAL FACILITY TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY, INCLUDING THOSE WITH SPECIAL KNOWLEDGE OR EXPERTISE IN PUBLIC HEALTH THE COLLABORATION INCLUDED PARTICIPATION BY THE MILWAUKEE COUNTY HEALTH DEPARTMENT AND REPRESENTATIVES FROM HEALTH DEPARTMENTS IN MILWAUKEE COUNTY THE CHNA TEAM DEVELOPED A MULTI-LEVEL ASSESSMENT PROCESS THE FIRST LEVEL CONSISTED OF A SURVEY OF COUNTY RESIDENTS REGARDING THEIR HEALTH STATUS, HEALTH ACCESS AND THE PERCEPTION OF COMMUNITY NEEDS WORKING TOGETHER, SURVEY QUESTIONS WERE DEVELOPED AND APPROVED JKV RESEARCH LLC WAS CONTRACTED TO PERFORM THE SURVEY USING TECHNIQUES THAT THE CONSULTANT HAD USED IN SIMILAR SURVEYS OVER TEN YEARS THE SURVEY WAS CONDUCTED OVER THE TELEPHONE TO CELL PHONE OWNERS AND LAND LINE TELEPHONE OWNERS MORE THAN 1,900 PEOPLE WERE INTERVIEWED THE SECOND LEVEL OF DATA GATHERING WAS PERFORMED BY THE CENTER FOR URBAN POPULATION HEALTH (CUPH) AS SECONDARY DATA GATHERING ABOUT COMMUNITY NEEDS BASED ON PUBLIC HEALTH AND OTHER PUBLICLY AVAILABLE INFORMATION THE THIRD LEVEL OF DATA WAS GATHERED THROUGH A KEY STAKEHOLDER INTERVIEW PROCESS THE MHCP MEMBERS HAD AGREED UPON THOSE DIVERSE PEOPLE WHO REPRESENTED KEY ASPECTS OF THE COMMUNITY A SURVEY TOOL WAS DEVELOPED BY THE GROUP AND INTERVIEWS WERE SCHEDULED BY MHCP MEMBERS AND BY PUBLIC HEALTH STUDENTS WORKING WITH THE CITY OF MILWAUKEE HEALTH DEPARTMENT IN ALL, 35 INDIVIDUAL INTERVIEWS AND FIVE GROUP INTERVIEWS WERE CONDUCTED BY TEAM MEMBERS

Identifier	ReturnReference	Explanation
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 4 THE OTHER HOSPITAL FACILITIES WITH WHICH THE REPORTING HOSPITAL FACILITY CONDUCTED ITS CHNA, INCLUDE AURORA HEALTH CARE, CHILDRENS HOSPITAL OF WISCONSIN, FROEDTERT HEALTH AND WHEATON FRANCISCAN HEALTHCARE THESE FIVE HOSPITAL SYSTEMS HAVE DEVELOPED THE MILWAUKEE HEALTH CARE PARTNERSHIP (MHCP) TO COLLABORATE EFFORTS TO IMPROVE UNDERSTANDING OF HEALTH CARE NEEDS IN MILWAUKEE AND TO IMPROVE ACCESS TO HEALTH CARE
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 5C THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) OF THE HOSPITAL FACILITY CAN BE LOCATED AT THE FOLLOWING WEB ADDRESS WWW.COLUMBIA-STMARYS.ORG/SERVINGOURCOMMUNITY

Identifier	ReturnReference	Explanation
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 10 ALL PATIENTS WITH INCOME LESS THAN 200% OF THE FEDERAL POVERTY LEVEL WILL BE ELIGIBLE FOR 100% CHARITY CARE WRITE-OFF OF THE CHARGES FOR SERVICES THAT HAVE BEEN PROVIDED ELIGIBILITY MAY BE DETERMINED AT ANY POINT IN THE REVENUE CYCLE FINANCIAL COUNSELORS PROVIDE ASSISTANCE TO THE PATIENTS TO DETERMINE IF THEY ARE ELIGIBLE FOR MEDICAID OR OTHER PUBLIC ASSISTANCE IN ORDER TO QUALIFY FOR CHARITY CARE CREDIT REPORTS OR OTHER SIMILAR REPORTS MAY BE RUN TO VERIFY INFORMATION PROVIDED
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 11 PATIENTS WITH INCOMES ABOVE 300% OF THE POVERTY LEVEL MAY BE ELIGIBLE FOR SOME LEVEL OF DISCOUNT BASED ON A SUBSTANTIVE ASSESSMENT OF THEIR ABILITY TO PAY THE ASSESSMENT CONSIDERS TOTAL INCOME AND DOLLAR AMOUNT OF PATIENT RESPONSIBILITY ON A SLIDING SCALE A MEANS TEST IS PERFORMED THAT CONSIDERS INCOME, TOTAL MEDICAL BILL OBLIGATIONS, MORTGAGE PAYMENTS, UTILITY PAYMENTS, NUMBER OF FAMILY MEMBERS, AND ANY DISABILITY CONSIDERATIONS PATIENTS WHO DO NOT QUALIFY FOR CHARITY CARE, BUT ARE IN NEED OF FINANCIAL ASSISTANCE, WILL BE OFFERED APPROPRIATE EXTENDED PAYMENT TERMS OR OTHER PAYMENT OPTIONS THAT TAKE INTO ACCOUNT THE PATIENT'S FINANCIAL STATUS

Identifier	ReturnReference	Explanation
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 16E THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOR PURPOSES OF QUESTION 16 WE 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 INCLUDED, 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 A FREE COPY OF THE 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, AND - A STATEMENT THAT NO FAP ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE 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)
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 17E THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOR PURPOSES OF QUESTION 17 WE 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 INCLUDED, 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 A FREE COPY OF THE 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, AND - A STATEMENT THAT NO FAP ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE 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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 18E QUESTION 18 IS MORE APPROPRIATELY ANSWERED AS NOT APPLICABLE AS THE BILLING AND COLLECTIONS POLICY OF CSMM DOES NOT ALLOW A HOSPITAL TO ENGAGE IN EXTRAORDINARY COLLECTION ACTIONS BEFORE THE ORGANIZATION HAS 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 IN COMMUNICATIONS WITH THE PATIENTS REGARDING THE PATIENTS BILLS
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 20D ALL PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE RECEIVE A MINIMUM DISCOUNT OF 40% OFF GROSS CHARGES FOR SERVICES PROVIDED TO THEM

Identifier	ReturnReference	Explanation
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE		PART V, SECTION B, LINE 21 THE FOLLOWING STEPS WERE FOLLOWED AND CONSIDERED REASONABLE EFFORTS FOR PURPOSES OF IDENTIFYING PATIENTS ELIGIBLE FOR ASSISTANCE UNDER THE FACILITY'S FAP WE 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 INCLUDED, 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 A FREE COPY OF THE 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, AND - A STATEMENT THAT NO FAP ELIGIBLE INDIVIDUAL WILL BE CHARGED MORE FOR EMERGENCY/MEDICALLY NECESSARY CARE 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 THE COLUMBIA ST MARY'S HOSPITAL MILWAUKEE COMMUNITY BENEFIT PROCESS IS COORDINATED THROUGH THE WORK OF THE MILWAUKEE COMMUNITY BENEFIT COMMITTEE (MCBC) THE MCBC IS GUIDED BY THE MISSION STATEMENT OF CSM AND A COMMUNITY BENEFIT PHILOSOPHY STATEMENT THE COMMITTEE IS COMPRISED OF ADMINISTRATIVE LEADERSHIP, MANAGERS, AND STAFF INVOLVED IN DIRECT SERVICE TO VULNERABLE PEOPLE TWO REPRESENTATIVES OF THE CSM PATIENT FAMILY ADVISORY COMMITTEE PARTICIPATE IN THE MCBC THE MCBC ROLES INCLUDE THE FOLLOWING - DEVELOP COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) TO DETERMINE MILWAUKEE COUNTY NEEDS- REVIEW CHNA AND CREATE COMMUNITY BENEFIT PLAN TO ADDRESS NEEDS- INCORPORATE COMMUNITY BENEFIT PLAN GOALS IN THE CSM INTEGRATED STRATEGIC, OPERATIONAL AND FINANCIAL PLAN (ISOFPP) FOR BOARD LEVEL APPROVAL AND SUBMISSION TO ASCENSION HEALTH SYSTEM - DEVELOP A STRATEGY TO MEASURE AND INCREASE THE IMPACT OF COMMUNITY BENEFIT PLAN ELEMENTSTHE NEEDS ASSESSMENT IN FY 13 INVOLVED THE GATHERING OF SECONDARY INFORMATION ABOUT MILWAUKEE COUNTY FROM VARIED PUBLIC SOURCES INCLUDING STATE DATA, MILWAUKEE COUNTY DATA AND CITY OF MILWAUKEE DATA THE MOST REMARKABLE NEEDS FOR THE SERVICE AREA INCLUDED ADDRESSING INFANT MORTALITY ISSUES, IMPROVING ACCESS TO ORAL HEALTH CARE, PARTICULARLY FOR CHILDREN, IMPROVING ACCESS TO PRIMARY AND SPECIALTY CARE, AND IMPROVING HEALTH DISPARITIES, PARTICULARLY REGARDING CANCER SCREENING

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 CSM HOSPITAL MILWAUKEE ATTEMPTS TO IDENTIFY PATIENTS WHO MAY BE ELIGIBLE FOR CHARITY OR DISCOUNTED CARE AS OUTLINED IN THE CHARITY CARE POLICY DURING THE PRE-REGISTRATION, REGISTRATION, ADMISSIONS AND DISCHARGE PROCESSES A COPY OF THE CHARITY CARE POLICY IS POSTED IN THE EMERGENCY ROOM, AND A SUMMARY OF THE POLICY IS PROVIDED TO PATIENTS WITH ADMISSION AND DISCHARGE PAPERWORK CSM HOSPITAL MILWAUKEE HAS TRAINED FINANCIAL COUNSELORS AVAILABLE TO DISCUSS PAYMENT OPTIONS TO THE PATIENTS UPON MAKING AN APPOINTMENT, THE FINANCIAL COUNSELORS WILL MEET WITH THE PATIENT TO DETERMINE WHAT OTHER FINANCIAL ASSISTANCE PROGRAMS FOR WHICH THE PATIENT MAY QUALIFY
		PART VI, LINE 4 CSM HOSPITAL MILWAUKEE SERVES A PRIMARY SERVICE AREA OF EASTERN MILWAUKEE COUNTY, FROM THE NEAR SOUTH SIDE OF MILWAUKEE NORTH THROUGH OZAUKEE COUNTY CSM HOSPITAL MILWAUKEE IS LOCATED IN AN URBAN COMMUNITY WITHIN MILWAUKEE COUNTY THE POPULATION OF MILWAUKEE COUNTY IS APPROXIMATELY 953,000, WITH OVER 20% OF THE HOUSEHOLDS LIVING AT OR BELOW FEDERAL POVERTY GUIDELINES THE MEDIAN INCOME IS APPROXIMATELY \$43,000, OVER 46% OF THE POPULATION IS A MINORITY, AND APPROXIMATELY 16% OF THE POPULATION SPEAK A LANGUAGE OTHER THAN ENGLISH THE SERVICE AREA IS VARIED, WITH SOME SECTORS HAVING HIGH INCOMES AND MANY HEALTH RESOURCES WHILE OTHER HIGH ADMISSION ZIP CODES ARE LOCATED IN THE IMPOVERISHED CENTRAL CITY AND IN MEDICALLY UNDERSERVED AREAS SEVERAL HIGH ADMITTING ZIP CODES FOR CSM HAVE A HIGH PROPORTION OF AFRICAN AMERICAN PEOPLE AND TWO HIGH ADMITTING ZIP CODES HAVE HIGH PROPORTIONS OF PEOPLE OF HISPANIC BACKGROUND ADDRESSING THE HEALTH DISPARITY ISSUES OF THESE POPULATIONS IS AN IMPORTANT PART OF THE COMMUNITY BENEFIT SERVICE OF CSM HOSPITAL MILWAUKEE IN FISCAL 2013, CSM HOSPITAL MILWAUKEE SERVED 229,237 PATIENTS AND PROVIDED \$10,080,153 IN TRADITIONAL CHARITY CARE (AT COST), \$5,805,221 IN UNPAID COSTS OF PUBLIC PROGRAMS, \$10,535,997 IN UNINSURED DISCOUNTS AND \$13,400,944 IN OTHER COMMUNITY PROGRAMS AND SERVICES, WHICH ARE REPORTED ON PART I, LINE 7J AND PART II DISCOUNTS FOR THE UNINSURED AND UNDERINSURED ARE NOT INCLUDED IN PARTS I OR II OF SCHEDULE H

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 CSM HOSPITAL MILWAUKEE IS PART OF THE CSM HEALTH SYSTEM, WHICH CONTRIBUTES TO THE POSITIVE HEALTH STATUS OF THE COMMUNITIES IT SERVES CSM IS AN ORGANIZATION COMPRISED OF THREE HOSPITALS, 61 COMMUNITY CLINICS, THE COLUMBIA COLLEGE OF NURSING, A PARTNERSHIP WITH THE ORTHOPAEDIC HOSPITAL OF WISCONSIN, A PARTNERSHIP WITH THE SLEEP CENTER, A PARTNERSHIP WITH HORIZON HOME CARE & HOSPICE, AND FOUR URGENT CARE CENTERS CSM PROVIDES CARE FOR INDIVIDUALS AND FAMILIES THROUGHOUT MILWAUKEE, OZAUKEE, WASHINGTON, AND SHEBOYGAN COUNTIES - WITH MORE THAN 160 YEARS OF SERVICE TO INDIVIDUALS AND FAMILIES IN THESE COMMUNITIES AS A MEMBER OF ASCENSION HEALTH, THE NATION'S LARGEST CATHOLIC HEALTHCARE SYSTEM, CSM CONTINUES TO BUILD AND STRENGTHEN SUSTAINABLE COLLABORATIVE EFFORTS THAT BENEFIT THE HEALTH OF INDIVIDUALS, FAMILIES, AND SOCIETY AS A WHOLE THE GOAL OF CSM IS TO PERPETUATE THE HEALTH MISSION OF THE CHURCH CSM FURTHERS THIS GOAL THROUGH DELIVERY OF PATIENT SERVICES, CARE TO THE ELDERLY AND INDIGENT, PATIENT EDUCATION AND HEALTH AWARENESS PROGRAMS FOR THE COMMUNITY, AND MEDICAL RESEARCH OUR CONCERN FOR ALL HUMAN LIFE AND DIGNITY OF EACH PERSON LEADS THE ORGANIZATION TO PROVIDE MEDICAL SERVICES TO ALL PEOPLE IN THE COMMUNITY WITHOUT REGARD TO THE PATIENT'S RACE, CREED, NATIONAL ORIGIN, ECONOMIC STATUS, OR ABILITY TO PAY CSM EMPLOYS A COMMUNITY BENEFIT PHILOSOPHY IN PROGRAM PLANNING AND IMPLEMENTATION CSM PROVIDES FOR THE HEALTH OF THE COMMUNITY THROUGH FINANCIAL SUPPORT PROVIDED TO PATIENTS BY FINANCIAL DISCOUNTS AND CONTRACTS, BY DEVELOPING CLINICS AND SERVICES FOR SPECIFIC VULNERABLE GROUPS, BY SPONSORING COMMUNITY EDUCATION AND TRAINING AND BY COLLABORATING WITH GOVERNMENT PROGRAMS DURING FISCAL 2013, THE CSM SYSTEM PROVIDED \$139,785,804 IN COMMUNITY HEALTH BENEFIT SERVICES, INCLUDING SUBSIDIZED HEALTH CARE, PROFESSIONAL EDUCATION, FINANCIAL CONTRIBUTIONS AND COMMUNITY BUILDING ACTIVITIES IN ADDITION, THE ORGANIZATION'S GOVERNING BODY IS COMPRISED OF LOCAL COMMUNITY LEADERS AND PHYSICIANS, THE MAJORITY OF WHOM RESIDE WITHIN THE COMMUNITIES CSM SERVES AND ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY, HOWEVER, THE CLINICS WITHIN THE ORGANIZATION ARE SERVED BY PHYSICIANS AFFILIATED WITH CSM</p>

Additional Data

Software ID:

Software Version:

EIN: 39-0806315

Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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?

