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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

C Name of organization
HEARTLAND REGIONAL MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
5325 FARAON
Suite

City or town, state or country, and ZIP + 4
ST JOSEPH, MO 64506

D Employer identification number
44-0545289

E Telephone number
(816) 271-6611

G Gross receipts $ 714,890,942

F Name and address of principal officer
JOHN P WILSON
5325 FARAON
ST JOSEPH, MO 64506

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW HEARTLAND-HEALTH COM

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

L Year of formation 1985

M State of legal domicile MO

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE THE BEST HEALTH CARE AND TO IMPROVE THE LIVES OF THOSE IN THE COMMUNITY

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	4,180
6	Total number of volunteers (estimate if necessary)	**6**	454
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,582,323
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-830,570

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	440,211	390,968
9	Program service revenue (Part VIII, line 2g)	535,301,968	548,726,273
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,569,764	18,591,991
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	24,450,689	37,268,409
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	567,762,632	604,977,641
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,225,116	1,203,243
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)	277,928,007	290,835,839
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶437,469		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	246,690,846	268,127,286
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	526,843,969	560,166,368
19	Revenue less expenses Subtract line 18 from line 12	40,918,663	44,811,273

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	671,179,321	756,242,652
21	Total liabilities (Part X, line 26)	323,359,830	336,261,843
22	Net assets or fund balances Subtract line 21 from line 20	347,819,491	419,980,809

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

JOHN P WILSON OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Michael J Engle				
Firm's name ▶ BKD LLP			Firm's EIN ▶	
Firm's address ▶ 1201 Walnut Suite 1700 Kansas City, MO 641062246			Phone no (816) 221-6300	

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

SEE SCHEDULE O

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 $ 529,976,115 including grants of $ 1,203,243) (Revenue $ 585,264,951)

SEE SCHEDULE O

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** ▶ 529,976,115

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	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
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**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	248		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	4,180		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	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				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ CA , IL , MO , NC

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

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

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ JOHN P WILSON 5325 FARAON ST JOSEPH, MO (816) 271-6611

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								13,719,819	0	1,332,652

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 ▶476

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CERNER CORP ,	SOFTWARE SYSTEMS	7,116,606
ST JOSEPH ONCOLOGY INC ,	PHYSICIAN COVERAGE	5,833,390
KELLY CONST GROUP INC ,	CONSTRUCTION	6,576,070
EXCEL CONSTRUCTION INC ,	CONSTRUCTION	14,657,112
LEHR CONSTRUCTION CO INC ,	CONSTRUCTION	3,277,683
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 ▶119		

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				
	e	Government grants (contributions)	1e	49,403			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	341,565			
	g	Noncash contributions included in lines 1a-1f $		53,214			
	h	**Total.** Add lines 1a-1f			390,968		
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621110		548,726,273	548,726,273	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			548,726,273		
	3	Investment income (including dividends, interest, and other similar amounts)			7,760,510		7,760,510
	4	Income from investment of tax-exempt bond proceeds			1,931		1,931
	5	Royalties			0		
			(i) Real	(ii) Personal			
	6a	Gross rents	729,731				
	b	Less rental expenses					
	c	Rental income or (loss)	729,731	0			
	d	Net rental income or (loss)			729,731		729,731
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	120,396,097	111,965			
	b	Less cost or other basis and sales expenses	109,588,963	89,549			
	c	Gain or (loss)	10,807,134	22,416			
	d	Net gain or (loss)			10,829,550		10,829,550
Other Revenue	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			0		
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities			0		
	10a	Gross sales of inventory, less returns and allowances	a	140,877			
	b	Less cost of goods sold	b	234,789			
	c	Net income or (loss) from sales of inventory			-93,912		-93,912
		Miscellaneous Revenue	Business Code				
	11a	Cafeteria	722210		2,025,881	2,025,881	
	b	Refferal Lab	111000		2,555,072	2,423,932	131,140
	c	MEDICAL RECORD COPYING REVENUE	541380		374,018	374,018	
	d	All other revenue			31,677,619	30,132,524	1,545,095
	e	**Total.** Add lines 11a–11d			36,632,590		
	12	**Total revenue.** See Instructions			604,977,641	583,682,628	1,582,323	19,321,722