34

Name and address	Type of Facility (describe)
AIRPORT MEDICAL CLINIC 4848 S 6TH STREET MILWAUKEE,WI 53221	CLINIC
BABBITZ BURNSTEIN & NASH 2350 N LAKE DRIVE SUITE 201 MILWAUKEE,WI 53221	CLINIC
BAY VIEW FAMILY HEALTH CENTER 3056 S KINNICKINNIC AVE MILWAUKEE,WI 53207	CLINIC
CSMCP PULMONOLOGY 2311 N PROSPECT AVE MILWAUKEE,WI 53211	CLINIC
CARDIAC RHYTHM SPECIALISTS 2350 N LAKE DRIVE SUITE 206 MILWAUKEE,WI 53211	CLINIC
CARDIAC & VASCULAR INTER SPECIALISTS 2350 N LAKE DRIVE SUITE 303 MILWAUKEE,WI 53211	CLINIC
CATHEDRAL SQUARE URGENT CARE CENTER 734 N JACKSON ST MILWAUKEE,WI 53202	CLINIC
COLUMBIA WEST CLINIC 10950 W CAPITOL DRIVE WAUWATOSA,WI 53222	CLINIC
ENT ASSOCIATES 2350 N LAKE DRIVE SUITE 406 MILWAUKEE,WI 53211	CLINIC
FAMILY HEALTH CENTER 1121 E NORTH AVE MILWAUKEE,WI 53212	CLINIC
PMC NEUROLOGY 2311 N PROSPECT AVE MILWAUKEE,WI 53211	CLINIC
GATEWAY MEDICAL CENTER 801 S 70TH ST WEST ALLIS,WI 53214	CLINIC
GLENDALE GREEN BAY CLINIC 9233 N GREEN BAY ROAD BROWN DEER,WI 53209	CLINIC
GLENDALE PORT WASHINGTON CLINIC 6900 N PORT WASHINGTON ROAD GLENDALE,WI 53217	CLINIC
CSM GYN ONCOLOGY 2350 N LAKE DRUVE SUITE 501 MILWAUKEE,WI 53211	CLINIC
MEDICAL ONCOLOGY 2350 N LAKE DRIVE SUITE 100 MILWAUKEE,WI 53211	CLINIC
NORTHSHORE MEDICAL CLINIC 7080 N PORT WASHINGTON ROAD GLENDALE,WI 53217	CLINIC
OBGYN RESIDENCY CLINIC 2320 N LAKE DRIVE MILWAUKEE,WI 53211	CLINIC
PERINATAL ASSESSMENT CENTER 2323 N LAKE DRIVE MILWAUKEE,WI 53211	CLINIC
PROSPECT MEDICAL COMMONS 2311 N PROSPECT AVE MILWAUKEE,WI 53211	CLINIC
RADIATION ONCOLOGY 2350 N LAKE DRIVE SUITE G01 MILWAUKEE,WI 53211	CLINIC
RIVER GLEN MEDICAL CLINIC 375 W RIVERWOODS PKWY GLENDALE,WI 53212	CLINIC
RIVER WOODS URGENT CARE 375 W RIVERWOODS PKWY GLENDALE,WI 53212	CLINIC
SHOREWOOD FAMILY PHYSICIANS 1901 E CAPITOL DRIVE SHOREWOOD,WI 53211	CLINIC
WEST ALLIS MEDICAL CLINIC 2323 S 102ND ST WEST ALLIS,WI 53227	CLINIC
WESTGATE MEDICAL GROUP 2727 N MAYFAIR ROAD WAUWATOSA,WI 53222	CLINIC
PLASTIC SURGERY 2350 N LAKE DRIVE SUITE 501 MILWAUKEE,WI 53211	CLINIC
WISCONSIN CARDIOVASCULAR GROUP 2350 N LAKE DRIVE SUITE 400 MILWAUKEE,WI 53211	CLINIC
CSM CANCER CENTER 2350 N LAKE DRIVE SUITE 100 MILWAUKEE,WI 53211	CLINIC
NORTH SHORE CARDIOLOGY EAST 2350 N LAKE DRIVE SUITE 400 MILWAUKEE,WI 53211	CLINIC

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?
34

Name and address	Type of Facility (describe)
CARDIAC RHYTHM SPECIALISTS - MAYFAIR 2727 N MAYFAIR ROAD WAUWATOSA,WI 53222	CLINIC
CENTER FOR PAIN MANAGEMENT 2323 N LAKE DRIVE MILWAUKEE,WI 53211	CLINIC
MMA CATHEDRAL SQUARE 788 N JEFFERSON ST MILWAUKEE,WI 53202	CLINIC
MMA WAUKESHA 22370 W BLUEMOUND ROAD WAUKESHA,WI 53186	CLINIC

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><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><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></div></div></div>		
<div><div>1b</div><div>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</div></div>		
<div><div>2</div><div>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?</div></div>		
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" 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></div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>	Yes	
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>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</div></div>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>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</div></div>	Yes	
<div><div>8</div><div>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</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>		

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, LINES 4A-B	SEVERANCE AMOUNTS PAID IN FY13 INCLUDE DEBORAH FRIBERG \$234,603 ELIGIBLE EXECUTIVES PARTICIPATE IN A PROGRAM THAT PROVIDES FOR SUPPLEMENTAL RETIREMENT BENEFITS THE PAYMENT OF BENEFITS UNDER THE PROGRAM, IF ANY, IS ENTIRELY DEPENDENT UPON THE FACTS AND CIRCUMSTANCES UNDER WHICH THE EXECUTIVE TERMINATES EMPLOYMENT WITH THE ORGANIZATION BENEFITS UNDER THE PROGRAM ARE UNFUNDED AND NON-VESTED DUE TO THE SUBSTANTIAL RISK OF FORFEITURE PROVISION, THERE IS NO GUARANTEE THAT THESE EXECUTIVES WILL EVER RECEIVE ANY BENEFIT UNDER THE PROGRAM ANY AMOUNT ULTIMATELY PAID UNDER THE PROGRAM TO THE EXECUTIVE IS REPORTED AS COMPENSATION ON FORM 990, SCHEDULE J, PART II, COLUMN B IN THE YEAR PAID THE FILING ORGANIZATION, CSMM, DID NOT CONTRIBUTE TO THE SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FOR ANY OF THE EXECUTIVES THIS FISCAL YEAR
	PART I, LINE 7	BOARD MEMBERS, OFFICERS, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES WHO ARE EMPLOYED BY THE CSM ORGANIZATIONS AND ARE MEDICAL DOCTORS ARE ELIGIBLE TO RECEIVE A PERCENTAGE OF THE REVENUE GENERATED FROM PATIENTS THEY SERVE, BASED ON ESTABLISHED GUIDELINES OFFICERS AND KEY EMPLOYEES PARTICIPATE IN A MANAGEMENT INCENTIVE PLAN, WHEREBY CERTAIN FINANCIAL TRIGGERS OF THE CSM SYSTEM AS APPROVED BY THE BOARD MUST BE MET BEFORE ANY ELIGIBLE EMPLOYEE MAY RECEIVE PAYMENT OF THE INCENTIVE ONCE THE TRIGGER IS MET, THE INCENTIVE IS MEASURED BASED ON VARIOUS ESTABLISHED GOALS, INCLUDING OPERATING MARGIN, PATIENT SATISFACTION, QUALITY, AND PRODUCTIVITY

Software ID:
Software Version:
EIN: 39-0806315
Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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				
KEVIN GONIU MD	(i)	0	0	0	0	0	0	0
	(ii)	471,474	76,989	20,076	5,000	23,044	596,583	0
MARK R TAYLOR	(i)	0	0	0	0	0	0	0
	(ii)	578,558	906,425	120,216	5,000	35,485	1,645,684	0
RHONDA ANDERSON	(i)	0	0	0	0	0	0	0
	(ii)	371,606	275,204	13,942	5,000	6,123	671,875	0
CHERYL HILL	(i)	0	0	0	0	0	0	0
	(ii)	241,053	172,844	20,640	5,000	19,771	459,308	0
DAVID H SHAPIRO MD	(i)	0	0	0	0	0	0	0
	(ii)	287,471	139,129	21,979	5,000	15,004	468,583	0
GERRI LIETZ-STAFFILENO	(i)	0	0	0	0	0	0	0
	(ii)	222,732	154,831	21,026	5,000	19,492	423,081	0
SUE SANICOLA	(i)	0	0	0	0	0	0	0
	(ii)	176,360	127,258	20,432	4,279	24,165	352,494	0
WILLIAM HART	(i)	0	0	0	0	0	0	0
	(ii)	293,407	200,126	3,467	3,123	10,030	510,153	0
DEBORAH FRIBERG	(i)	0	0	0	0	0	0	0
	(ii)	227,653	304,009	237,111	5,000	24,832	798,605	0
BRUCE MCCARTHY	(i)	0	0	0	0	0	0	0
	(ii)	500,431	329,091	5,548	5,000	30,735	870,805	0
CONSTANCE J BRADLEY	(i)	202,888	130,434	281	5,000	12,007	350,610	0
	(ii)	0	0	0	0	0	0	0
ALLAN SPOONER	(i)	0	0	0	0	0	0	0
	(ii)	76,765	97,089	34,635	0	1,046	209,535	0
ROBERT B ROTH MD	(i)	1,623,170	30,915	21,902	5,000	27,116	1,708,103	0
	(ii)	0	0	0	0	0	0	0
ROBERT L HUXLEY MD	(i)	1,493,926	11,000	7,524	5,000	31,049	1,548,499	0
	(ii)	0	0	0	0	0	0	0
DAVID W GRAMBOW MD	(i)	1,245,685	29,590	19,622	5,000	36,202	1,336,099	0
	(ii)	0	0	0	0	0	0	0
SANJAY S DESHPANDE MD	(i)	1,221,734	299,668	19,622	5,000	32,870	1,578,894	0
	(ii)	0	0	0	0	0	0	0
JOSHUA LIBERMAN	(i)	779,477	302,221	18,026	5,000	35,611	1,140,335	0
	(ii)	0	0	0	0	0	0	0
LEO P BRIDEAU	(i)	0	0	0	0	0	0	0
	(ii)	0	727,898	0	0	0	727,898	0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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) DAVID SHAPIRO MD	KEY EMPLOYEE	143,207	SPOUSE IS ALSO EMPLOYED BY CSM SYSTEM ALL COMPENSATION IS DETERMINED IN ACCORDANCE WITH PAYROLL POLICY GUIDELINES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493135084534	
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 COLUMBIA ST MARY'S HOSPITAL MILWAUKEE				Employer identification number 39-0806315	

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	CSM-M HAS A SINGLE CORPORATE MEMBER, CSM
	FORM 990, PART VI, SECTION A, LINE 7A	CSM-M HAS A SOLE MEMBER, HAS A SINGLE CORPORATE MEMBER, CSM, WHO HAS THE ABILITY TO ELECT MEMBERS TO THE GOVERNING BODY OF CSM-M
	FORM 990, PART VI, SECTION A, LINE 7B	ALL DECISIONS THAT HAVE A MATERIAL IMPACT TO CSM-M'S FINANCIAL INFORMATION OR CORPORATION AS A WHOLE ARE SUBJECT TO APPROVAL BY ITS SOLE CORPORATE MEMBER, CSM
	FORM 990, PART VI, SECTION B, LINE 11	MANAGEMENT, INCLUDING CERTAIN KEY EMPLOYEES, WORKS DILIGENTLY TO COMPLETE THE FORM 990 AND ATTACHED SCHEDULES IN A THOROUGH MANNER. MANAGEMENT PRESENTS THE FORM TO THE BOARD, OR A DESIGNATED COMMITTEE, TO REVIEW AND ANSWER ANY QUESTIONS PRIOR TO FILING THE RETURN. ALL BOARD MEMBERS ARE PROVIDED THE FORM 990 AND MANAGEMENT TEAM MEMBERS ARE AVAILABLE TO ANSWER ANY BOARD MEMBERS QUESTIONS.
	FORM 990, PART VI, SECTION B, LINE 12C	CSM HAS A WRITTEN CONFLICT OF INTEREST POLICY. THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE 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.
	FORM 990, PART VI, SECTION B, LINE 15	15A. 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 AUDIT COMMITTEE REVIEWED AND APPROVED THE COMPENSATION. IN THE REVIEW OF THE COMPENSATION, THE CEO WAS COMPARED TO OTHER HOSPITALS IN THE AREA THAT HOLD THE SAME TITLE. DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES. THE CEO WAS NOT PRESENT WHEN HIS COMPENSATION WAS DECIDED. 15B. 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 AUDIT COMMITTEE REVIEWED AND APPROVED THE COMPENSATION. IN THE REVIEW OF THE COMPENSATIONS, THE OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION WERE COMPARED TO OTHER HOSPITALS' EMPLOYEES IN THE AREA THAT HOLD THE SAME TITLE. DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES.
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION WILL PROVIDE ANY DOCUMENTS OPEN TO PUBLIC INSPECTION UPON REQUEST. CSM DOES PUBLISH AN ANNUAL REPORT AND FACT SHEETS ON THE EXTERNAL WEBSITE, WHICH IS AVAILABLE FOR PUBLIC VIEWING.
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	TRANSFERS FROM FOUNDATION - CAPITAL PURCHASE GRANTS FOR CAPITAL EXPENDITURE OTHER ADJUSTMENT - UNRESTRICTED NET ASSETS -590,261 OTHER ADJUSTMENT - INCOME -4,625
	FORM 990, PART XII, LINE 2C	NO CHANGES SINCE PRIOR YEAR

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ORTHOPAEDIC HOSPITAL OF WISCONSIN LLC 575 RIVERWOODS PKWY GLENDALE, WI 53212 39-2015655	HEALTHCARE	WI	N/A									
(2) SLEEP SERVICES OF WISCONSIN 111 E KILBOURN AVE SUITE 1300 MILWAUKEE, WI 53202 27-3148310	SLEEP SERVICES	WI	N/A									

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) CSM STRATEGIC ALLIANCE 4425 NORTH PORT WASHINGTON RD GLENDALE, WI 53212 39-1871856	HEALTH CARE	WI	N/A	C					No
(2) MADISON MEDICAL AFFILIATES INC 4425 NORTH PORT WASHINGTON RD GLENDALE, WI 53212 39-1855720	HEALTH CARE	WI	COLUMBIA ST MARY'S HOSPITAL INC	C	-9,126,020	7,877,390	100 000 %		No
(3) PROSPECT MEDICAL COMMONS CONDO ASSOCIATION 4425 NORTH PORT WASHINGTON RD GLENDALE, WI 53212 20-8042108	CONDO ASSOCIATION	WI	N/A	C					No

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

No

No

Yes

No

Yes

No

No

No

Yes

No

Yes

No

No

Yes

No

No

No

Yes

No

No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
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: 39-0806315

Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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--> 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
COLUMBIA ST MARY'S INC	L	77,255,562	
COLUMBIA ST MARY'S INC	O	14,915,425	
COLUMBIA ST MARY'S INC	O	1,061,064	
COLUMBIA ST MARY'S INC	P	71,146,000	
SACRED HEART REHABILITATION INSTITUTE	L	1,791,749	
COLUMBIA ST MARY'S FOUNDATION INC	C	2,931,222	
COLUMBIA ST MARY'S HOSPITAL OZAUKEE INC	L	2,120,080	

CONSOLIDATED FINANCIAL
STATEMENTS AND SUPPLEMENTARY
INFORMATION

Ascension Health Alliance
Years Ended June 30, 2013 and 2012
With Reports of Independent Auditors

Ascension Health Alliance

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2013 and 2012

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Report of Independent Auditors

The Board of Directors
Ascension Health Alliance

We have audited the accompanying consolidated financial statements of Ascension Health Alliance, 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 Ascension Health Alliance at June 30, 2013 and 2012, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

Adoption of ASU No. 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowances for Doubtful Accounts for Certain Health Care Entities

As discussed in Note 2 to the consolidated financial statements, Ascension Health Alliance 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 No 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. Our opinion is not modified with respect to this matter.

Ernst + Young LLP

September 18, 2013

Ascension Health Alliance

Consolidated Balance Sheets (Dollars in Thousands)

	June 30,	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 754,622	\$ 306,469
Short-term investments	113,955	216,914
Accounts receivable, less allowance for doubtful accounts (\$1,351,660 and \$1,113,255 at June 30, 2013 and 2012, respectively)	2,361,809	1,927,222
Inventories	309,074	218,598
Due from brokers (see Notes 4 and 5)	178,380	789,271
Estimated third-party payor settlements	119,379	159,871
Other (see Notes 4 and 5)	1,035,026	752,348
Total current assets	4,872,245	4,370,693
Long-term investments (see Notes 4 and 5)	14,164,185	10,468,457
Property and equipment, net	8,546,873	6,473,918
Other assets		
Investment in unconsolidated entities	628,772	943,747
Capitalized software costs, net	728,613	642,596
Other	1,106,683	876,483
Total other assets	2,464,068	2,462,826
Total assets	\$ 30,047,371	\$ 23,775,894

	June 30,	
	2013	2012
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 90,442	\$ 45,363
Long-term debt subject to short-term remarketing arrangements*	1,187,125	1,094,425
Accounts payable and accrued liabilities	2,348,401	1,979,160
Estimated third-party pay or settlements	456,314	457,030
Due to brokers (see Notes 4 and 5)	493,420	880,613
Current portion of self-insurance liabilities	210,115	206,057
Other (see Notes 4 and 5)	644,084	435,805
Total current liabilities	5,429,901	5,098,453
Noncurrent liabilities		
Long-term debt (senior and subordinated)	5,278,866	3,655,406
Self-insurance liabilities	553,706	518,995
Pension and other postretirement liabilities	554,368	492,366
Other (see Notes 4 and 5)	1,099,362	1,087,782
Total noncurrent liabilities	7,486,302	5,754,549
Total liabilities	12,916,203	10,853,002
Net assets		
Unrestricted		
Controlling interest	14,986,302	11,836,414
Noncontrolling interests	1,592,356	647,236
Unrestricted net assets	16,578,658	12,483,650
Temporarily restricted	377,555	336,027
Permanently restricted	174,955	103,215
Total net assets	17,131,168	12,922,892
Total liabilities and net assets	\$ 30,047,371	\$ 23,775,894

*Consists of variable rate demand bonds with put options that may be exercised at the option of the bondholders with stated repayment installments through 2047 as well as certain serial mode bonds with scheduled remarketing mandatory tender dates occurring prior to June 30, 2014. In the event that bonds are not remarketed upon the exercise of put options or the scheduled mandatory tenders, management would utilize other sources to access the necessary liquidity. Potential sources include liquidating investments, drawing upon the \$1 billion line of credit, and issuing commercial paper. The commercial paper program is supported by the \$1 billion line of credit.

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

Ascension Health Alliance

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

	Year Ended June 30,	
	2013	2012
Operating revenue		
Net patient service revenue	\$ 16,912,410	\$ 15,297,559
Less provision for doubtful accounts	1,172,863	972,171
Net patient service revenue, less provision for doubtful accounts	15,739,547	14,325,388
Other revenue	1,357,663	967,252
Total operating revenue	17,097,210	15,292,640
Operating expenses		
Salaries and wages	7,247,681	6,544,753
Employee benefits	1,581,587	1,426,722
Purchased services	1,030,574	734,396
Professional fees	1,128,880	1,021,582
Supplies	2,427,714	2,260,901
Insurance	115,521	100,834
Interest	150,877	131,310
Depreciation and amortization	755,305	662,362
Other	2,185,015	1,782,172
Total operating expenses before impairment, restructuring, and nonrecurring (losses) gains, net	16,623,154	14,665,032
Income from operations before self-insurance trust fund investment return and impairment, restructuring and nonrecurring (losses) gains, net	474,056	627,608
Self-insurance trust fund investment return	34,985	17,197
Impairment, restructuring, and nonrecurring (losses) gains, net	(111,786)	286,046
Income from operations	397,255	930,851
Nonoperating gains (losses)		
Investment return	737,057	(135,605)
Loss on extinguishment of debt	(4,079)	(2,813)
Gain (loss) on interest rate swaps	61,202	(74,846)
Income from unconsolidated entities	8,544	8,802
Contributions from business combinations, net	2,021,963	326,333
Other	(77,269)	(69,221)
Total nonoperating gains, net	2,747,418	52,650
Excess of revenues and gains over expenses and losses	3,144,673	983,501
Less noncontrolling interests	131,184	13,154
Excess of revenues and gains over expenses and losses attributable to controlling interest	3,013,489	970,347

Continued on next page

Ascension Health Alliance

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

(Dollars in Thousands)

	Year Ended June 30,	
	2013	2012
Unrestricted net assets, controlling interest		
Excess of revenues and gains over expenses and losses	\$ 3,013,489	\$ 970,347
Transfers to sponsors and other affiliates, net	(10,962)	(15,189)
Contributed net assets	(1,050)	(400)
Net assets released from restrictions for property acquisitions	67,418	68,892
Pension and other postretirement liability adjustments	77,011	(439,662)
Change in unconsolidated entities' net assets	23,295	(15,890)
Other	4,624	9,206
Increase in unrestricted net assets, controlling interest, before loss from discontinued operations	3,173,825	577,304
Loss from discontinued operations	(23,937)	(73,521)
Increase in unrestricted net assets, controlling interest	3,149,888	503,783
Unrestricted net assets, noncontrolling interests		
Excess of revenues and gains over expenses and losses	131,184	13,154
Distributions of capital	(829,989)	(575,618)
Contributions of capital	1,579,187	1,166,961
Contributions from business combinations	64,738	—
Increase in unrestricted net assets, noncontrolling interests	945,120	604,497
Temporarily restricted net assets, controlling interest		
Contributions and grants	89,220	100,880
Investment return	17,232	(638)
Net assets released from restrictions	(110,213)	(104,028)
Contributions from business combinations	44,201	14,764
Other	1,088	(6,514)
Increase in temporarily restricted net assets, controlling interest	41,528	4,464
Permanently restricted net assets, controlling interest		
Contributions	2,664	5,082
Investment return	1,598	(242)
Contributions from business combinations	67,846	1,573
Other	(368)	(2,642)
Increase in permanently restricted net assets, controlling interest	71,740	3,771
Increase in net assets	4,208,276	1,116,515
Net assets, beginning of year	12,922,892	11,806,377
Net assets, end of year	\$ 17,131,168	\$ 12,922,892

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

Ascension Health Alliance

Consolidated Statements of Cash Flows (Dollars in Thousands)

	Year Ended June 30,	
	2013	2012
Operating activities		
Increase in net assets	\$ 4,208,276	\$ 1,116,515
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	755,305	662,362
Amortization of bond premiums	(13,948)	(10,663)
Loss on extinguishment of debt	4,079	2,813
Provision for doubtful accounts	1,177,889	972,171
Pension and other postretirement liability adjustments	(77,011)	439,662
Contributed net assets	1,050	400
Contributions from business combinations	(1,742,900)	(305,162)
Interest, dividends, and net (gains) losses on investments	(790,871)	119,288
Change in market value of interest rate swaps	(61,349)	77,568
Deferred gain on interest rate swaps	(303)	(303)
Gain on sale of assets, net	(2,986)	(6,749)
Impairment and nonrecurring expenses	17,259	45,956
Contribution of noncontrolling interest in CHIMCO Alpha Fund, LLC	—	(440,015)
Transfers to sponsor and other affiliates, net	10,962	15,189
Restricted contributions, investment return, and other	(99,133)	(117,621)
Other restricted activity	17,610	(6,280)
Nonoperating depreciation expense	317	308
(Increase) decrease in		
Short-term investments	212,560	35,298
Accounts receivable	(1,173,962)	(1,138,644)
Inventories and other current assets	(205,051)	244,426
Due from brokers	610,891	(83,976)
Investments classified as trading	(959,834)	(983,483)
Other assets	(182,272)	(11,759)
Increase (decrease) in		
Accounts payable and accrued liabilities	(21,721)	48,504
Estimated third-party pay or settlements, net	29,225	28,192
Due to brokers	(387,193)	(277,720)
Other current liabilities	92,673	(288,178)
Self-insurance liabilities	(15,342)	(45,390)
Other noncurrent liabilities	(154,292)	(351,740)
Net cash provided by (used in) continuing operating activities	1,249,928	(259,031)
Net cash (used in) provided by and adjustments to reconcile change in assets for discontinued operations	(11,301)	111,046
Net cash provided by (used in) operating activities	1,238,627	(147,985)

Continued on next page

Ascension Health Alliance

Consolidated Statements of Cash Flows (continued)

(Dollars in Thousands)

	Year Ended June 30,	
	2013	2012
Investing activities		
Property, equipment, and capitalized software additions, net	\$ (901,286)	\$ (840,553)
Proceeds from sale of property and equipment	26,321	2,029
Net cash used in investing activities	(874,965)	(838,524)
Financing activities		
Issuance of long-term debt	1,228,995	1,832,269
Repayment of long-term debt	(1,236,472)	(1,779,632)
Decrease in assets under bond indenture agreements	20,577	17,513
Transfers to sponsors and other affiliates, net	(27,742)	(2,639)
Restricted contributions, investment return, and other	99,133	117,621
Net cash provided by financing activities	84,491	185,132
Net increase (decrease) in cash and cash equivalents	448,153	(801,377)
Cash and cash equivalents at beginning of year	306,469	1,107,846
Cash and cash equivalents at end of year	\$ 754,622	\$ 306,469

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

Ascension Health Alliance

Notes to Consolidated Financial Statements *(Dollars in Thousands)*

June 30, 2013

1. Organization and Mission

Organizational Structure

Ascension Health Alliance is a Missouri nonprofit corporation formed on September 13, 2011. Ascension Health Alliance is 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 healthcare 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, including Ascension Health Global Mission, Ascension Health Insurance, Ltd (AHIL), Ascension Health Resource and Supply Management Group, LLC (The Resource Group), Clinical Holdings Corporation, Catholic Healthcare Investment Management Company (CHIMCO), CHIMCO Alpha Fund, LLC, Ascension Health Ventures, LLC, Ascension Health Leadership Academy, LLC, Ascension Health – IS, Inc (AHIS), AHV Holding Company, LLC, and AH Holdings, LLC. Ascension Health Alliance and its member organizations are referred to collectively as the System.

Sponsorship

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, Inc – American Province, and the Sisters of the Sorrowful Mother of the Third Order of St. Francis of Assisi – US/Caribbean Province. As more fully described in the Organizational Changes note, Marian Health System, which was previously sponsored by the Sisters of the Sorrowful Mother of the Third Order of St. Francis of Assisi – US/Caribbean Province, became part of Ascension Health on April 1, 2013. In addition, Alexian Brothers Health System, which was previously sponsored by the Congregation of Alexian Brothers of the Immaculate Conception Province, Inc – American Province, became part of Ascension Health on January 1, 2012.

Ascension Health Alliance

Notes to 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 which 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 healthcare 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 by reducing charges forgone by a factor derived from the ratio of each entity's total operating expenses to the entity's billed charges for patient care.

Ascension Health Alliance

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

1. Organization and Mission (continued)

Certain costs such as graduate medical education and certain other activities are excluded from total operating expenses for purposes of this computation

The amount of traditional charity care provided, determined on the basis of cost, was \$524,605 and \$466,916 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 is 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 System or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where the System does not have operating control are recorded under the equity or cost method of accounting. Income from unconsolidated entities is included in consolidated excess of revenues and gains over expenses and losses in the accompanying Consolidated Statements of Operations and Changes in Net Assets as follows:

	Year Ended June 30,	
	2013	2012
Other revenue	\$ 105,173	\$ 81,329
Nonoperating gains, net	8,544	8,802

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.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Carrying values of financial instruments classified as current assets and current liabilities approximate fair value. The fair values of other financial instruments are disclosed in the Fair Value Measurements note.

Cash and Cash Equivalents

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

Short-Term Investments

Short-term investments consist of investments with original maturities exceeding three months and up to one year.

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value using first-in, first-out (FIFO) or a methodology that closely approximates FIFO.

Long-Term Investments and Investment Return

Investments, excluding investments in unconsolidated entities, are measured 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. Investments also include alternative investments and other investments which are valued based on the net asset value of the investments, as further discussed in the Fair Value Measurements note. Investments also include derivatives held by the Alpha Fund, also measured at fair value, as discussed in the Pooled Investment Fund note.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

Long-term investments include assets limited as to use of approximately \$1,313,000 and \$916,000, at June 30, 2013 and 2012, respectively, comprised primarily of investments placed in trust and held by captive insurance companies for the payment of self-insured claims and investments which are limited as to use, as designated by donors

Purchases and sales of investments are accounted for on a trade-date basis. Investment returns consist of dividends, interest, and gains and losses. The cost of substantially all securities sold is based on the average cost method. Investment returns on investments, excluding returns of self-insurance trust funds, 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. Investment returns of self-insurance trust funds are reported as a separate component of income from operations in the Consolidated Statements of Operations and Changes in Net Assets.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift. A summary of property and equipment at June 30, 2013 and 2012, is as follows:

	June 30,	
	2013	2012
Land and improvements	\$ 870,810	\$ 653,848
Building and equipment	14,756,936	12,917,263
	15,627,746	13,571,111
Less accumulated depreciation	7,567,936	7,378,499
	8,059,810	6,192,612
Construction-in-progress	487,063	281,306
Total property and equipment, net	\$ 8,546,873	\$ 6,473,918

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2013 and 2012 was \$640,232 and \$570,198, respectively.

Several capital projects have remaining construction and related equipment purchase commitments of approximately \$294,000.

Ascension Health Alliance

Notes to 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 internally developed software. 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, application development stage, or post-implementation stage.

Intangible assets are included in the Consolidated Balance Sheets as presented in the table that follows. Capitalized software costs in the table below include software in progress of \$99,048 and \$362,336 at June 30, 2013 and 2012, respectively.

	June 30,	
	2013	2012
Capitalized software costs	\$ 1,423,556	\$ 1,210,729
Less accumulated amortization	<u>694,943</u>	<u>568,133</u>
Capitalized software costs, net	<u>728,613</u>	642,596
 Goodwill	 130,306	 123,707
Other, net	71,439	26,205
Intangible assets included in other assets	<u>201,745</u>	<u>149,912</u>
 Total intangible assets, net	 <u>\$ 930,358</u>	 <u>\$ 792,508</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, are amortized over their expected useful lives. Amortization expense for these intangible assets in 2013 and 2012 was \$113,126 and \$89,704, respectively.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

During the year ended June 30, 2010, the System began a significant multi-year, System-wide enterprise resource planning project, including information technology and process standardization (Symphony), which is expected to continue through fiscal year 2016. The project is anticipated to result in a transition to a common software product for various finance, information technology, procurement, and human resources management processes, including standardization of those processes throughout the System. Capitalized costs of Symphony were approximately \$301,000 and \$279,000 at June 30, 2013 and 2012, respectively, and are included in capitalized software costs in the preceding table. Certain costs of this project were also expensed. Beginning September 1, 2012, the software associated with Symphony was considered substantially complete and ready for its intended use and is amortized on a straight-line basis over its expected useful life. Accumulated amortization of Symphony was \$25,000 at June 30, 2013. See the Impairment, Restructuring, and Nonrecurring Gains (Losses) discussion below for additional information about costs associated with Symphony.

Noncontrolling Interests

The consolidated financial statements include all assets, liabilities, revenues, and expenses of entities that are controlled by the System and therefore consolidated. Noncontrolling interests in the Consolidated Balance Sheets represent the portion of net assets owned by entities outside the System, for those entities in which the System's ownership interest is less than 100%.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the System 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 include endowment funds. Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donors' 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.

Temporarily and permanently restricted net assets consist solely of controlling interests of the System.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

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, change in unconsolidated entities' net assets, cumulative effect of a change in accounting principle, discontinued operations, and contributions received of property and equipment.

Operating and Nonoperating Activities

The System's primary mission is to meet the healthcare needs in its market areas through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, long-term care, and other healthcare 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 System's primary mission are considered to be nonoperating.

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 \$48,997 and \$146,535 for the years ended June 30, 2013 and 2012, respectively.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

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

	June 30,	
	2013	2012
Medicare	37%	38%
Medicaid	11	11
Third-party payors	44	41
Self-pay	8	10
	100%	100%

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	22%	20%
Medicaid	8	10
Third-party payors	43	44
Self-pay	27	26
	100%	100%

The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in healthcare 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 System 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 the System.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

Accounts receivable are written off after collection efforts have been followed in accordance with the System'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.

The methodology for determining the allowance for doubtful accounts and related write-offs on uninsured patient accounts has remained consistent with the prior year. The System has not experienced material changes in write-off trends and has not materially changed its charity care policy since June 30, 2012.

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.

Nonrecurring expenses associated with Symphony include project management and process re-engineering costs, amortization expense for those Health Ministries not yet on Symphony, as well as costs to establish a shared service center and develop a business intelligence data warehouse. Costs associated with product deployment are recorded as nonrecurring gains (losses), and costs associated with product support are recorded as recurring operating expenses.

During the year ended June 30, 2013, the System recorded total impairment, restructuring, and nonrecurring losses, net of \$111,786. This amount was comprised primarily of \$116,386 of nonrecurring expenses associated with Symphony, one-time termination benefits and other restructuring expenses of \$61,677, and impairment and other nonrecurring expenses of \$6,040, partially offset by pension curtailment gains of \$72,317, as discussed in Retirement Plans note.

During the year ended June 30, 2012, the System recorded total impairment, restructuring and nonrecurring gains, net of \$286,046. This amount was comprised primarily of pension curtailment gains of \$402,402, as discussed in the Retirement Plans note, partially offset by long-lived asset impairments and restructuring charges of \$60,761 and \$55,595 of nonrecurring expenses associated with Symphony.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

Amortization

Bond issuance costs, discounts, and premiums are amortized over the term of the bonds using a method approximating the effective interest method

Capitalized software, including internally developed software, is amortized on a straight-line basis over the expected useful life of the software

Income Taxes

The member healthcare entities of the System are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or Section 501(c)(2), and their related income is exempt from federal income tax under Section 501(a)

Regulatory Compliance

Various federal and state agencies have initiated investigations regarding reimbursement claimed by certain members of the System. 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 the investigations will not have a material adverse impact on the consolidated financial statements of the System.

Reclassifications

Certain reclassifications were made to the 2012 accompanying consolidated financial statements to conform to the 2013 presentation.

Ascension Health Alliance

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

2. Significant Accounting Policies (continued)

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 Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. This accounting standards update 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 Consolidated Statement of Operations and Changes in Net Assets rather than as an 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 System recognizes patient service revenue at the time services are rendered, even though the patient's ability to pay may not be completely assessed at that time. The System adopted this guidance as of July 1, 2012, and retrospectively applied the presentation requirements to all periods presented. Based on an assessment at the reporting entity level, the adoption of this guidance resulted in the reclassification of the System'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 losses, net by \$972,171.

Subsequent Events

The System evaluates the impact of subsequent events, which are events that occur after the Consolidated Balance Sheet date but before the consolidated financial statements are issued, for potential recognition in the consolidated financial statements as of the Consolidated Balance Sheet date. For the year ended June 30, 2013, the System evaluated subsequent events through September 18, 2013, representing the date on which the accompanying audited consolidated financial statements were issued. During this period, there were no material subsequent events that required recognition or disclosure in the accompanying consolidated financial statements.

Ascension Health Alliance

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

3. Organizational Changes

Business Combinations

Marian Health System

Effective April 1, 2013, Ascension Health, a subsidiary of the System, became the sole corporate member, through a non-cash business combination transaction, of three regional health systems that formerly comprised Marian Health System, Inc (Marian Health System) Via Christi Health, Inc (Via Christi Health), based in Wichita, Kansas, Ministry Health Care, Inc (Ministry Health Care), based in Milwaukee, Wisconsin, and St John Health System, Inc (St John Health), based in Tulsa, Oklahoma (collectively, the Marian Systems) Prior to this transaction, Marian Health System was the sole corporate member of Ministry Health Care and St John Health, while Ascension Health and Marian Health System were the two corporate members of Via Christi Health

Prior to April 1, 2013, the System accounted for its 50% interest in Via Christi Health under the equity method of accounting The System's investment in Via Christi Health at March 31, 2013 and June 30, 2012, was \$545,018 and \$493,105, respectively, which amounts were reported in the Consolidated Balance Sheets at those dates in investment in unconsolidated entities Of these amounts, \$28,101 at March 31, 2013, and \$30,321 at June 30, 2012, represented the difference between the amount at which the System's investment in Via Christi Health was carried and its interest in the underlying net assets of Via Christi Health, related to the excess of fair value of Via Christi Health property and equipment and long-term debt over their carrying values at the date the System received its interest in Via Christi Health Via Christi Health's total assets and total liabilities were \$1,706,258 and \$712,757 at June 30, 2012

For the year ended June 30, 2013, the System's excess of revenues and gains over expenses and losses included \$34,141, representing the System's share of Via Christi Health's excess of revenues over expenses prior to the business combination transaction on April 1, 2013 The System's investment in Via Christi Health of \$545,018 at March 31, 2013, was derecognized on April 1, 2013, in conjunction with the accounting for the business combination transaction

Ascension Health Alliance

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

3. Organizational Changes (continued)

Preliminary fair value adjustments for the business combination have been recorded in the accompanying consolidated financial statements as of June 30, 2013. The valuation of net assets is expected to be completed during fiscal 2014. The following table summarizes the April 1, 2013, fair values of the Marian Systems' net assets, by major type:

Net working capital	\$ 557,274
Intangible assets, including capitalized software	135,819
Property and equipment	1,950,739
Assets limited as to use	1,126,259
Investments and other long-term assets	1,125,652
Noncurrent liabilities assumed	<u>(2,144,948)</u>
Subtotal	2,750,795
Less: March 31, 2013 Investment in Via Christi Health	<u>(545,018)</u>
Fair value of net assets	<u><u>\$ 2,205,777</u></u>

The fair value of net assets of \$2,205,777 in the preceding table was recognized in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2013, as a nonoperating contribution from business combinations of \$2,028,992, contributions of temporarily and permanently restricted net assets of \$44,201 and \$67,846, respectively, and contributions of noncontrolling interests of \$64,738.

For the three months ended June 30, 2013, the System recognized revenues of the Marian Systems of \$1,049,259, and an excess of revenues and gains over expenses and losses of the Marian Systems of \$56,670, of which \$55,542 was attributable to controlling interest, with the remaining attributable to noncontrolling interests. Additionally, for the three months ended June 30, 2013, the System recognized an increase in unrestricted net assets – controlling interests, excluding the excess of revenues and gains over expenses and losses of \$56,670 above, of \$53,801, an increase in unrestricted net assets – noncontrolling interests of \$823, an increase in temporarily restricted net assets of \$915, and a decrease in permanently restricted net assets of \$56.

Ascension Health Alliance

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

3. Organizational Changes (continued)

The following unaudited pro forma financial information presents the combined results of operations of the System and the Marian Systems for the years ended June 30, 2013 and 2012, as though the April 1, 2013, business combination transaction had occurred on July 1, 2011. This pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the System and the Marian Systems constituted a single entity during those periods, nor is it necessarily indicative of future operating results.