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	1,203,243	1,203,243		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	10,021,419	8,521,699	1,260,817	238,903
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	625,070	625,070		
7 Other salaries and wages	226,523,557	216,536,309	9,913,884	73,364
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	10,301,891	9,730,137	570,701	1,053
9 Other employee benefits	29,788,846	27,381,872	2,382,488	24,486
10 Payroll taxes	13,575,056	12,760,748	795,728	18,580
11 Fees for services (non-employees)				
a Management	0			
b Legal	1,033,576	489,018	544,558	
c Accounting	116,333		116,333	
d Lobbying	138,496		138,496	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	34,425,008	29,376,707	5,048,301	
12 Advertising and promotion	3,560,114	3,454,872	100,212	5,030
13 Office expenses	27,278,646	26,513,924	693,931	70,791
14 Information technology	473,565	473,565	0	
15 Royalties . .	0			
16 Occupancy	12,151,840	11,082,788	1,069,052	
17 Travel	1,239,662	1,214,783	24,398	481
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	2,386,527	1,967,255	415,545	3,727
20 Interest	6,204,460	4,482,081	1,722,379	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	28,438,036	26,814,360	1,623,676	
23 Insurance	1,312,148	1,312,006	142	
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 REPAIRS AND MAINTENANCE	14,581,616	12,825,758	1,755,813	45
b PROVISION FOR UNCOLLECTIBLE	40,668,519	40,668,519		
c FRA TAX	26,434,373	26,434,373		
d Medical Supplies	65,318,766	65,318,766		
e All other expenses	2,365,601	788,262	1,576,330	1,009
25 **Total functional expenses.** Add lines 1 through 24e	560,166,368	529,976,115	29,752,784	437,469
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		16,812,886	1	12,461,021
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		64,676,384	4	74,213,201
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		8,730,387	8	6,851,814
	9	Prepaid expenses and deferred charges		5,213,554	9	5,193,649
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 578,431,757			
	b	Less accumulated depreciation	10b 310,432,852	231,682,674	10c	267,998,905
	11	Investments—publicly traded securities		282,342,788	11	328,974,227
	12	Investments—other securities See Part IV, line 11		38,953,298	12	41,109,574
	13	Investments—program-related See Part IV, line 11		3,191,976	13	2,863,231
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		19,575,374	15	16,577,030
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		671,179,321	16	756,242,652
Liabilities	17	Accounts payable and accrued expenses		116,705,273	17	90,141,179
	18	Grants payable		0	18	0
	19	Deferred revenue		53,758	19	0
	20	Tax-exempt bond liabilities		185,700,000	20	230,431,012
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		3,896,839	23	3,538,361
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		17,003,960	25	12,151,291
	26	**Total liabilities.** Add lines 17 through 25		323,359,830	26	336,261,843
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		347,819,491	27	419,980,809
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		347,819,491	33	419,980,809
	34	Total liabilities and net assets/fund balances		671,179,321	34	756,242,652

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	604,977,641
2	Total expenses (must equal Part IX, column (A), line 25)	2	560,166,368
3	Revenue less expenses Subtract line 2 from line 1	3	44,811,273
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	347,819,491
5	Net unrealized gains (losses) on investments	5	16,714,294
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	10,635,751
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	419,980,809

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 44-0545289
Name: HEARTLAND REGIONAL MEDICAL CENTER

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			
MARK LANEY MD DIRECTOR, OFFICER	54 0 6 0	X		X				1,130,006	0	138,166
BRIAN BRADLEY DIRECTOR	1 0 0 0	X						0	0	0
DR DAVID CATHCART DIRECTOR, STAFF PHYSICIAN	59 0 1 0	X						281,537	0	18,620
DR DENNIS DOBYAN DIRECTOR	1 0 0 0	X						0	0	0
JAMES GRAVES DIRECTOR	1 0 0 0	X						0	0	0
DAN HEGEMAN DIRECTOR	1 0 0 0	X						0	0	0
DAVE HOWERY DIRECTOR	1 0 0 0	X						0	0	0
FRANK LEONE DIRECTOR	1 0 0 0	X						0	0	0
DR CHRIS LOONEY DIRECTOR	1 0 0 0	X						0	0	0
DR JOHN OLSON DIRECTOR, STAFF PHYSICIAN	59 0 1 0	X						702,145	0	30,441
AL PURCELL DIRECTOR	1 0 0 0	X						0	0	0
CAROL ROEVER DIRECTOR	1 0 0 0	X						0	0	0
STEVE SCHRAM DIRECTOR	1 0 0 0	X						0	0	0
BRENDA SHARPE DIRECTOR	1 0 0 0	X						0	0	0
BARBARA WURTZLER DIRECTOR	1 0 0 0	X						0	0	0
CURT KRETZINGER OFFICER	52 0 8 0			X				720,914	0	109,587
JOHN P WILSON OFFICER	50 0 10 0			X				667,480	0	88,988
DOUGLAS BRANDT OFFICER	50 0 10 0			X				264,270	0	79,009
KAREN DITTEMORE OFFICER	51 0 9 0			X				73,403	0	10,601
DIRCK CLARK OFFICER	60 0 0 0			X				354,135	0	65,289
MICHAEL PULIDO OFFICER	60 0 0 0			X				321,862	0	79,147
BARBIE SQUIRES OFFICER	60 0 0 0			X				118,711	0	12,667
LYNN THUENTE OFFICER	60 0 0 0			X				149,478	0	12,946
TAMA WAGNER OFFICER	60 0 0 0			X				221,319	0	68,955
DR JOE BOYCE OFFICER	59 0 1 0			X				405,396	0	77,761