	Year Ended June 30,	
	2013	2012
Total operating revenue	\$ 20,566,255	\$ 19,442,796
Excess of revenues and gains over expenses and losses	1,177,338	3,129,905
Increase in unrestricted net assets – controlling interest	1,307,542	2,678,973
Increase in unrestricted net assets – noncontrolling interests	879,585	672,035
Increase in temporarily restricted net assets	5,856	47,234
Increase in permanently restricted net assets	7,945	70,485

The excess of revenues and gains over expenses and losses and the increase in unrestricted net assets – controlling interest for the year ended June 30, 2012, in the table above include the nonoperating contribution from business combination of \$2,028,992 reflected in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2013, to reflect the April 1, 2013, business combination as if it had occurred on July 1, 2011. The pro forma excess of revenues and gains over expenses and losses above includes certain adjustments attributable to the April 1, 2013, business combination transaction.

In addition, the increases in unrestricted net assets – controlling interest, temporarily restricted net assets, and permanently restricted net assets for the year ended June 30, 2012, in the table above include the contributions from business combinations reflected in the contributions of noncontrolling interests and temporarily and permanently restricted net assets of \$64,738, \$44,201, and \$67,846, respectively. The preceding amounts are also reflected in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2013, to reflect the April 1, 2013, business combination as if it had occurred on July 1, 2011.

Ascension Health Alliance

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

3. Organizational Changes (continued)

Alexian Brothers Health System

Effective January 1, 2012, Ascension Health, a subsidiary of the System, became sole corporate member of Alexian Brothers Health System (Alexian Brothers), a Catholic healthcare system that operates acute and specialty care hospitals, ambulatory care clinics, physician practices, and senior living facilities in Illinois, Missouri, Tennessee, and Wisconsin. This transaction resulted in a net increase to unrestricted net assets of \$326,333, reflected as contributions from business combinations, net in the Consolidated Statement of Operations and Changes in Net Assets during the year ended June 30, 2012. Furthermore, this addition resulted in a contribution of restricted net assets of \$16,337, included in other changes in net assets in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2012.

Divestitures and Discontinued Operations

On May 1, 2013, the System entered into a definitive agreement with HCA Midwest Health System to sell St. Joseph and St. Mary's Medical Centers and other Carondelet Health subsidiaries in Kansas City, Missouri (Carondelet Health – Kansas City). This transaction is expected to close in fiscal year 2014. The operations of Carondelet Health – Kansas City are reflected in the System's consolidated financial statements as discontinued operations. The assets and liabilities of Carondelet Health – Kansas City are classified as held for sale in other assets and other liabilities, respectively, in the System's consolidated financial statements.

Effective October 1, 2011, Seton Health System, Inc. (Seton Health) in Troy, New York, separated from the System and became part of a newly formed nonprofit healthcare organization that operates in the state of New York. The operations of Seton Health are reflected in the System's consolidated financial statements as discontinued operations.

The System reported a decrease in net assets from discontinued operations of \$23,937 for the year ended June 30, 2013, representing the decrease in net assets related to the separation of Carondelet Health – Kansas City and the deficit of revenues over expenses for previously discontinued lines of business in Michigan. These entities had recorded operating revenues totaling \$303,430 during the period that they were operational during the year ended June 30, 2013.

Ascension Health Alliance

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

3. Organizational Changes (continued)

The System reported a decrease in net assets from discontinued operations of \$73,521 for the year ended June 30, 2012, representing the decrease of net assets related to the separation of Seton Health, the deficit of revenues over expenses for Carondelet Health – Kansas City and for previously discontinued lines of business in Michigan. These entities had recorded operating revenues totaling \$354,486 during the period that they were operational during the year ended June 30, 2012.

4. Pooled Investment Fund

Prior to April 2012, the System held a significant portion of its investments in 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 healthcare providers participated. In April 2012, a significant portion of the assets in the Ascension Legacy Portfolio was transferred to the CHIMCO Alpha Fund, LLC (Alpha Fund), a limited liability company organized in the state of Delaware.

At June 30, 2013 and 2012, a significant portion of the System's investments consists of the System's interest in the Alpha Fund. Certain System assets continue to be held through the Ascension Legacy Portfolio, and subsequent to April 2012, the Ascension Legacy Portfolio no longer holds assets for unrelated entities. Additional System investments include those held and managed by the Health Ministries' consolidated foundations.

The Alpha Fund includes the investment interests of the System and other Alpha Fund members. CHIMCO manages and serves as the manager and primary investment advisor of the Alpha Fund, overseeing the investment strategies offered to the Alpha Fund's members. The System began consolidating the Alpha Fund in April 2012.

The portion of the Alpha Fund's net assets representing interests held by entities other than the System are reflected in noncontrolling interests in the Consolidated Balance Sheets, which amount to \$1,450,580 and \$589,493 at June 30, 2013 and 2012, respectively.

The consolidation of the Alpha Fund by the System in April 2012 resulted in an increase of net assets of \$440,015, representing the noncontrolling interests of the Alpha Fund as of the date investments were transferred into the Alpha Fund.

Ascension Health Alliance

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

4. Pooled Investment Fund (continued)

Prior to April 2012, CHIMCO, a wholly owned subsidiary of the System, managed the investment portfolio of the System held in the Ascension Legacy Portfolio. CHIMCO provides expertise in the areas of asset allocation, selection and monitoring of outside investment managers, and risk management. The System did not consolidate the Ascension Legacy Portfolio prior to April 2012. Accordingly, the System's investments recorded in the consolidated financial statements consisted only of the System's pro rata share of the Ascension Legacy Portfolio's investments held for participants prior to April 2012.

The Alpha Fund invests in a diversified portfolio of investments including alternative investments, such as real asset funds, hedge funds, private equity funds, commodity funds, and private credit funds. Collectively, these funds have liquidity terms ranging from daily to annual with notice periods ranging from 1 to 180 days. Due to redemption restrictions, investments in certain of these funds, whose fair value was \$920,761 at June 30, 2013, cannot currently be redeemed. However, the potential for the Alpha Fund to sell its interest in these funds in a secondary market prior to the end of the fund term does exist.

The Alpha Fund's investments in certain alternative investment funds also include contractual commitments to provide capital contributions during the investment period, which is typically five years and can extend to the end of the fund term. During these contractual periods, investment managers may require the Alpha Fund to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2013, contractual agreements of the Alpha Fund expire between July 2013 and April 2019. The remaining unfunded capital commitments of the Alpha Fund total approximately \$1,140,000 for 76 individual funds as of June 30, 2013. Due to the uncertainty surrounding whether the contractual commitments will require funding during the contractual period, future minimum payments to meet these commitments cannot be reasonably estimated. These committed amounts are expected to be primarily satisfied by the liquidation of existing investments in the Alpha Fund.

In the normal course of operations and within established Alpha Fund guidelines, the Alpha Fund may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, option, and forward contracts as well as warrants and swaps. These instruments are used primarily to adjust the portfolio duration, restructure term structure exposure, change sector exposure, and arbitrage market inefficiencies. See the Fair Value Measurements note for a discussion of how fair value for the Alpha Fund's derivatives is determined.

Ascension Health Alliance

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

4. Pooled Investment Fund (continued)

At June 30, 2013 and 2012, the notional value of Alpha Fund derivatives outstanding was approximately \$2,126,000 and \$2,071,000, respectively. The fair value of Alpha Fund derivatives in an asset position was \$35,404 and \$71,936 at June 30, 2013 and 2012, respectively, while the fair value of Alpha Fund derivatives in a liability position was \$84,249 and \$36,266 at June 30, 2013 and 2012, respectively. These derivatives are included in long-term investments in the Consolidated Balance Sheets at June 30, 2013 and 2012.

The Alpha Fund also participates in a securities lending program, whereby a portion of the Alpha Fund's investments are loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned, usually on a short-term basis. The fair value of collateral held by the Alpha Fund associated with such lending agreements amounts to approximately \$394,000 and \$320,000 at June 30, 2013 and 2012, respectively, and is included in other current assets in the Consolidated Balance Sheets, while the liability associated with the obligation to repay such collateral is also approximately \$394,000 and \$320,000 at June 30, 2013 and 2012, respectively, and is included in other current liabilities in the Consolidated Balance Sheets. In addition, the Alpha Fund has liabilities for investments sold, not yet purchased, representing obligations of the Alpha Fund to purchase investments in the market at prevailing prices. The fair value of this Alpha Fund liability is approximately \$7,000 and \$160,000 at June 30, 2013 and 2012, respectively, and is included in other noncurrent liabilities in the Consolidated Balance Sheets.

Due from brokers and due to brokers on the Consolidated Balance Sheets at June 30, 2013 and 2012, represent the Alpha Fund's positions and amounts due from or to various brokers, primarily amounts for security transactions not yet settled, and cash held by brokers for securities sold, not yet purchased.

Ascension Health Alliance

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

5. Cash and Investments

The System's cash and investments are reported in the June 30, 2013 and 2012, Consolidated Balance Sheets as presented in the table that follows. Total cash and investments, net, includes both the System's membership interest in the Alpha Fund and the noncontrolling interests held by other Alpha Fund members. System unrestricted cash and investments, net, represent the System's cash and investments excluding the noncontrolling interests held by other Alpha Fund members and assets limited as to use.

	June 30,	
	2013	2012
Cash and cash equivalents	\$ 754,622	\$ 306,469
Short-term investments	113,955	216,914
Long-term investments	14,164,185	10,468,457
Subtotal	<u>15,032,762</u>	<u>10,991,840</u>
Other Alpha Fund and Ascension Legacy Portfolio assets and liabilities		
In other current assets	459,050	360,999
In other long-term assets	2,785	2,924
In accounts payable and other accrued liabilities	(5,680)	(12,779)
In other current liabilities	(394,763)	(322,873)
In other noncurrent liabilities	(6,622)	(157,073)
Due to brokers, net	<u>(315,040)</u>	<u>(91,342)</u>
Total cash and investments, net	14,772,492	10,771,696
Less noncontrolling interests of Alpha Fund	<u>1,450,580</u>	<u>589,493</u>
System cash and investments, including assets limited as to use	13,321,912	10,182,203
Less assets limited as to use		
Under bond indenture agreement	33,955	16,966
Self-insurance trust funds	728,621	683,937
Temporarily or permanently restricted	<u>564,168</u>	<u>363,482</u>
Total assets limited as to use	1,326,744	1,064,385
System unrestricted cash and investments, net	<u><u>\$ 11,995,168</u></u>	<u><u>\$ 9,117,818</u></u>

Ascension Health Alliance

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

5. Cash and Investments (continued)

At June 30, 2013 and 2012, the composition of cash and cash equivalents, short-term investments and long-term investments, which include certain assets limited as to use, is summarized as follows

	June 30,	
	2013	2012
Cash and cash equivalents and short-term investments	\$ 1,113,823	\$ 498,902
Pooled short-term investment funds	311,027	416,087
U S government, state, municipal, and agency obligations	3,447,500	3,271,474
Corporate and foreign fixed income securities	1,664,001	980,322
Asset-backed securities	1,196,168	1,057,735
Equity securities	2,695,483	1,574,188
Alternative investments and other investments		
Private equity and real estate funds	809,341	594,466
Hedge funds	2,860,776	1,887,407
Commodities funds and other investments	934,643	711,259
Total alternative investments and other investments	4,604,760	3,193,132
Total cash and cash equivalents, short-term investments, and long-term investments	<u>\$ 15,032,762</u>	<u>\$ 10,991,840</u>

Net investments under CHIMCO management and held in the Ascension Legacy Portfolio at March 31, 2012, yet not included in the Alpha Fund or the Ascension Legacy Portfolio while still managed by CHIMCO at April 1, 2012, were approximately \$1,820,000. As of June 30, 2013 and 2012, the System's membership interest in the Alpha Fund totaled \$11,251,590 and \$8,840,551, respectively. As of June 30, 2013 and 2012, the noncontrolling interest (see Note 2) in the Alpha Fund, representing interests held by entities other than the System, totaled \$1,450,580 and \$589,493, respectively.

Investment return recognized by the System for the years ended June 30, 2013 and 2012, is summarized in the following table. Total investment return includes the System's return in the Ascension Legacy Portfolio and the investment return of the Alpha Fund. System investment return represents the System's total investment return, net of the investment return earned by the noncontrolling interests of other Alpha Fund members.

Ascension Health Alliance

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

5. Cash and Investments (continued)

	Year Ended June 30,	
	2013	2012
Unrestricted investment return in Ascension Legacy Portfolio	\$ —	\$ 63,965
Interest and dividends	170,034	51,453
Net gains (losses) on investments reported at fair value	602,008	(233,826)
Restricted investment return and unrealized gains (losses), net	18,830	(880)
Total investment return	790,872	(119,288)
Less return earned by noncontrolling interests of Alpha Fund	106,039	(9,278)
System investment return	\$ 684,833	\$ (110,010)

6. Fair Value Measurements

The System 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 System'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 System 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.

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

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.

There were no significant transfers between Levels 1 and 2 during the years ended June 30, 2013 and 2012.

As of June 30, 2013 and 2012, the assets and liabilities listed in the fair value hierarchy tables below use the following valuation techniques and inputs:

Cash and cash equivalents and short-term investments

Cash and cash equivalents and certain 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. Other short-term investments designated as Level 2 investments primarily consist of commercial paper, whose fair value is based on the income approach. Significant observable inputs include security cost, maturity, credit rating, interest rate, and par value.

Pooled short-term investment fund

The fair value of pooled fund investments 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.

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

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.

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 techniques consistent with the income approach. The values for underlying investments are fair value estimates determined by external fund managers based on quoted market prices, operating results, balance sheet stability, growth, dividend, dividend yield, and other business and market sector fundamentals.

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

Alternative investments and other investments

Alternative investments consist of private equity, hedge funds, private equity funds, commodity funds, and real estate partnerships. The fair value of private equity is primarily determined using techniques consistent with both the market and income approaches, based on the System'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.

The fair value of hedge funds, private equity funds, commodity funds, and real estate partnerships is primarily determined 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.

Other investments include derivative assets and derivative liabilities of the Alpha Fund, whose fair value is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity, and recovery rates.

Securities lending collateral

The fair value of collateral received under the Alpha Fund's securities lending program is valued using the calculated net asset value for the commingled fund in which the collateral is invested. The underlying investments in the commingled fund are valued using techniques consistent with the market approach, which uses significant observable market inputs such as available trade, quotes, benchmark curves, sector groupings, and matrix pricing.

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

Benefit plan assets

The fair value of benefit plan assets is based on original investment into a guaranteed pooled fund, 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 annuity contract, the contract value, and the annualized weighted-average yield to maturity of the underlying investment portfolio.

Interest rate swap assets and liabilities

The fair value of interest rate swaps is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity, and recovery rates.

Investments sold, not yet purchased

The fair value of investments sold, not yet purchased 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.

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

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

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Cash and cash equivalents	\$ 618,129	\$ 14,277	\$ —	\$ 632,406
Short-term investments	21,821	45,258	238	67,317
Pooled short-term investment funds	311,027	—	—	311,027
U.S. government, state, municipal, and agency obligations	—	3,441,671	5,829	3,447,500
Corporate and foreign fixed income securities	—	1,272,714	391,287	1,664,001
Asset-backed securities	—	1,079,135	117,033	1,196,168
Equity securities	2,656,950	36,370	2,163	2,695,483
Alternative investments and other investments				
Private equity and real estate funds	529	3,752	799,414	803,695
Hedge funds	—	—	2,857,114	2,857,114
Commodities funds and other investments	5,762	(6,061)	831,182	830,883
Assets not at fair value				527,168
Cash and investments				<u>\$ 15,032,762</u>
Securities lending collateral, in other current assets	\$ —	\$ 394,310	\$ —	\$ 394,310
Benefit plan assets, in other noncurrent assets	225,755	—	37,505	263,260
Interest rate swaps, in other noncurrent assets	—	76,650	—	76,650
Investments sold, not yet purchased, in other noncurrent liabilities	—	6,622	—	6,622
Interest rate swaps, included in other noncurrent liabilities	—	194,546	—	194,546

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

For the year ended June 30, 2013, the changes in the fair value of the assets and liabilities measured using significant unobservable inputs (Level 3) consisted of the following

	U S																		
	Government, State, and Municipal Obligations		Corporate and Foreign Fixed Income Securities		Asset-Backed Securities		Equity Securities		Private Equity and Real Estate Funds		Commodities Funds and Other Investments		Benefit Plan Assets						
June 30, 2013	Short-Term Investments																		
Beginning balance	\$	—	\$	7,437	\$	120,418	\$	15,297	\$	13,118	\$	593,753	\$	1,887,407	\$	615,813	\$	36,882	
Total realized and unrealized gains (losses)																			
Included in income from operations		—		16		242		10		1,489		—		123		(45)		—	
Included in nonoperating gains (losses)				445		1,059		(227)		170		83,975		220,887		80,222		49	
Included in changes in net assets		3		—		—		—		—		—		293		27		—	
Purchases		—		169		328,980		122,703		718		188,085		981,414		401,957		47,644	
Settlements		—		—		—		—		—		(25)		—		—		(279)	
Sales		—		(2,238)		(58,928)		(17,883)		(13,372)		(66,836)		(232,198)		(266,889)		(44,655)	
Transfers into Level 3		235		—		2,962		—		40		927		3,271		139		13,376	
Transfers out of Level 3		—		—		(3,446)		(2,867)		—		(465)		(4,083)		(42)		(15,512)	
Ending balance	\$	238	\$	5,829	\$	391,287	\$	117,033	\$	2,163	\$	799,414	\$	2,857,114	\$	831,182	\$	37,505	

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

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

	Level 1	Level 2	Level 3	Total
June 30, 2012				
Cash and cash equivalents	\$ 78,301	\$ 3,419	\$ —	\$ 81,720
Short-term investments	14,567	79,321	—	93,888
Pooled short-term investment funds	416,087	—	—	416,087
U.S. government, state, municipal, and agency obligations	—	3,264,037	7,437	3,271,474
Corporate and foreign fixed income securities	—	859,904	120,418	980,322
Asset-backed securities	—	1,042,438	15,297	1,057,735
Equity securities	1,546,579	14,491	13,118	1,574,188
Alternative investments and other investments				
Private equity and real estate funds	—	—	593,753	593,753
Hedge funds	—	—	1,887,407	1,887,407
Commodities funds and other investments	8,699	3,327	615,813	627,839
Assets not at fair value				407,427
Cash and investments				<u>\$ 10,991,840</u>
Securities lending collateral, in other current assets	\$ —	\$ 321,937	\$ —	\$ 321,937
Benefit plan assets, in other noncurrent assets	134,705	—	36,882	171,587
Interest rate swaps, in other noncurrent assets	—	94,082	—	94,082
Investments sold, not yet purchased, in other noncurrent liabilities	—	157,073	—	157,073
Interest rate swaps, included in other noncurrent liabilities	—	252,413	—	252,413