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			
LISA MICHAELIS ADMINISTRATOR	60 0 0 0				X			397,171	0	70,195
SCOTT KOELLIKER ADMINISTRATOR	60 0 0 0				X			298,153	0	86,157
DR REBECCA PRESTON OFFICER	60 0 0 0				X			247,101	0	59,703
DR DAVIN TURNER ADMINISTRATOR	60 0 0 0				X			423,952	0	41,194
DR ROBERT GRANT STAFF PHYSICIAN	60 0 0 0					X		929,074	0	35,694
DR MOHAN HINDUPUR STAFF PHYSICIAN	60 0 0 0					X		1,009,527	0	27,331
DR FRANK LAMMOGLIA STAFF PHYSICIAN	60 0 0 0					X		873,923	0	30,802
DR ARVIND SHARMA STAFF PHYSICIAN	60 0 0 0					X		895,728	0	34,694
DR HEMANT SHETH STAFF PHYSICIAN	60 0 0 0					X		1,080,700	0	33,095
DR MAUREEN BOYLE MANGANARO STAFF PHYSICIAN	60 0 0 0						X	502,169	0	33,694
DR ED KAMMERER STAFF PHYSICIAN	60 0 0 0						X	433,029	0	34,694
DR MICHAEL NELLESTEIN STAFF PHYSICIAN	60 0 0 0						X	503,929	0	32,694
DR PADMAVATHI VELIGATI STAFF PHYSICIAN	60 0 0 0						X	495,762	0	10,000
HELEN THOMPSON OFFICER	0 0 0 0						X	218,945	0	10,528

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	**Employer identification number**
HEARTLAND REGIONAL MEDICAL CENTER	44-0545289

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
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-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		151,735
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			151,735
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

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

(ii) Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	(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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		19,043,491		19,043,491
b Buildings		264,908,609	116,659,503	148,249,106
c Leasehold improvements		33,373,221	15,877,262	17,495,959
d Equipment		187,006,449	136,862,186	50,144,263
e Other		74,099,987	41,033,901	33,066,086
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				267,998,905

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVESTMENT IN LLC'S	4,663,228	C
(B) PRIVATE INVESTMENT FUNDS	36,446,346	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	41,109,574	

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
DERIVATIVE INSTRUMENTS	11,179,581
MINORITY INTEREST	971,710
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	12,151,291

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

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
UNCERTAIN TAX POSITIONS DISCLOSURE	SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

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

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
	Central America and the Caribbean			Investments		27,334,760
3a	Sub-total					27,334,760
b	Total from continuation sheets to Part I					
c	**Totals** (add lines 3a and 3b)					27,334,760

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

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

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

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☑ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organizationmay be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☑ Yes	☐ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*	☐ Yes	☑ No

Part V **Supplemental Information**

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

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			14,399,796		14,399,796	2 770 %
b Medicaid (from Worksheet 3, column a)			104,710,987	89,048,342	15,662,645	3 010 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			119,110,783	89,048,342	30,062,441	5 780 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			8,670,240		8,670,240	1 670 %
f Health professions education (from Worksheet 5)			1,348,141		1,348,141	0 260 %
g Subsidized health services (from Worksheet 6)			1,882,547	518,744	1,363,803	0 260 %
h Research (from Worksheet 7)			456,202	50,767	405,435	0 080 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,654,973		1,654,973	0 320 %
j **Total.** Other Benefits			14,012,103	569,511	13,442,592	2 590 %
k **Total.** Add lines 7d and 7j			133,122,886	89,617,853	43,505,033	8 370 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing			157,084		157,084	0 030 %
2	Economic development			498,645		498,645	0 100 %
3	Community support			587,368		587,368	0 110 %
4	Environmental improvements						
5	Leadership development and training for community members			1,017,540		1,017,540	0 200 %
6	Coalition building			183,024		183,024	0 040 %
7	Community health improvement advocacy			783,184		783,184	0 150 %
8	Workforce development			31,847		31,847	0 010 %
9	Other						
10	**Total**			3,258,692		3,258,692	0 640 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	16,823,363		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	141,428,112
6	Enter Medicare allowable costs of care relating to payments on line 5	6	153,319,505
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-11,891,393

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

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	Yes	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	NONE				
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	HEARTLAND REGIONAL MEDICAL CENTER 5325 FARAON ST JOSEPH, MO 64506	X	X					X		PHARMICIST INTERN PROGRAM	

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)

Name of hospital facility or facility reporting group HEARTLAND REGIONAL MEDICAL CENTER

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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☑ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
42

	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
SCHEDULE H, PART I, LINE 7		THE COSTING METHODOLOGY USED TO CALCULATED THE AMOUNTS REPORTED IN THE TABLE WAS THE COST TO CHARGE RATIO DERIVED FROM WORKSHEET 2
SCHEDULE H, PART I, LINE 7, COLUMN F		COST IS FROM FORM 990, PART IX, LINE 25 COLUMN (A) WITH BAD DEBT OF $40,668,519 SUBTRACTED FOR THE PURPOSE OF CALCULATING THE PERCENTAGE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7G		PATEE DENTAL CLINIC $ 718,273 HEALTH EXPRESS VAN 318,799 COMMUNITY MOBILE CLINIC 705,342 HEARTLAND CLINIC UROLOGY 140,133 ---------- $ 1,882,547 ==========
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	FUNDING BY THE ORGANIZATION PROMOTES REVITALIZATION OF OLDER NEIGHBORHOODS BY FACILITATING ACCESS TO REAL ESTATE TAX CREDITS, PROMOTES EVENTS THAT PROVIDE RECREATION, HEALTHY ACTIVITIES AND ECONOMIC SUPPORT SUCH AS MUSTANG'S BASEBALL, TRAILS WEST!, JOSEPHINE EXPO, DIPLOMATS BREAKFAST, HEALTHTY COMMUNITIES SUMMIT, ROSECRANS AIR SHOW AND GIRLS NIGHT OUT, SUPPORTS THE SALARY OF A DISASTER COORDINATOR FOR COMMUNITY EMERGENCIES, PROVIDES MANANGEMENT SUPPORT FOR REGIONAL MEDICAL CLINICS, PROMOTES PERSONAL GROWTH THROUGH SUPPORT OF EDUCATION PROGRAMS, SUPPORTS LEGISLATIVE ACTIVITIES THAT CHAMPION THE IMPROVEMENT OF THE ECONOMIC AND HEALTH STATUS OF OUR COMMUNITY

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 2	BAD DEBT WRITEOFFS OF SELF PAY PORTIONS OF ACCOUNTS RECEIVABLE NOT ELIGIBLE FOR FINANCIAL ASSISTANCE ARE USED TO DETERMINE HISTORICAL PERCENTAGES WHICH ARE THEN APPLIED TO CURRENT SELF PAY ACCOUNTS RECEIVABLE TO DETERMINE THE AMOUNT OF BAD DEBT RESERVE NEEDED FOR FUTURE BAD DEBT WRITEOFFS ANY ADJUSTMENTS TO THE RESERVE ARE BOOKED AS BAD DEBT EXPENSE FOR THE CALCULATION IN #2, THOSE ADJUSTMENTS ARE MULTIPLIED BY THE COST TO CHARGE PERCENTAGE DETERMINED BY THESE SCHEDULE H WORKSHEETS
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 4	PATIENT ACCOUNTS RECEIVABLE Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts The Medical Centers allowance for doubtful accounts for self-pay patients increased from 91% of self-pay accounts receivable at June 30, 2012, to 97% of self-pay accounts receivable at June 30, 2013 In addition, the Medical Centers write-offs decreased approximately $1,000,000 from approximately $68,000,000 for the year ended June 30, 2012, to approximately $67,000,000 for the year ended June 30, 2013 The increase in the self-pay allowance percentage of self-pay accounts receivable was the result of negative trends experienced in the collection of amounts from self-pay patients in fiscal year 2013