Ascension Health Alliance

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

6. Fair Value Measurements (continued)

For the year ended June 30, 2012, the changes in the fair value of the assets and liabilities measured using significant unobservable inputs (Level 3) consisted of the following Level 3 investments of the Alpha Fund are included in transfers in the table below

	U.S. Government, State, Municipal, and Agency Obligations	Corporate and Foreign Fixed Income Securities	Asset-Backed Securities	Equity Securities	Private Equity and Real Estate Funds	Hedge Funds	Commodities Funds and Other Investments	Benefit Plan Assets
June 30, 2012								
Beginning balance	\$ 442	\$ 5,024	\$ 1,924	\$ 15,515	\$ 71,768	\$ 11,667	\$ 2,731	\$ 31,706
Total realized and unrealized gains (losses)								
Included in income from operations	21	192	(7)	886	—	45	(436)	—
Included in nonoperating gains (losses)	6	904	(149)	(69)	(6,814)	(15,149)	(12,031)	—
Included in changes in net assets	—	—	—	—	64	1,233	(7)	20
Purchases	—	77,943	2,919	—	64,537	154,740	238,895	8,701
Settlements	—	—	—	—	—	—	—	(91)
Issuances	—	—	—	—	—	—	—	35
Sales	—	(57,768)	(2,700)	(3,588)	(9,215)	(5,187)	(76,098)	(5,373)
Transfers into Level 3	6,968	94,201	15,012	374	473,413	1,740,058	462,759	2,649
Transfers out of Level 3	—	(78)	(1,702)	—	—	—	—	(765)
Ending balance	<u>\$ 7,437</u>	<u>\$ 120,418</u>	<u>\$ 15,297</u>	<u>\$ 13,118</u>	<u>\$ 593,753</u>	<u>\$ 1,887,407</u>	<u>\$ 615,813</u>	<u>\$ 36,882</u>

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur

Ascension Health Alliance

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

7. Long-Term Debt

Long-term debt at June 30, 2013 and 2012, is comprised of the following and is presented in accordance with the specific master trust indenture to which the debt relates. As further discussed below, certain portions of long-term debt are secured under the Alexian Brothers Health System Master Trust Indenture, the Mercy Regional Health Center, Inc. Master Trust Indenture, The Howard Young Medical Center, Inc. Master Trust Indenture, the St. John Health System Master Trust Indenture, and the Ministry Health Care Master Trust Indenture.

	June 30,		2012
	2013		
Tax-exempt hospital revenue bonds – secured under Ascension Health Alliance Senior Credit Group Master Trust Indenture			
Variable rate demand bonds, subject to a put provision that provides for a cumulative 7-month notice and remarketing period, payable through November 2047, interest (0.12% to 0.15% at June 30, 2013) tied to a market index plus a spread	\$ 408,605	\$	308,605
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2039, interest (0.06% to 0.07% at June 30, 2013) set at prevailing market rates	225,665		225,665
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2033, interest (0.06% to 0.07% at June 30, 2013) set at prevailing market rates, swapped to fixed rates of 5.454% and 5.544%, respectively, through maturity	307,300		307,300
Indexed put bonds subject to weekly rate resets based on a taxable index, payable through November 2046, interest (2.095% at June 30, 2013) swapped to a variable rate tied to a tax-exempt market index plus a spread through November 2016	153,800		153,800
Fixed rate put bonds (converted from an indexed put bond made based on a taxable index in May 2009) payable through November 2046, interest (4.10% at June 30, 2013) swapped to a variable rate tied to a market index plus a spread through November 2016	153,690		153,690
Fixed rate serial and term bonds payable in installments through November 2051, interest at 2.00% to 5.25%	1,207,490		1,308,105
Fixed rate serial and term bonds payable in installments through November 2039, interest at 5.00% swapped to variable rates over the life of the bonds	587,360		587,360
Fixed rate serial mode bonds payable through 2047 with purchase dates ranging from June 2014 through June 2021, interest at 0.90% to 5.00% through the purchase dates	1,224,750		904,185

Ascension Health Alliance

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

7. Long-Term Debt (continued)

	June 30,	
	2013	2012
Tax-exempt hospital revenue bonds – unsecured under Ascension Health Alliance Subordinate Master Trust Indenture		
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2027, interest (0.06% at June 30, 2013) set at prevailing market rates	\$ 56,060	\$ 56,060
Fixed rate serial mode bonds payable through 2027 with purchase dates through November 2019, interest at 1.625%, swapped to variable mode through the purchase dates	49,810	49,810
Fixed rate serial mode bonds payable through 2027 with purchase dates through May 2018, interest at 0.55% to 5.00%	396,705	396,705
Taxable bonds – secured under Ascension Health Alliance Senior Credit Group Master Trust Indenture		
Taxable fixed rate term bonds payable in installments through November 2053, interest at 4.847%	425,000	–
Total hospital revenue bonds under Senior Master Trust Indenture and Subordinate Master Trust Indenture	5,196,235	4,451,285
Tax-exempt hospital revenue bonds – secured under Alexian Brothers Health System Master Trust Indenture		
Fixed rate term bonds payable in installments through February 2038, interest at 3.50% to 5.50%	157,000	161,565
Total hospital revenue bonds under the Alexian Brothers Health System Master Trust Indenture	157,000	161,565
Tax-exempt hospital revenue bonds – secured under Mercy Regional Health Center, Inc. Master Trust Indenture		
Fixed rate term bonds payable in installments through November 2029, interest at 2.00% to 5.00%	25,060	–
Total hospital revenue bonds under the Mercy Regional Health Center, Inc. Master Trust Indenture	25,060	–
Tax-exempt hospital revenue bonds – secured under The Howard Young Medical Center, Inc. Master Trust Indenture		
Fixed rate term bonds payable in installments through August 2030, interest at 3.00% to 5.00%	20,040	–
Total hospital revenue bonds under The Howard Young Medical Center, Inc. Master Trust Indenture	20,040	–

Ascension Health Alliance

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

7. Long-Term Debt (continued)

	June 30,	
	2013	2012
Tax-exempt hospital revenue bonds – secured under St. John Health System Master Trust Indenture		
Fixed rate term bonds payable in installments through February 2042, interest at 4.00% to 5.00%	\$ 414,500	\$ –
Total hospital revenue bonds under the St. John Health System Master Trust Indenture	414,500	–
Tax-exempt hospital revenue bonds – secured under Ministry Health Care Master Trust Indenture		
Fixed rate term bonds payable in installments through August 2035, interest at 2.50% to 5.50%	368,260	–
Total hospital revenue bonds under the Ministry Health Care Master Trust Indenture	368,260	–
Total hospital revenue bonds under the Ascension Health Alliance Senior Master Trust Indenture, Ascension Health Alliance Subordinate Master Trust Indenture, the Alexian Brothers Health System Master Trust Indenture, the Mercy Regional Health Center, Inc. Master Trust Indenture, The Howard Young Medical Center, Inc. Master Trust Indenture, St. John Health System Master Trust Indenture, and Ministry Health Care Master Trust Indenture	6,181,095	4,612,850
Other debt		
Obligations under capital leases	42,979	33,221
Other	113,823	37,936
	6,337,897	4,684,007
Unamortized premium, net	218,536	111,187
Less current portion	(90,442)	(45,363)
Less long-term debt subject to short-term remarketing arrangements	(1,187,125)	(1,094,425)
Long-term debt, less current portion and long-term debt subject to short-term remarketing arrangements	\$ 5,278,866	\$ 3,655,406

Ascension Health Alliance

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

7. Long-Term Debt (continued)

	June 30,	
	2013	2012
Ascension Health Alliance Senior Master Trust Indenture long-term debt obligations, including unamortized premium, net	\$ 3,579,334	\$ 2,919,702
Ascension Health Alliance Subordinate Master Trust Indenture long-term debt obligations, including unamortized premium, net	511,009	515,278
Alexian Brothers Health System Master Trust Indenture long-term debt obligations, including unamortized premium, net	162,594	167,257
Mercy Health Regional Center, Inc. Master Trust Indenture long-term debt obligations, including unamortized premium, net	27,258	—
The Howard Young Medical Center, Inc. Master Trust Indenture long-term debt obligations, including unamortized premium, net	20,933	—
St. John Health System Master Trust Indenture long-term debt obligations, including unamortized premium, net	437,503	—
Ministry Health Care Master Trust Indenture long-term debt obligations, including unamortized premium, net	394,781	—
Other	145,454	53,169
Long-term debt, less current portion, and long-term debt subject to short-term remarketing arrangements	<u>\$ 5,278,866</u>	<u>\$ 3,655,406</u>

Scheduled principal repayments of long-term debt, considering obligations subject to short-term remarketing as due according to their long-term amortization schedule, as of June 30, 2013, are as follows

Year ending June 30	Ascension Health Alliance MTIs	Alexian Brothers Health System MTI	Mercy Regional Health Center, Inc. MTI	The Howard Young Medical Center, Inc. MTI	St. John Health System MTI	Ministry Health Care MTI	Other Debt	Total
2014	\$ 57.135	\$ 3.290	\$ 1.020	\$ 855	\$ 6,950	\$ 9,845	\$ 11,230	\$ 90,325
2015	59.835	340	1,045	875	7,305	11,185	10,168	90,753
2016	50.130	7,485	1,080	910	7,680	11,665	6,393	85,343
2017	65.945	13,130	1,125	945	8,070	12,185	19,878	121,278
2018	69.045	15,655	1,175	975	6,890	12,890	6,422	113,052
Thereafter	4,894,145	117,100	19,615	15,480	377,605	310,490	102,711	5,837,146
Total	<u>\$ 5,196,235</u>	<u>\$ 157,000</u>	<u>\$ 25,060</u>	<u>\$ 20,040</u>	<u>\$ 414,500</u>	<u>\$ 368,260</u>	<u>\$ 156,802</u>	<u>\$ 6,337,897</u>

Ascension Health Alliance

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

7. Long-Term Debt (continued)

The carrying amounts of variable rate bonds and other notes payable approximate fair value. The fair values of the unsecured fixed rate serial and term bonds are obtained from independent public valuation services. The fair value of fixed rate serial and term bonds, including the component of variable rate demand bonds subject to long-term fixed interest rates, approximates carrying value at June 30, 2013 and 2012. During the years ended June 30, 2013 and 2012, interest paid was approximately \$170,000 and \$144,000, respectively. Capitalized interest was approximately \$5,400 and \$2,000 for the years ended June 30, 2013 and 2012, respectively.

Certain members of the System formed the Ascension Health Alliance 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 the System. Senior designated affiliates and senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI. The System 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 payment of the outstanding obligations. Additionally, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with the System with stipulated repayment terms and conditions, each subject to the governing law of the senior limited designated affiliate's state of incorporation.

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.

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 (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 the System. Subordinate designated affiliates and subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI. The System may cause each subordinate designated affiliate to

Ascension Health Alliance

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

7. Long-Term Debt (continued)

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 the System, with stipulated repayment terms and conditions, each subject to the governing law of the subordinate limited designated affiliate's state of incorporation.

The unsecured variable rate demand bonds of both the Senior and Subordinate Credit Groups, while subject to long-term amortization periods, may be put to the System at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within 12 months after June 30, 2013, the principal amount of such bonds has been classified as a current liability in the accompanying Consolidated Balance Sheets. Management believes the likelihood of a material amount of bonds being put to the System to be remote. However, to address this possibility, management has taken steps to provide various sources of liquidity in the event any bonds would be put, including the line of credit, commercial paper program, and maintaining unrestricted assets as a source of self-liquidity.

On January 1, 2012, Alexian Brothers became part of the System. Subsequently, the System redeemed or refinanced a portion of Alexian Brothers' debt, however, a portion of the bonds previously issued for the benefit of Alexian Brothers remains outstanding (the Alexian Brothers' Bonds). The Alexian Brothers' Bonds continue to be secured by the Alexian Brothers Health System Master Trust Indenture (As Amended and Restated), dated October 1, 1992, between the Members of the Alexian Brothers Health System Obligated Group established under this document and the Alexian Brothers Health System Master Trustee.

On April 1, 2013, Marian Health System joined Ascension Health. Subsequently, the System redeemed or refinanced a portion of the debt of the Marian Systems, however, a portion of the bonds previously issued for the benefit of the Marian Systems remains outstanding. These bonds continue to be secured by the respective Master Trust Indentures, including the Amended and Restated Master Trust Indenture dated October 1, 1999, by and between St. John Health System and the St. John Health Master Trustee, the Master Trust Indenture dated October 1, 1984, by and between Ministry Health Care and the Ministry Health Care Master Trustee, the Master Trust Indenture dated August 15, 1993, between The Howard Young Medical Center, Inc., a subsidiary of Ministry Health Care, and The Howard Young Medical Center, Inc. Master

Ascension Health Alliance

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

7. Long-Term Debt (continued)

Trustee, and the Master Trust Indenture dated January 15, 2013, between Mercy Regional Health Center, Inc (a subsidiary of Via Christi Health) and the Mercy Regional Health Center, Inc Master Trustee

In June 2013, the System issued a total of \$521,865 of tax-exempt bonds, Series 2013A and 2013B, through the Wisconsin issuing authority In June 2013, the System also issued a total of \$425,000 of taxable bonds, Series 2013A The proceeds of the bonds, including original issue premium, were used to refinance debt and general corporate purposes

In May 2012, the System issued a total of \$435,370 of tax-exempt bonds, Series 2012A through 2012E, through four different issuing authorities in four different states The proceeds of the bonds, including original issue premium, were used to reimburse the System for previous capital expenditures

Due to aggregate financing activity during the fiscal years ended June 30, 2013 and 2012, losses on extinguishment of debt of \$4,079 and \$2,813, respectively, were recorded, which are included in nonoperating gains (losses) in the accompanying Consolidated Statements of Operations and Changes in Net Assets

The System is a party to multiple interest rate swap agreements that convert the variable or fixed rates of certain debt issues to fixed or variable rates, respectively See the Derivative Instruments note for a discussion of these derivatives

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 debt (including commercial paper) or for general corporate purposes, towards 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 Senior 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 The revolving line of credit may be accessed solely in the form of Letters of Credit issued by the bank for the benefit of the members of the Credit Groups Of this \$75,000 revolving line of credit, letters of credit totaling \$46,765 have been issued as of June 30, 2013 No borrowings were outstanding under the letters of credit as of June 30, 2013 and 2012

Ascension Health Alliance

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

8. Derivative Instruments

The System uses interest rate swap agreements to manage interest rate risk associated with its outstanding debt. Interest rate swaps with varying characteristics are outstanding under the Master Trust Indentures of the System, Alexian Brothers, Ministry Health Care, and St. John Health. These swaps have historically been used to effectively convert interest rates on variable rate bonds to fixed rates and rates on fixed rate bonds to variable rates. At June 30, 2013 and 2012, the notional values of outstanding interest rate swaps were as follows:

	June 30,	
	2013	2012
Ascension Health Alliance MTI	\$ 2,128,757	\$ 2,189,232
Alexian Brothers Health System MTI	47,220	55,120
Ministry Health Care MTI	270,880	—
St. John Health System MTI	125,000	—
Total	<u>\$ 2,571,857</u>	<u>\$ 2,244,352</u>

The System recognizes the fair value of its interest rate swaps in the Consolidated Balance Sheets as assets, recorded in other noncurrent assets, or liabilities, recorded in other noncurrent liabilities, as appropriate. The respective fair values of interest rate swaps in an asset and liability position for the System, Alexian Brothers, Ministry Health Care and St. John Health were as follows:

	June 30, 2013		June 30, 2012	
	Asset	Liability	Asset	Liability
Ascension Health Alliance MTI	\$ 73,846	\$ 174,413	\$ 94,082	\$ 248,511
Alexian Brothers Health System MTI	—	2,685	—	3,902
Ministry Health Care MTI	2,804	16,492	—	—
St. John Health System MTI	—	956	—	—
Total	<u>\$ 76,650</u>	<u>\$ 194,546</u>	<u>\$ 94,082</u>	<u>\$ 252,413</u>

Ascension Health Alliance

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

8. Derivative Instruments (continued)

The System's interest rate swap agreements include collateral requirements for each counterparty under such agreements, based upon specific contractual criteria. Collateral requirements are separately calculated for the System, Alexian Brothers, Ministry Health Care, and St. John Health based on the credit ratings of each. In the case of the System, the applicable credit rating is the Senior Credit Group long-term debt credit ratings (Senior Debt Credit Ratings), as obtained from each of two major credit rating agencies. Credit rating and the net liability position of total interest rate swap agreements outstanding with each counterparty determine the amount of collateral to be posted. Collateral and net fair value of interest rate swap agreements with credit-risk-related contingent features at June 30, 2013 and 2012, based upon the respective net liability positions and applicable credit ratings were as follows:

	June 30, 2013		June 30, 2012	
	Net Fair Value	Collateral Posted	Net Fair Value	Collateral Posted
Ascension Health Alliance				
MTI	\$ (100,567)	\$ —	\$ (154,429)	\$ —
Alexian Brothers Health				
System MTI	(2,685)	—	(3,902)	—
Ministry Health Care MTI	(13,688)	23,024	—	—
St. John Health System MTI	(956)	—	—	—
Total	\$ (117,896)	\$ 23,024	\$ (158,331)	\$ —

Prior to July 1, 2006, the System designated certain of its interest rate swaps as cash flow hedges, for accounting purposes, and accordingly deferred gains or losses associated with those swaps in net assets. As of June 30, 2013, the deferred net gain associated with these interest rate swaps was \$4,357. The portion of this gain that will be reclassified into nonoperating gains (losses) over the next 12 months is immaterial.

Beginning July 1, 2006, the System's previously designated cash flow hedging relationships were de-designated for accounting purposes. Accordingly, all changes in the fair value of interest rate swaps have been recognized in nonoperating gains (losses) in the accompanying Consolidated Statements of Operations and Changes in Net Assets. A net nonoperating loss of \$61,349 was recognized for the year ended June 30, 2013, while a net nonoperating loss of \$77,568 was recognized for the year ended June 30, 2012.