Identifier	ReturnReference	Explanation
MEDICARE SHORTFALL	SCHEDULE H, PART III, LINE 8	THE MEDICARE ALLOWABLE FAILS TO COVER COST NON-PAYMENT BY MEDICARE RECIPIENTS FOR THEIR DEDUCTIBLE AND COINSURANCE AMOUNTS INCREASES FINANCIAL ASSISTANCE AND BAD DEBT THESE SHORTFALLS DECREASE THE ORGANIZATION'S POOL OF ASSETS AND IT'S ABILITY TO SUCCESSFULLY ATTRACT HIGHLY-TRAINED STAFF AND INVEST IN MEDICAL TECHNOLOGY IF SERVICES ARE TO BE MAINTAINED, THEN THE COSTS WILL HAVE TO BE COVERED BY THOSE WHO PAY THE BURDEN FALLS ON THE COMMUNITY
COLLECTION PRACTICES	SCHEDULE H, PART III, LINE 9B	THE ORGANIZATION HAS ESTABLISHED STANDARDS LD6014 (PFS-COLLECTION GUIDELINES FOR MEDICAL CENTER), LD6503 (PFS OFFICE-PAYMENT ARRANGEMENTS AFM AND PFM) AND LD6465 (MEDICAL CENTER, HEARTLAND PARAMEDICS, HEARTLAND CLINIC AND LONG TERM ACUTE CARE HOSPITAL FINANCIAL ASSISTANCE) WHICH GOVERN COLLECTION PRACTICES FOR ALL TYPES OF PAYERS FROM THE CREATION OF THE PATIENT'S ACCOUNT DURING REGISTRATION TO THE FINAL ARRANGEMENTS NECESSARY TO BRING THE BALANCE TO ZERO

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, LINE 3		A COMMUNITY SURVEY WAS CONDUCTED BY AMERICAN VIEWPOINT, ONE OF THE MOST WIDELY-RESPECTED PUBLIC OPINION RESEARCH AND STRATEGIC MESSAGE CONSULTING FIRMS IN THE UNITED STATES INTERVIEWS WERE CONDUCTED WITH 500 RESIDENTS ACROSS THE SERVICE AREA APPROXIMATELY 25 PERCENT OF INTERVIEWS WERE CONDUCTED WITH CELL PHONE ONLY HOUSEHOLDS THE SAMPLE INCLUDED MEN AND WOMEN BETWEEN THE AGES OF 18 TO MORE THAN 65 WITH HOUSEHOLD INCOMES RANGING FROM BELOW $20K TO ABOVE $50k AMONG THE RESPONDENTS WERE THOSE WHO HAD LIVED IN ST JOSEPH FOR LESS THAN FIVE YEARS TO THOSE WHO HAD LIVED IN THE COMMUNITY ALL THEIR LIVES THE COMMUNITY SURVEY WAS ALSO INTRODUCED TO SIX FOCUS GROUPS COMPRISED OF COMMUNITY MEMBERS, INCLUDING THOSE WITH BROAD INTERESTS AND THOSE WITH SPECIAL KNOWLEDGE OF THE SUBJECT THE GROUPS REPRESENTED PHYSICIANS, COMMUNITY MEMBERS, CLINICAL STAFF (REGISTERED NURSES AND CARE MANAGERS), HOSPITAL LEADERSHIP AND COMMUNITY HEALTH LEADERS ADDITIONALLY, OTHER HEALTH DATA ALREADY GATHERED THROUGH OUR OWN POPULATION HEALTH DATABASE, ALONG WITH HEALTH DATA FROM LOCAL, STATE AND NATIONAL SOURCES WAS INCORPORATED INTO A SCORECARD TO MONITOR THE OUR SUCCESS IN IMPROVING THE HEALTH OF OUR COMMUNITY THOSE OUTSIDE RESOURCES WERE AGENCY FOR HEALTHCARE RESEARCH AND QUALITY (AHRQ) PQI (PREVENT QUALITY INDICATORS), MISSOURI DEPARTMENT OF HEALTH, LOCAL BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) (STJOEHEALTHINFOR ORG), STATE BRFSS, MISSOURI HOSPITAL ASSOCIATION (MHA) REPORT ASSESSING THE HEALTH OF OUR COMMUNITIES, COUNTY HEALTH RANKINGS, UNIVERSITY OF WISCONSIN POPULATION HEALTH INSTITUTE, ST JOSEPH HEALTH DEPARTMENT, AMERICAN COMMUNITY SURVEY (ACS), MISSOURI ECONOMIC RESEARCH AND INFORMATION CENTER (MERIC), SUCCES SIX/UNITED WAY, AND HEAD START
SCHEDULE H, PART V, LINE 7		THROUGH THE SURVEYS CONDUCTED BY AMERICAN VIEWPOINT, RESPONDENTS WERE ASKED TO PICK THE TWO HIGHEST HEALTH ISSUES FROM THE FOLLOWING LIST ADULT OBESITY, HEART DISEASE, ILLEGAL DRUG USE, CHILD OBESITY, SMOKING, DIABETES, MENTAL HEALTH, BREAST CANCER, LUNG CANCER, AND DENTAL CARE THE SURVEY RESULTS INDICATED THAT ADULT OBESITY AND HEART DISEASE WERE THE TOP ISSUES ILLEGAL DRUG USE, CHILD OBESITY WERE THIRD AND FOURTH THE FOCUS GROUPS DETERMINED THAT MENTAL HEALTH, OBESITY AND LACK OF EDUCATION ON HEALTH AND HEALTH RESOURCES WERE TOP ISSUES BY COMPARING THE RESULTS OF THE SURVEYS TO THE EXISTING DATA SOURCES, IT WAS DETERMINED THAT THE SPECIFIC FOCUS FOR IMPROVEMENT SHOULD BE ON MENTAL HEALTH SERVICES (INCLUDING REDUCING THE DEPENDENCY ON ILLEGAL DRUGS), AND ADULT AND CHILD OBESITY ISSUES HEARTLAND ALREADY OFFERS NEARLY FIFTY EDUCATIONAL PROGRAMS TO HELP MAINTAIN A HEALTHY LIFE STYLE THESE PROGRAMS ADDRESS THE ISSUES OF BREAST CANCER, DENTAL CARE, LUNG CANCER, HEART DISEASE, DIABETES AND SMOKING PUBLIC EDUCATION ABOUT THE EXISTENCE OF THESE PROGRAMS WILL BE ENHANCED