Ascension Health Alliance

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

9. Retirement Plans

Defined-Benefit Plans

Certain System entities participate in defined-benefit pension plans (the System Plans), which are noncontributory, defined-benefit pension plans covering substantially all eligible employees of certain System entities. Benefits are based on each participant's years of service and compensation. All of the System Plans' assets are invested in Trusts, which include the Master Pension Trust (the Trust) and other trusts (the Other Trusts). The System Plans' assets primarily consist of cash and cash equivalents, equity, fixed income funds, and alternative investments. Contributions to the System Plans are based on actuarially determined amounts sufficient to meet the benefits to be paid to participants.

During the years ended June 30, 2013 and 2012, the System approved and communicated to employees a redesign of associate retirement benefits, which affects certain System Plans, as well as provides an enhanced comprehensive defined contribution plan. This redesign resulted in the recognition of curtailment gains of \$73,198 and \$415,834, for the years ended June 30, 2013 and 2012, respectively, of which, \$73,198 and \$402,402 was recognized in total impairment, restructuring, and nonrecurring gains for the years ended June 30, 2013 and 2012, respectively. This redesign also resulted in a decrease to the projected benefit obligation and is included in pension and other postretirement liabilities in the Consolidated Balance Sheets.

The assets of the System Plans are available to pay the benefits of eligible employees and retirees of all participating entities. In the event entities participating in the System Plans are unable to fulfill their financial obligations under the System Plans, the other participating entities are obligated to do so.

Ascension Health Alliance

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

9. Retirement Plans (continued)

The following table sets forth the combined benefit obligations and assets of the System Plans at June 30, 2013 and 2012, components of net periodic benefit costs for the years then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements

	Year Ended June 30,	
	2013	2012
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	\$ 6,437,246	\$ 5,734,449
Service cost	119,018	194,906
Interest cost	289,634	311,981
Amendments	(12,792)	(5,463)
Assumption change	(363,778)	873,252
Actuarial (gain) loss	(28,641)	1,051
Business combinations	1,137,270	131,174
Curtailment	(74,962)	(561,854)
Benefits paid	(301,215)	(242,250)
Projected benefit obligation at end of year	<u>7,201,780</u>	<u>6,437,246</u>
Accumulated benefit obligation at end of year	7,155,166	6,341,693
Change in plan assets		
Fair value of plan assets at beginning of year	5,992,677	5,397,593
Actual return on plan assets	121,715	711,555
Employer contributions	54,541	14,421
Business combinations	874,666	111,358
Benefits paid	(301,215)	(242,250)
Fair value of plan assets at end of year	<u>6,742,384</u>	<u>5,992,677</u>
Net amount recognized at end of year and funded status	<u>\$ (459,396)</u>	<u>\$ (444,569)</u>

The System Plans' funded status as a percentage of the projected benefit obligation at June 30, 2013 and 2012, was 93.6% and 93.1%, respectively. The System Plans' funded status as a percentage of the accumulated benefit obligation at June 30, 2013 and 2012, was 94.2% and 94.5%, respectively.

Ascension Health Alliance

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

9. Retirement Plans (continued)

Included in unrestricted net assets at June 30, 2013 and 2012, are the following amounts that have not yet been recognized in net periodic pension cost for the System Plans

	Year Ended June 30,	
	2013	2012
Unrecognized prior service credit	\$ (23,080)	\$ (16,230)
Unrecognized actuarial loss	364,739	433,352
	<u>\$ 341,659</u>	<u>\$ 417,122</u>

Changes in plan assets and benefit obligations recognized in unrestricted net assets for System Plans during 2013 and 2012 include

	Year Ended June 30,	
	2013	2012
Current year actuarial (gain) loss	\$ (87,934)	\$ 48,601
Amortization of actuarial loss	19,725	350,877
Current year prior service credit	(12,792)	(5,463)
Amortization of prior service credit	5,944	58,781
	<u>\$ (75,057)</u>	<u>\$ 452,796</u>

	Year Ended June 30,	
	2013	2012
Components of net periodic benefit cost		
Service cost	\$ 119,018	\$ 194,906
Interest cost	289,634	311,981
Expected return on plan assets	(500,497)	(447,703)
Amortization of prior service credit	(6,242)	(10,646)
Amortization of actuarial loss	53,783	16,931
Curtailment gain	(73,198)	(415,834)
Settlement gain	(12)	(111)
Net periodic benefit cost	<u>\$ (117,514)</u>	<u>\$ (350,476)</u>

Ascension Health Alliance

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

9. Retirement Plans (continued)

The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending June 30, 2014, are \$4,200 and \$7,630, respectively

The assumptions used to determine the benefit obligation and net periodic benefit cost for the System Plans are set forth below

	June 30,	
	2013	2012
Weighted-average discount rate	4.88%	4.42%
Weighted-average rate of compensation increase	3.81%	4.00%
Weighted-average expected long-term rate of return on plan assets	8.30%	8.43%

The System Plans' assets invested in the Trust are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. Diversification is achieved by allocating to funds and managers that correlate to one of three economic strategies: growth, deflation, and inflation. Growth strategies include U.S. equity, emerging market equity, global equity, international equity, directional hedge funds, private equity, high yield, and private credit. Deflation strategies include core fixed income, absolute return hedge funds, and cash. Inflation strategies include inflation-linked bonds, commodity-related investments, and real assets. The System Plans use multiple investment managers with complementary styles, philosophies, and approaches. In accordance with the System Plans' objectives, derivatives may also be used to gain market exposure in an efficient and timely manner.

Ascension Health Alliance

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

9. Retirement Plans (continued)

In accordance with the System Plans' asset diversification targets, as presented in the table that follows, the Trust holds certain alternative investments, consisting of various hedge funds, real asset funds, private equity funds, commodity funds, private credit funds, and certain other private funds. These investments do not have observable market values. As such, each of these investments is valued at net asset value as determined by each fund's investment manager, which approximates fair value. The fair value of the System Plans' alternative investments in the Trust as of June 30, 2013, is reported in the fair value measurement table that follows. Collectively, these funds have liquidity terms ranging from daily to annual with notice periods ranging from 1 to 180 days. Due to redemption restrictions, investments of certain private funds, whose fair value was approximately \$665,000 at June 30, 2013, cannot be redeemed. However, the potential for the System Plans to sell their interest in real asset funds and private equity funds in a secondary market prior to the end of the fund term does exist.

The investments in these alternative investment funds may also include contractual commitments to provide capital contributions during the investment period, which is typically five years, and may extend to the end of the fund term. During these contractual periods, investment managers may require the System Plans to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2013, investment periods expire between July 2013 and March 2018. The remaining unfunded capital commitments of the Trust total approximately \$525,000 for 57 individual contracts as of June 30, 2013.

The weighted-average asset allocation for the System Plans in the Trust at the end of fiscal 2013 and 2012 and the target allocation for fiscal 2014, by asset category, are as follows:

Asset category	Target Allocation	Percentage of Plan Assets at Year-End	
	2014	2013	2012
Growth	50%	52%	49%
Deflation	30	29	32
Inflation	20	19	19
Total	100%	100%	100%

Ascension Health Alliance

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

9. Retirement Plans (continued)

The System Plans' assets in the Other Trusts are invested in portfolios designed to best serve the participants of the System Plans' through a long-term investment strategy designed to ensure that funds are available to pay benefits as they become due and to maximize the total return at a prudent level of investment risk. The System Plans' assets invested in the Other Trusts are diversified among various assets classes based upon established investment guidelines.

Asset category	Target Allocation	Percentage of Plan Assets at Year-End	
	2014	2013	2012
Cash	4%	6%	1%
Growth	58	61	63
Income	29	25	22
Other	9	8	14
Total	100%	100%	100%

Ascension Health Alliance

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

9. Retirement Plans (continued)

The following tables summarize fair value measurements at June 30, 2013 and 2012, by asset class and by level, for the System Plans' assets and liabilities. As also discussed in the Fair Value Measurements note, the System follows the three-level fair value hierarchy to categorize plan assets and liabilities recognized at fair value, which prioritizes the inputs used to measure such fair values. The inputs and valuation techniques discussed in the Fair Value Measurements note also apply to the System Plans' assets and liabilities as presented in the following tables.

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Short-term investments	\$ 324,803	\$ 20,331	\$ –	\$ 345,134
Derivatives receivable	1,078	337	21,059	22,474
U S government, state, municipal, and agency obligations	–	1,671,493	1,266	1,672,759
Corporate and foreign fixed income securities	25,843	566,812	53,729	646,384
Asset-backed securities	–	226,920	22,838	249,758
Equity securities	1,317,933	18,741	2,936	1,339,610
Alternative investments and other investments				
Private equity and real estate funds	–	–	747,864	747,864
Hedge funds	34,708	–	1,452,190	1,486,898
Commodities funds and other investments	–	316,971	271,282	588,253
Assets not at fair value				334,875
Total				<u>7,434,009</u>
Derivatives payable	68	300	248,988	249,356
Investments sold, not yet purchased	3,794	(71)	–	3,723
Liabilities not at fair value				438,546
Total				<u>691,625</u>
Fair value of plan assets				<u>\$ 6,742,384</u>

Ascension Health Alliance

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

9. Retirement Plans (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2012				
Short-term investments	\$ 192,025	\$ 5,392	\$ –	\$ 197,417
Derivatives receivable	63,991	92,702	14,229	170,922
U S government, state, municipal, and agency obligations	–	2,189,580	1,903	2,191,483
Corporate and foreign fixed income securities	70,238	387,734	28,308	486,280
Asset-backed securities	–	194,201	14,243	208,444
Equity securities	782,558	–	1,514	784,072
Alternative investments and other investments				
Private equity and real estate funds	–	–	546,165	546,165
Hedge funds	–	–	1,187,124	1,187,124
Commodities funds and other investments	–	–	282,320	282,320
Assets not at fair value				874,681
Total				<u>6,928,908</u>
Derivatives payable	5,849	51,314	6,055	63,218
Investments sold, not yet purchased	–	29,342	–	29,342
Liabilities not at fair value				843,671
Total				<u>936,231</u>
Fair value of plan assets				<u>\$ 5,992,677</u>

Ascension Health Alliance

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

9. Retirement Plans (continued)

For the years ended June 30, 2013 and 2012, the changes in the fair value of the System Plans' assets measured using significant unobservable inputs (Level 3) consisted of the following

	Net Derivatives	U S Government, State, Municipal, and Agency Obligations	Corporate and Foreign Fixed Income Securities	Asset-Backed Securities	Equity Securities	Private Equity and Real Estate Funds	Hedge Funds	Commodities Funds and Other Investments
June 30, 2013								
Beginning balance	\$ 8,174	\$ 1,903	\$ 28,308	\$ 14,243	\$ 1,514	\$ 546,165	\$ 1,187,124	\$ 282,320
Acquisitions	—	—	—	—	—	37,048	—	9,994
Total actual return on assets	(154,133)	130	(171)	(89)	5	54,153	147,977	(21,032)
Purchases, issuances, and settlements	(122,486)	(767)	31,994	20,384	1,417	98,174	156,513	—
Transfers into (out of) Level 3	40,516	—	(6,402)	(11,700)	—	12,324	(39,424)	—
Ending balance	\$ (227,929)	\$ 1,266	\$ 53,729	\$ 22,838	\$ 2,936	\$ 747,864	\$ 1,452,190	\$ 271,282
Actual return on plan assets relating to plan assets still held at June 30, 2013	\$ (280,606)	\$ 59	\$ (2,202)	\$ (115)	\$ 227	\$ 54,968	\$ 147,248	\$ (21,024)
June 30, 2012								
Beginning balance	\$ (208,367)	\$ 2,129	\$ 19,462	\$ 4,427	\$ 1,701	\$ 376,420	\$ 1,011,817	\$ 203,246
Acquisitions	—	—	—	—	—	—	30,428	—
Total actual return on assets	167,900	48	1,431	(211)	(196)	25,991	(9,426)	(30,748)
Purchases, issuances, and settlements	48,641	(274)	9,662	10,517	—	143,754	154,305	109,826
Transfers (out of) into Level 3	—	—	(2,247)	(490)	9	—	—	(4)
Ending balance	\$ 8,174	\$ 1,903	\$ 28,308	\$ 14,243	\$ 1,514	\$ 546,165	\$ 1,187,124	\$ 282,320
Actual return on plan assets relating to plan assets still held at June 30, 2012	\$ 9,095	\$ 11	\$ (820)	\$ (477)	\$ —	\$ 18,389	\$ (38,835)	\$ (29,356)

The Trust has entered into a series of interest rate swap agreements with a net notional amount of \$2,699,100. The combined targeted duration of these swaps and the Trust's fixed income investments approximates the duration of the liabilities of the Trust. Currently, 75% of the dollar duration of the liability is subject to this economic hedge. The purpose of this strategy is to economically hedge the change in the net funded status for a significant portion of the liability that can occur due to changes in interest rates.

Ascension Health Alliance

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

9. Retirement Plans (continued)

The expected long-term rate of return on the System Plans' assets is based on historical and projected rates of return for current and planned asset categories in the investment portfolio. Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates. Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets.

Information about the expected cash flows for the System Plans follows:

Expected employer contributions 2014	\$ 53,090
Expected benefit payments	
2014	445,000
2015	452,800
2016	464,400
2017	484,000
2018	489,500
2019–2023	2,461,000

The contribution amount above includes amounts paid to Trusts. The benefit payment amounts above reflect the total benefits expected to be paid from Trusts.

Other Postretirement Benefit Plans

In addition to the retirement plan described above, certain Health Ministries sponsor postretirement benefit plans that provide healthcare benefits to qualified retirees who meet certain eligibility requirements. The total benefit obligation of these plans at June 30, 2013 and 2012, is \$45,308 and \$47,428, respectively. The net obligation included in pension and other postretirement liabilities in the accompanying Consolidated Balance Sheets at June 30, 2013 and 2012, is \$6,624 and \$12,423, respectively. The change in the plans' assets and benefit obligations recognized in unrestricted net assets during the year ended June 30, 2013, was \$2,678.

Ascension Health Alliance

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

9. Retirement Plans (continued)

Defined-Contribution Plans

System entities participate in contributory and noncontributory defined-contribution plans covering all eligible associates. There are three primary types of contributions to these plans: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary and, for certain entities, increases over specified periods of employee service. 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 these employer contributions immediately. Expenses for the defined-contribution plans were \$202,838 and \$127,134 during 2013 and 2012, respectively.

10. Self-Insurance Programs

Certain System hospitals and other entities participate 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. The System provides its self-insurance through various trust funds and captive insurance companies. Actuarially determined amounts, discounted at 6% for the System, are contributed to the trust funds and the captive insurance companies 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, which are discounted at 6% in 2013 and 2012 for the System. Those entities not participating in the self-insured programs are insured under separate policies.

Ascension Health Alliance

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

10. Self-Insurance Programs (continued)

Professional and General Liability Programs

Professional and general liability coverage is provided on a claims-made basis through a wholly owned onshore trust and through AHIL

AHIL has 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 retains \$5,000 per occurrence and \$5,000 annual aggregate for professional liability. AHIL also retains a 20% quota share of the first \$25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers.

Sunflower Assurance, Inc. (Sunflower) was acquired when Marian Health System joined the System. Sunflower provides excess coverage with limits up to \$75,000 above the primary coverage for Via Christi Health and retains 10% of the first reinsurance layer of \$10,000 on a quota share basis. The remaining excess coverage is reinsured by commercial carriers.

Self-insured entities in the states of Indiana, Kansas, and Wisconsin are provided professional liability coverage with limits in compliance with participation in the Patient Compensation Funds. The Patient Compensation Funds apply to claims in excess of the primary self-insured limit.

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is professional and general liability expense of \$74,887 and \$71,687 for the years ended June 30, 2013 and 2012, respectively. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are professional and general liability loss reserves of \$614,913 and \$596,381 at June 30, 2013 and 2012, respectively.

AHIL also offers physician professional liability coverage through insurance or reinsurance arrangements to nonemployed physicians practicing at the System's various facilities, primarily in Michigan, Indiana, Kansas, and Illinois. Coverage is offered to physicians with limits ranging from \$100 per claim to \$1,000 per claim with various aggregate limits.

Edessa Insurance Company Ltd. (Edessa) was acquired as part of the Alexian Brothers business combination, as discussed in the Organizational Changes note. Effective July 1, 2012, the self-insurance programs of Edessa were consolidated into AHIL, and Edessa ceased operations.

Ascension Health Alliance

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

10. Self-Insurance Programs (continued)

Workers' Compensation

Workers' compensation coverage is provided on an occurrence basis through a grantor trust. The self-insured trust provides coverage up to \$1,000 per occurrence with no aggregate. The trust provides a mechanism for funding the workers' compensation obligations of its members. Workers' compensation coverage for Marian Health System is self-insured or commercially insured up to various limits. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and represent 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 \$44,395 and \$40,256 for the years ended June 30, 2013 and 2012, respectively. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are workers' compensation loss reserves of \$137,825 and \$110,657 at June 30, 2013 and 2012, respectively.

11. Lease Commitments

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

Year ending June 30	
2014	\$ 211,716
2015	191,235
2016	149,545
2017	121,166
2018	93,215
Thereafter	231,248
Total	<u>\$ 998,125</u>

Certain System entities are lessees under operating lease agreements for the use of space in buildings owned by third parties, including medical office buildings (MOBs) and medical and information technology equipment. In addition, certain System entities have subleased space within buildings where the entity has a current operating lease commitment. Certain System entities are also lessors under operating lease agreements, primarily ground leases related to third-party-owned MOBs on land owned by the System entity.

Ascension Health Alliance

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

11. Lease Commitments (continued)

The System's future minimum noncancelable payments associated with operating leases where a System entity is the lessee, as well as future minimum noncancelable receipts associated with operating leases where a System entity is the sublessor or lessor, are presented in the table that follows. Future minimum payments and receipts relate to noncancelable leases with terms of one year or more.

	Future Payments Where the System is Lessee	Future Receipts Where the System is Sublessor/ Lessor	Net Future Payments (Receipts)
Year ending June 30			
2014	\$ 211,716	\$ 45,749	\$ 165,967
2015	191,235	38,072	153,163
2016	149,545	32,591	116,954
2017	121,166	28,075	93,091
2018	93,215	25,289	67,926
Thereafter	231,248	299,907	(68,659)
Total	<u>\$ 998,125</u>	<u>\$ 469,683</u>	<u>\$ 528,442</u>

Rental expense under operating leases amounted to \$365,718 and \$336,538 in 2013 and 2012, respectively.

12. Contingencies and Commitments

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. Regulatory investigations also occur from time to time. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the System's Consolidated Balance Sheet.

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

Ascension Health Alliance

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

12. Contingencies and Commitments (continued)

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, identified System hospitals are reviewing applicable medical records and responding to the DOJ. The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. Through September 18, 2013, the DOJ has not asserted any claims against any System hospitals. The System continues to fully cooperate with the DOJ in its investigation.

The System enters into agreements with nonemployed physicians that include minimum revenue guarantees. The terms of the guarantees vary. The carrying amounts of the liability for the System's obligation under these guarantees were \$44,606 and \$26,678 at June 30, 2013 and 2012, respectively, and are included in other current and noncurrent liabilities in the accompanying Consolidated Balance Sheets. The maximum amount of future payments that the System could be required to make under these guarantees is approximately \$100,100.

The System entered into agreements with sponsors for support through January 2017. The System's obligation under these agreements totals \$49,028 at June 30, 2013, and is included in other current and noncurrent liabilities in the accompanying Consolidated Balance Sheet.

The System entered into Master Service Agreements for information technology services provided by third parties. The maximum amount of future payments that the System could be required to make under these agreements is approximately \$201,600.

Guarantees and other commitments represent contingent commitments issued by Ascension Health Alliance Senior and Subordinate Credit Groups, generally to guarantee the performance of an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and other transactions. The terms of guarantees are equal to the terms of the related debt, which can be as long as 27 years. The following represents the remaining guarantees and other commitments of the Senior and Subordinate Credit Group at June 30, 2013:

Hospital de la Concepción 2000 Series A debt guarantee	\$	30,185
St. Vincent de Paul Series 2000A debt guarantee		28,300
Other guarantees and commitments		33,937

Supplementary Information

Report of Independent Auditors on Supplementary Information

The Board of Directors
Ascension Health Alliance

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs, the Details of Consolidated Balance Sheets, and the Details of Consolidated Statements of Operations and Changes in Net Assets 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 audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 18, 2013

Ascension Health Alliance

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

Years Ended June 30, 2013 and 2012

The net cost of providing care to persons living in poverty and community benefit programs is as follows

	June 30,	
	2013	2012
Traditional charity care provided	\$ 524,605	\$ 466,916
Unpaid cost of public programs for persons living in poverty	488,959	455,401
Other programs for personal living in poverty and other vulnerable persons	89,923	75,724
Community benefit programs	383,583	335,436
Care of persons living in poverty and community benefit programs	<u>\$ 1,487,070</u>	<u>\$ 1,333,477</u>

Ascension Health Alliance

Details of Consolidated Balance Sheet

(Dollars in Thousands)

June 30, 2013

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Health Ministries Presented	Reclassification	Consolidated Baltimore	Consolidated Birmingham	Consolidated Flint	Consolidated Kalamazoo	Consolidated Lewiston
Assets								
Current assets								
Cash and cash equivalents	\$ 754,622	\$ 221,598	\$ —	\$ 14,826	\$ 13,436	\$ 5,136	\$ 11,691	\$ 5,737
Short-term investments	113,955	51,189	—	—	—	500	—	565
Accounts receivable less allowances for uncollectible accounts (\$1,351,660 in 2013)	2,361,809	1,241,572	—	53,294	71,872	48,531	63,725	21,606
Inventories	309,074	149,528	—	7,633	12,292	6,714	8,050	2,875
Due from brokers	178,380	178,380	—	—	—	—	—	—
Estimated third-party payor settlements	119,379	55,731	—	—	8,200	9,321	6,897	—
Other	1,035,026	789,045	—	5,293	13,554	9,805	10,261	1,682
Total current assets	4,872,245	2,687,043	—	81,046	119,354	80,007	100,624	32,465
Long-term investments	14,164,185	9,921,466	3,705,308	15,104	16,508	1,993	21,788	593
Interest in investments held by Ascension Health Alliance	—	—	(3,705,308)	180,235	188,196	188,395	139,959	75,636
Property and equipment net	8,546,873	3,930,621	—	240,204	354,150	159,567	161,025	39,901
Other assets								
Investment in unconsolidated entities	628,772	223,985	—	18,717	5,889	14,535	16,876	—
Capitalized software costs net	728,613	502,282	—	1,162	1,906	9,590	157	2,404
Other	1,106,683	761,482	—	12,830	10,309	14,125	23,144	14,623
Total other assets	2,464,068	1,487,749	—	32,709	18,104	38,250	40,177	17,027
Total assets	\$ 30,047,371	\$ 18,026,879	\$ —	\$ 549,298	\$ 696,312	\$ 468,212	\$ 463,573	\$ 165,622

Consolidated Milwaukee	Consolidated Ministry	Consolidated Mobile	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Tulsa	Consolidated Waco	Consolidated Washington D C	Consolidated Wichita
\$ 4 107	\$ 301 544	\$ 1 144	\$ 12 393	\$ 7 949	\$ 7 438	\$ 30 935	\$ 3 583	\$ 1 201	\$ 111 904
–	24 023	–	253	11 012	5 862	7 916	1 455	–	11 180
89 751	169 137	31 632	138 556	38 787	59 941	129 596	43 103	28 526	132 180
10 542	27 432	6 168	15 816	6 404	10 236	15 766	5 027	2 740	21 851
–	–	–	–	–	–	–	–	–	–
1 243	6 299	3 204	7 637	5 075	1 154	2 906	8 192	1 327	2 193
24 876	55 760	5 225	26 362	8 292	10 171	22 955	1 677	5 439	44 629
130 519	584 195	47 373	201 017	77 519	94 802	210 074	63 037	39 233	323 937
17 864	287 345	3 552	40 060	6 145	23 129	69 731	795	2 905	29 899
111 976	515 452	165 956	588 464	289 425	18 992	378 162	146 311	45 419	672 730
633 556	703 634	64 876	468 500	109 094	247 167	660 947	102 293	52 434	618 904
24 691	14 223	884	36 252	13 768	90 291	76 877	10 050	3 670	78 064
32 951	29 622	4 631	39 213	17 492	10 491	26 638	3 160	12 821	34 093
16 050	86 082	13 435	39 223	12 229	7 624	43 454	13 888	12 567	25 618
73 692	129 927	18 950	114 688	43 489	108 406	146 969	27 098	29 058	137 775
\$ 967 607	\$ 2 220 553	\$ 300 707	\$ 1 412 729	\$ 525 672	\$ 492 496	\$ 1 465 883	\$ 339 534	\$ 169 049	\$ 1 783 245

Ascension Health Alliance

Details of Consolidated Balance Sheet (continued) (Dollars in Thousands)

June 30, 2013

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Health Ministries Presented	Consolidated Baltimore	Consolidated Birmingham	Consolidated Flint	Consolidated Kalamazoo	Consolidated Lewiston
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	\$ 90 442	\$ 26 796	\$ 1 143	\$ 1 692	\$ 4 248	\$ 2 391	\$ 386
Long-term debt subject to short-term remarketing arrangements	1 187 125	1 187 125	—	—	—	—	—
Accounts payable and accrued liabilities	2 348 401	1 444 189	40 421	51 261	56 098	45 622	10 632
Estimated third-party payor settlements	456 314	289 834	117	16 006	8 984	13 404	5 652
Due to brokers	493 420	493 420	—	—	—	—	—
Current portion of self-insurance liabilities	210 115	170 711	1 934	1 386	2 553	1 308	782
Other	644 084	434 728	15 904	26 034	62	993	7 120
Total current liabilities	5 429 901	4 046 803	59 519	96 379	71 945	63 718	24 572
Noncurrent liabilities							
Long-term debt (senior and subordinated)	5 278 866	1 697 249	78 270	115 834	290 872	163 683	26 406
Self-insurance liabilities	553 706	486 547	2 182	3 284	3 311	3 204	157
Pension and other postretirement liabilities	554 368	341 517	—	2 802	9 752	48 437	—
Other	1 099 362	727 708	8 285	66 784	6 319	30 686	1 957
Total noncurrent liabilities	7 486 302	3 253 021	88 737	188 704	310 254	246 010	28 520
Total liabilities	12 916 203	7 299 824	148 256	285 083	382 199	309 728	53 092
Net assets							
Unrestricted							
Controlling interest	14 986 302	8 873 840	392 653	393 055	81 365	148 880	112 195
Noncontrolling interests	1 592 356	1 523 448	—	1 128	—	—	—
Unrestricted net assets	16 578 658	10 397 288	392 653	394 183	81 365	148 880	112 195
Temporarily restricted							
Temporarily restricted	377 555	237 965	7 930	15 613	4 103	4 674	335
Permanently restricted							
Permanently restricted	174 955	91 802	459	1 433	545	291	—
Total net assets	17 131 168	10 727 055	401 042	411 229	86 013	153 845	112 530
Total liabilities and net assets	\$ 30 047 371	\$ 18 026 879	\$ 549 298	\$ 696 312	\$ 468 212	\$ 463 573	\$ 165 622

Consolidated Milwaukee	Consolidated Ministry	Consolidated Mobile	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Tulsa	Consolidated Waco	Consolidated Washington D C	Consolidated Wichita
\$ 4 625	\$ 16 198	\$ 1 041	\$ 6 400	\$ 2 039	\$ 2 534	\$ 8 927	\$ 757	\$ 925	\$ 10 340
—	—	—	—	—	—	—	—	—	—
46 909	178 263	16 173	86 651	30 578	62 146	96 244	21 260	33 151	128 803
332	12 276	2 446	16 585	10 225	72 379	2 405	897	4 750	22
—	—	—	—	—	—	—	—	—	—
2 762	—	479	10 023	1 248	1 472	5 500	600	1 028	8 329
13 955	89 771	5 282	27 751	1 578	4 529	10 976	3 452	1 949	—
68 583	296 508	25 421	147 410	45 668	143 060	124 052	26 966	41 803	147 494
316 694	710 719	70 208	407 177	127 466	145 097	514 433	51 835	63 345	499 578
6	—	1 561	3 069	1 713	5 430	12 385	1 950	2 426	26 481
3 232	77 463	53	9 652	—	—	53 595	7 865	—	—
20 337	70 949	9 746	19 611	6 684	39 233	36 559	7 890	6 492	40 122
340 269	859 131	81 568	439 509	135 863	189 760	616 972	69 540	72 263	566 181
408 852	1 155 639	106 989	586 919	181 531	332 820	741 024	96 506	114 066	713 675
540 891	991 800	192 441	792 910	337 660	145 910	703 926	239 989	51 219	987 568
—	1 790	—	2 158	—	—	(89)	—	—	63 921
540 891	993 590	192 441	795 068	337 660	145 910	703 837	239 989	51 219	1 051 489
12 112	20 641	1 277	28 455	5 784	10 226	11 022	2 288	3 764	11 366
5 752	50 683	—	2 287	697	3 540	10 000	751	—	6 715
558 755	1 064 914	193 718	825 810	344 141	159 676	724 859	243 028	54 983	1 069 570
\$ 967 607	\$ 2 220 553	\$ 300 707	\$ 1 412 729	\$ 525 672	\$ 492 496	\$ 1 465 883	\$ 339 534	\$ 169 049	\$ 1 783 245

Ascension Health Alliance

Details of Consolidated Balance Sheet (Dollars in Thousands)

June 30, 2012

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Health Ministries Presented	Reclassification	Consolidated Baltimore
Assets				
Current assets				
Cash and cash equivalents	\$ 306,469	\$ 227,151	\$ –	\$ 13,229
Short-term investments	216,914	202,701	–	–
Interest in investments held by Ascension Health Alliance	–	–	(84,930)	1,114
Accounts receivable, less allowances for uncollectible accounts (\$1,113,255 in 2012)	1,927,222	1,390,098	–	50,344
Inventories	218,598	154,791	–	5,677
Due from brokers	789,271	789,271	–	–
Estimated third-party payor settlements	159,871	126,544	–	–
Other	752,348	643,257	–	8,737
Total current assets	4,370,693	3,533,813	(84,930)	79,101
Long-term investments	10,468,457	8,907,284	1,449,331	16,889
Interest in investments held by Ascension Health Alliance	–	–	(1,364,401)	180,177
Property and equipment, net	6,473,918	4,225,270	–	216,705
Other assets				
Investment in unconsolidated entities	943,747	748,948	–	17,409
Capitalized software costs, net	642,596	529,227	–	1,699
Other	876,483	775,215	–	9,011
Total other assets	2,462,826	2,053,390	–	28,119
Total assets	\$ 23,775,894	\$ 18,719,757	\$ –	\$ 520,991

Consolidated Birmingham	Consolidated Milwaukee	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Waco	Consolidated Washington D.C.
\$ 13,338	\$ 4,663	\$ 20,770	\$ 6,697	\$ 12,362	\$ 3,588	\$ 4,671
—	—	603	9,094	4,516	—	—
1,536	14,229	30,632	4,629	17,961	10,705	4,124
62,608	87,310	148,817	41,401	69,569	41,201	35,874
9,464	9,631	14,197	6,801	10,984	3,990	3,063
—	—	—	—	—	—	—
5,404	3,696	3,758	9,837	961	8,119	1,552
9,868	32,631	28,166	5,216	17,052	1,696	5,725
102,218	152,160	246,943	83,675	133,405	69,299	55,009
15,394	18,902	30,230	5,753	20,995	303	3,376
156,874	74,110	473,140	287,265	4,636	124,253	63,946
369,969	664,628	484,636	113,007	241,399	107,722	50,582
5,437	21,657	34,862	12,501	90,675	8,678	3,580
1,770	39,124	38,578	7,182	14,572	2,275	8,169
7,939	13,275	35,304	7,736	8,947	12,348	6,708
15,146	74,056	108,744	27,419	114,194	23,301	18,457
\$ 659,601	\$ 983,856	\$ 1,343,693	\$ 517,119	\$ 514,629	\$ 324,878	\$ 191,370

Ascension Health Alliance

Details of Consolidated Balance Sheet (continued)

(Dollars in Thousands)

June 30, 2012

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Ministries Presented	Consolidated Baltimore
Liabilities and net assets			
Current liabilities			
Current portion of long-term debt	\$ 45,363	\$ 33,402	\$ 626
Long-term debt subject to short-term remarketing arrangements	1,094,425	1,094,425	–
Accounts payable and accrued liabilities	1,979,160	1,567,834	43,391
Estimated third-party payor settlements	457,030	330,867	–
Due to brokers	880,613	880,613	–
Current portion of self-insurance liabilities	206,057	186,014	2,106
Other	435,805	358,459	18,498
Total current liabilities	5,098,453	4,451,614	64,621
Noncurrent liabilities			
Long-term debt (senior and subordinated)	3,655,406	2,330,137	79,381
Self-insurance liabilities	518,995	499,637	1,913
Pension and other postretirement liabilities	492,366	441,278	3,493
Other	1,087,782	921,680	6,677
Total noncurrent liabilities	5,754,549	4,192,732	91,464
Total liabilities	10,853,002	8,644,346	156,085
Net assets			
Unrestricted			
Controlling interest	11,836,414	9,101,543	349,251
Noncontrolling interests	647,236	643,352	–
Unrestricted net assets	12,483,650	9,744,895	349,251
Temporarily restricted	336,027	241,596	15,199
Permanently restricted	103,215	88,920	456
Total net assets	12,922,892	10,075,411	364,906
Total liabilities and net assets	\$ 23,775,894	\$ 18,719,757	\$ 520,991

Consolidated Birmingham	Consolidated Milwaukee	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Waco	Consolidated Washington D.C.
\$ 926	\$ 2,532	\$ 3,750	\$ 1,206	\$ 2,001	\$ 414	\$ 506
—	—	—	—	—	—	—
59.832	62.633	81.337	30.315	78.462	19.969	35.387
19.675	1.738	17.614	7.617	74.337	1.302	3.880
—	—	—	—	—	—	—
1.733	3.008	7.919	1.250	2.307	465	1.255
2.777	5.176	41.048	343	3.286	4.742	1.476
84.943	75.087	151.668	40.731	160.393	26.892	42.504
117.478	321.189	413.371	129.452	147.583	52.571	64.244
3.428	1	2.864	1.627	5.143	1.977	2.405
6.230	17.589	13.531	783	—	9.462	—
66.482	16.565	15.560	5.368	40.796	8.600	6.054
193.618	355.344	445.326	137.230	193.522	72.610	72.703
278.561	430.431	596.994	177.961	353.915	99.502	115.207
365.048	534.523	710.751	332.826	148.264	222.595	71.613
1.302	—	2.582	—	—	—	—
366.350	534.523	713.333	332.826	148.264	222.595	71.613
13.315	13.152	31.229	5.747	9.187	2.052	4.550
1.375	5.750	2.137	585	3.263	729	—
381.040	553.425	746.699	339.158	160.714	225.376	76.163
\$ 659,601	\$ 983,856	\$ 1,343,693	\$ 517,119	\$ 514,629	\$ 324,878	\$ 191,370

Ascension Health Alliance

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

Year Ended June 30, 2013

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Ministries Presented	Consolidated Baltimore	Consolidated Birmingham	Consolidated Flint	Consolidated Kalamazoo	Consolidated Lewiston
Operating revenue							
Net patient service revenue	\$ 16 912 410	\$ 10 361 066	\$ 419 247	\$ 651 936	\$ 454 997	\$ 541 397	\$ 139 838
Less provision for doubtful accounts	1 172 863	797 506	18 230	24 205	16 563	18 544	4 878
Net patient service revenue less provision for doubtful accounts	15 739 547	9 563 560	401 017	627 731	438 434	522 853	134 960
Other revenue	1 357 663	780 308	12 085	39 997	20 584	35 972	4 375
Total operating revenue	17 097 210	10 343 868	413 102	667 728	459 018	558 825	139 335
Operating expenses							
Salaries and wages	7 247 681	4 567 793	198 232	219 244	204 060	223 624	52 762
Employee benefits	1 581 587	1 002 854	30 490	46 792	56 617	65 053	11 788
Purchased services	1 030 574	356 892	25 020	84 559	45 083	64 243	13 407
Professional fees	1 128 880	740 103	17 997	15 979	37 184	43 276	8 716
Supplies	2 427 714	1 367 020	59 966	138 758	62 523	74 159	30 127
Insurance	115 521	79 544	886	3 330	1 393	2 680	365
Interest	150 877	67 401	2 737	7 595	10 269	5 694	931
Depreciation and amortization	755 305	455 202	17 661	34 350	11 814	18 126	4 807
Other	2 185 015	1 338 582	32 436	91 757	29 311	56 285	9 162
Total operating expenses before impairment restructuring and nonrecurring gains (losses) net	16 623 154	9 975 391	385 425	642 364	458 254	553 140	132 065
Income (loss) from operations before self-insurance trust fund investment return and impairment restructuring and nonrecurring gains (losses) net	474 056	368 477	27 677	25 364	764	5 685	7 270
Self-insurance trust fund investment return	34 985	35 003	—	—	—	—	—
Impairment restructuring and nonrecurring gains (losses) net	(111 786)	(147 668)	(1 030)	(4 156)	(2 774)	(1 489)	(500)
Income (loss) from operations	397 255	255 812	26 647	21 208	(2 010)	4 196	6 770
Nonoperating gains (losses)							
Investment return	737 057	604 724	15 619	14 348	12 813	10 657	5 437
Loss on extinguishment of debt	(4 079)	(4 079)	—	—	—	—	—
Gain (loss) on interest rate swaps	61 202	55 298	(17)	5	(63)	(35)	(6)
Income from unconsolidated entities	8 544	4 044	1 308	—	884	—	—
Contributions from business combinations net	2 021 963	2 021 963	—	—	—	—	—
Other	(77 269)	(73 999)	(1 253)	(416)	(1 110)	(1 286)	(524)
Total nonoperating gains (losses) net	2 747 418	2 607 951	15 657	13 937	12 524	9 336	4 907
Excess (deficit) of revenues and gains over expenses and losses	3 144 673	2 870 033	42 304	35 145	10 514	13 532	11 677
Less noncontrolling interests	131 184	122 083	—	566	—	—	—
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest	3 013 489	2 747 950	42 304	34 579	10 514	13 532	11 677

Consolidated Milwaukee	Consolidated Ministry	Consolidated Mobile	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Tulsa	Consolidated Waco	Consolidated Washington D C	Consolidated Wichita
\$ 627 323	\$ 336 232	\$ 267 116	\$ 1 233 158	\$ 325 126	\$ 497 485	\$ 265 372	\$ 286 577	\$ 232 461	\$ 273 079
32 113	22 577	19 318	76 041	13 681	45 251	35 334	18 233	14 407	15 982
595 210	313 655	247 798	1 157 117	311 445	452 234	230 038	268 344	218 054	257 097
32 469	214 863	9 682	100 610	8 581	36 926	14 710	13 443	14 162	18 896
627 679	528 518	257 480	1 257 727	320 026	489 160	244 748	281 787	232 216	275 993
249 296	179 165	97 823	418 120	132 001	230 945	113 942	110 711	124 977	124 986
49 138	45 898	15 970	91 851	28 779	42 718	21 140	25 258	18 818	28 423
65 230	43 099	30 145	123 539	44 631	67 213	11 314	17 868	25 476	12 855
48 550	22 608	7 115	67 410	29 607	31 552	8 790	17 635	19 764	12 594
66 824	50 083	53 361	232 769	50 032	81 605	44 606	44 915	27 330	43 636
2 410	1 662	1 644	5 694	1 810	5 822	1 790	1 170	2 595	2 726
11 168	3 226	2 950	14 406	4 595	6 093	5 434	1 829	2 344	4 205
45 622	16 840	10 606	60 228	11 318	22 052	11 760	12 070	7 778	15 071
78 534	164 539	27 434	181 908	26 830	43 252	20 884	33 263	26 481	24 357
616 772	527 120	247 048	1 195 925	329 603	531 252	239 660	264 719	255 563	268 853
10 907	1 398	10 432	61 802	(9 577)	(42 092)	5 088	17 068	(23 347)	7 140
—	—	—	—	—	—	—	(1)	—	(17)
(5 111)	45 607	(351)	177	(1 624)	(7 787)	22 648	(4 101)	(1 161)	(2 466)
5 796	47 005	10 081	61 979	(11 201)	(49 879)	27 736	12 966	(24 508)	4 657
5 462	(12 275)	12 805	41 675	24 614	2 573	(5 451)	10 278	4 641	(10 863)
—	—	—	—	—	—	—	—	—	—
(68)	6 506	(13)	(88)	(56)	(25)	(236)	(10)	14	(4)
—	—	—	—	104	—	—	—	522	1 682
—	—	—	—	—	—	—	—	—	—
(462)	3 931	—	(916)	(292)	(761)	36	(502)	71	214
4 932	(1 838)	12 792	40 671	24 370	1 787	(5 651)	9 766	5 248	(8 971)
10 728	45 167	22 873	102 650	13 169	(48 092)	22 085	22 732	(19 260)	(4 314)
—	(39)	—	7 406	—	—	—	—	—	1 168
10 728	45 206	22 873	95 244	13 169	(48 092)	22 085	22 732	(19 260)	(5 482)

Ascension Health Alliance

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

Year Ended June 30, 2013

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Ministries Presented	Consolidated Baltimore	Consolidated Birmingham	Consolidated Flint	Consolidated Kalamazoo	Consolidated Lewiston
Unrestricted net assets controlling interest							
Excess (deficit) of revenues and gains over expenses and losses	\$ 3,013,489	\$ 2,747,950	\$ 42,304	\$ 34,579	\$ 10,514	\$ 13,532	\$ 11,677
Transfer (to) from sponsors and other affiliates net	(10,962)	34,395	(7,390)	(8,680)	(4,616)	(5,912)	(2,330)
Contributed net assets	(1,050)	(2,574,751)	—	—	—	—	—
Net assets released from restrictions for property acquisitions	67,418	44,389	8,064	885	390	751	110
Pension and other postretirement liability adjustments	77,011	13,987	424	1,176	(2,219)	5,789	(1,336)
Change in unconsolidated entities net assets	23,295	17,771	—	—	176	—	—
Other	4,624	2,471	—	47	(1,343)	4	—
Increase in unrestricted net assets controlling interest before (loss) gain from discontinued operations	3,173,825	286,212	43,402	28,007	2,902	14,164	8,121
Loss from discontinued operations	(23,937)	(23,937)	—	—	—	—	—
Increase (decrease) in unrestricted net assets controlling interest	3,149,888	262,275	43,402	28,007	2,902	14,164	8,121
Unrestricted net assets noncontrolling interest							
Excess of revenues and gains over expenses and losses	131,184	122,083	—	566	—	—	—
Distributions of capital	(829,989)	(820,355)	—	(731)	—	—	—
Contributions of capital	1,579,187	1,578,269	—	—	—	—	—
Contributions from business combinations	64,738	99	—	(9)	—	—	—
Increase (decrease) in unrestricted net assets noncontrolling interest	945,120	880,096	—	(174)	—	—	—
Temporarily restricted net assets controlling interest							
Contributions and grants	89,220	61,215	2,632	5,016	753	1,532	173
Investment return	17,232	13,390	186	309	152	286	1
Net assets released from restrictions	(110,213)	(70,917)	(10,087)	(2,983)	(798)	(2,047)	(167)
Contributions from business combinations	44,201	—	—	—	—	—	—
Other	1,088	3,251	—	(44)	—	57	—
Increase (decrease) in temporarily restricted net assets controlling interest	41,528	6,939	(7,269)	2,298	107	(172)	7
Permanently restricted net assets controlling interest							
Contributions	2,664	2,326	—	19	11	5	—
Investment return	1,598	1,622	3	39	1	—	—
Contributions from business combinations	67,846	2	—	—	—	—	—
Other	(368)	(249)	—	—	—	—	—
Increase in permanently restricted net assets controlling interest	71,740	3,701	3	58	12	5	—
Increase in net assets	4,208,276	1,153,011	36,136	30,189	3,021	13,997	8,128
Net assets beginning of year	12,922,892	9,574,044	364,906	381,040	82,992	139,848	104,402
Net assets end of year	\$ 17,131,168	\$ 10,727,055	\$ 401,042	\$ 411,229	\$ 86,013	\$ 153,845	\$ 112,530

Consolidated Milwaukee	Consolidated Ministry	Consolidated Mobile	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Tulsa	Consolidated Waco	Consolidated Washington D C	Consolidated Wichita
\$ 10 728 (12 041) —	\$ 38 700 — 920 665	\$ 22 873 (4 513) (250)	\$ 95 244 (21 085) —	\$ 13 169 (8 968) —	\$ (48 092) 38 608 —	\$ 22 321 — 664 297	\$ 22 732 (5 330) —	\$ (19 260) (3 100) —	\$ (5 482) — 988 989
2 208 5 473 — —	— 30 566 — 1 869	171 675 — 760	6 816 1 184 — —	1 118 (487) — 2	1 687 — 5 348 95	— 16 903 — 405	96 142 — (246)	409 1 101 — 456	324 3 633 — 104
6 368 —	991 800 —	19 716 —	82 159 —	4 834 —	(2 354) —	703 926 —	17 394 —	(20 394) —	987 568 —
6 368	991 800	19 716	82 159	4 834	(2 354)	703 926	17 394	(20 394)	987 568
— — — —	(39) (57) 817 1 069	— — — —	7 406 (7 830) — —	— — — —	— — — —	— — — (89)	— — — —	— — — —	1 168 (1 016) 101 63 668
—	1 790	—	(424)	—	—	(89)	—	—	63 921
63 — (2 208) — 1 105	1 612 (113) — 21 229 (2 087)	837 23 (980) — (3)	3 109 2 358 (7 200) — (1 041)	1 145 248 (1 356) — —	3 649 606 (2 896) — (320)	2 301 (179) (2 203) 11 103 —	540 62 (536) — 170	3 424 — (4 210) — —	1 219 (97) (1 625) 11 869 —
(1 040)	20 641	(123)	(2 774)	37	1 039	11 022	236	(786)	11 366
— — — 2	90 (146) 51 129 (390)	— — — —	150 — — —	33 79 — —	— — — 277	— — 10 000 —	30 — — (8)	— — — —	— — 6 715 —
2	50 683	—	150	112	277	10 000	22	—	6 715
5 330 553 425	1 064 914 —	19 593 174 125	79 111 746 699	4 983 339 158	(1 038) 160 714	724 859 —	17 652 225 376	(21 180) 76 163	1 069 570 —
\$ 558 755	\$ 1 064 914	\$ 193 718	\$ 825 810	\$ 344 141	\$ 159 676	\$ 724 859	\$ 243 028	\$ 54 983	\$ 1 069 570

Ascension Health Alliance

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

Year Ended June 30, 2012

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Health Ministries Presented	Consolidated Baltimore
Operating revenue			
Net patient service revenue	\$ 15,297,559	\$ 10,990,636	\$ 413,223
Less provision for doubtful accounts	972,171	760,350	13,612
Net patient service revenue, less provision for doubtful accounts	14,325,388	10,230,286	399,611
Other revenue	967,252	717,557	9,909
Total operating revenue	15,292,640	10,947,843	409,520
Operating expenses			
Salaries and wages	6,544,753	4,821,591	200,322
Employee benefits	1,426,722	1,090,379	32,560
Purchased services	734,396	309,807	20,812
Professional fees	1,021,582	752,589	18,033
Supplies	2,260,901	1,536,041	64,639
Insurance	100,834	74,724	962
Interest	131,310	77,876	2,966
Depreciation and amortization	662,362	451,080	17,996
Other	1,782,172	1,270,545	29,346
Total operating expenses before impairment, restructuring, and nonrecurring gains (losses), net	14,665,032	10,384,632	387,636
Income (loss) from operations before self-insurance trust fund investment investment return and impairment restructuring and nonrecurring gains (losses), net	627,608	563,211	21,884
Self-insurance trust fund investment return	17,197	17,197	—
Impairment, restructuring, and nonrecurring gains (losses), net	286,046	166,713	21,547
Income (loss) from operations	930,851	747,121	43,431
Nonoperating gains (losses)			
Investment return	(135,605)	(110,356)	(3,289)
Loss on extinguishment of debt	(2,813)	(2,727)	—
Gain (loss) on interest rate swaps	(74,846)	(75,687)	56
Income from unconsolidated entities	8,802	3,785	4,889
Contributions from business combinations, net	326,333	326,333	—
Other	(69,221)	(63,858)	(1,176)
Total nonoperating gains (losses), net	52,650	77,490	480
Excess (deficit) of revenues and gains over expenses and losses	983,501	824,611	43,911
Less noncontrolling interests	13,154	3,802	—
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest	970,347	820,809	43,911

Consolidated Birmingham	Consolidated Milwaukee	Consolidated Nashville	Consolidated Saginaw & Tawas	Consolidated Tucson	Consolidated Waco	Consolidated Washington D.C.
\$ 653,472	\$ 658,781	\$ 1,213,068	\$ 341,003	\$ 476,761	\$ 305,501	\$ 245,114
49,146	30,293	48,866	8,541	34,951	25,909	503
604,326	628,488	1,164,202	332,462	441,810	279,592	244,611
30,667	43,747	101,037	6,978	31,212	11,610	14,535
634,993	672,235	1,265,239	339,440	473,022	291,202	259,146
209,474	267,331	424,213	134,261	244,570	114,672	128,319
41,773	55,922	93,645	23,467	43,711	24,633	20,632
77,901	57,116	125,016	38,604	74,182	12,579	18,379
11,150	68,831	65,537	27,205	45,481	14,089	18,667
129,966	69,448	231,069	56,600	93,039	49,962	30,137
4,717	2,723	4,975	1,695	6,452	732	3,854
7,808	11,785	15,562	4,978	5,973	1,972	2,390
33,620	47,469	56,945	12,125	24,023	12,113	6,991
87,659	78,781	182,142	25,527	41,659	41,550	24,963
604,068	659,406	1,199,104	324,462	579,090	272,302	254,332
30,925	12,829	66,135	14,978	(106,068)	18,900	4,814
—	—	—	—	—	—	—
10,819	21,381	41,199	21,410	(21,887)	6,171	18,693
41,744	34,210	107,334	36,388	(127,955)	25,071	23,507
(1,456)	(1,077)	(9,495)	(6,369)	(352)	(2,021)	(1,190)
(12)	—	(2)	(72)	—	—	—
82	225	289	87	110	37	(45)
—	—	—	47	—	—	81
—	—	—	—	—	—	—
(364)	(575)	(784)	(287)	(1,776)	(487)	86
(1,750)	(1,427)	(9,992)	(6,594)	(2,018)	(2,471)	(1,068)
39,994	32,783	97,342	29,794	(129,973)	22,600	22,439
462	—	8,890	—	—	—	—
39,532	32,783	88,452	29,794	(129,973)	22,600	22,439

Ascension Health Alliance

Details of Consolidated Statement of Operations and Changes in Net Assets (continued)

(Dollars in Thousands)

Year Ended June 30, 2012

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance less Health Ministries Presented	Consolidated Baltimore
Unrestricted net assets, controlling interest			
Excess (deficit) of revenues and gains over expenses and losses	\$ 970,347	\$ 820,809	\$ 43,911
Transfer (to) from sponsors and other affiliates, net	(15,189)	38,694	(5,111)
Contributed net assets	(400)	(400)	—
Net assets released from restrictions for property acquisitions	68,892	49,189	1,824
Pension and other postretirement liability adjustments	(439,662)	(301,442)	(27,779)
Change in unconsolidated entities' net assets	(15,890)	(11,623)	—
Other	9,206	9,890	—
Increase in unrestricted net assets, controlling interest, before (loss) gain from discontinued operations	577,304	605,117	12,845
Loss from discontinued operations	(73,521)	(73,521)	—
Increase (decrease) in unrestricted net assets, controlling interest	503,783	531,596	12,845
Unrestricted net assets, noncontrolling interest			
Excess of revenues and gains over expenses and losses	13,154	3,802	—
Distributions of capital	(575,618)	(566,546)	—
Contributions of capital	1,166,961	1,167,028	—
Increase in unrestricted net assets, noncontrolling interest	604,497	604,284	—
Temporarily restricted net assets, controlling interest			
Contributions and grants	100,880	74,330	4,313
Investment return	(638)	92	50
Net assets released from restrictions	(104,028)	(74,184)	(3,332)
Contributions from business combinations	14,764	14,764	—
Other	(6,514)	(7,242)	—
Increase (decrease) in temporarily restricted net assets, controlling interest	4,464	7,760	1,031
Permanently restricted net assets, controlling interest			
Contributions	5,082	4,687	33
Investment return	(242)	(252)	(6)
Contributions from business combinations	1,573	1,573	—
Other	(2,642)	(1,938)	—
Increase in permanently restricted net assets, controlling interest	3,771	4,070	27
Increase in net assets	1,116,515	1,147,710	13,903
Net assets, beginning of year	11,806,377	8,927,701	351,003
Net assets, end of year	\$ 12,922,892	\$ 10,075,411	\$ 364,906

Consolidated Birmingham		Consolidated Milwaukee		Consolidated Nashville		Consolidated Saginaw & Tawas		Consolidated Tucson		Consolidated Waco		Consolidated Washington D.C.	
\$	39,532	\$	32,783	\$	88,452	\$	29,794	\$	(129,973)	\$	22,600	\$	22,439
	(7,371)		(8,856)		(15,145)		(6,046)		(5,430)		(3,798)		(2,126)
	—		—		—		—		—		—		—
	6,801		3,592		3,729		1,505		2,016		209		27
	(12,027)		(19,512)		(28,378)		(22,236)		—		(7,133)		(21,155)
	—		—		—		—		(4,267)		—		—
	11		—		—		(5)		(55)		(91)		(544)
	26,946		8,007		48,658		3,012		(137,709)		11,787		(1,359)
	—		—		—		—		—		—		—
	26,946		8,007		48,658		3,012		(137,709)		11,787		(1,359)
	462		—		8,890		—		—		—		—
	(358)		—		(8,714)		—		—		—		—
	(21)		—		(46)		—		—		—		—
	83		—		130		—		—		—		—
	3,536		187		6,541		1,705		3,964		975		5,329
	49		—		(652)		(70)		(92)		(15)		—
	(8,026)		(3,592)		(4,926)		(1,825)		(3,821)		(472)		(3,850)
	—		—		—		—		—		—		—
	(44)		903		(523)		(16)		61		90		257
	(4,485)		(2,502)		440		(206)		112		578		1,736
	8		—		—		316		—		38		—
	—		—		—		16		—		—		—
	—		—		—		—		—		—		—
	—		(674)		—		23		(50)		(3)		—
	8		(674)		—		355		(50)		35		—
	22,552		4,831		49,228		3,161		(137,647)		12,400		377
	358,488		548,594		697,471		335,997		298,361		212,976		75,786
\$	381,040	\$	553,425	\$	746,699	\$	339,158	\$	160,714	\$	225,376	\$	76,163