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, LINE 18E		AT ANY TIME DURING ADMISSION, THE PATIENT STAY OR DISCHARGE, IF THE A CLIENT INITIATES DISCUSSIONS ABOUT ASSISTANCE, THEN THE FAP IS EXPLAINED
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	A COMMUNITY SURVEY WAS CONDUCTED TO DETERMINE THE HEALTH NEED PRIORITIES, ACCORDING TO THE OPINION OF INDIVIDUALS IN THE ORGANIZATION'S SERVICE AREA THE SURVEY WAS ALSO INTRODUCED TO SIX FOCUS GROUPS COMPRISED OF COMMUNITY MEMBERS, INCLUDING THOSE WITH BROAD INTERESTS AND THOSE WITH SPECIAL KNOWLEDGE OF THE SUBJECT BY COMBINING THE DATA FROM THE COMMUNITY SURVEY, ADDING EXTERNAL DATA FROM PRE-ESTABLISHED REPUTABLE SOURCES AND THE RESULTS FROM THE SIX COMMUNITY FOCUS GROUPS, THE TOP TRHREE COMMUNITY HEALTH NEEDS WERE DETERMINED MENTAL HEALTH SERVICES, ADULT AND CHILDHOOD OBESITY, AND, EDUCATION ON HEALTH AND HEALTH RESOURCES THE ORGANIZATION HAS DEVELOPED A THREE-YEAR ACTION PLAN TO ADDRESS THESE ISSUES THE IMPLEMENTATION STRATEGY CAN BE FOUND AT https //www mymosaiclifecare org/General/Community-Health-Needs-Assessment /St-Joseph-CHNA/

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	AS PART OF THE PRE-REGISTRATION PROCESS, INSURANCE COVERAGE INFORMATION IS REQUESTED IF A CLIENT INDICATES INABILITY TO PAY, THEN THE CLIENT IS SCREENED FOR MEDICAID ELIGIBILITY AND ASSISTED IN THE APPLICATION PROCESS IF NO OTHER PAYMENT RESOURCES ARE AVAILABLE, THE CLIENT IS ADVISED OF THE FINANCIAL ASSISTANCE PROGRAM AND ENCOURAGED TO PROVIDE THE NECESSARY FINANCIAL DOCUMENTATION TO PROVE ELIGIBILITY CLIENTS WHO WERE NOT SCREENED BY PRE-REGISTRATION AND THEREFORE MISSED THE SCREENING PROCESS, HAVE THE ABILITY TO LEARN OF THE MEDICAID ELIGIBILITY AND FINANCIAL ASSISTANCE SERVICES BY CONTACTING THE BILLING DEPARTMENT UPON RECEIPT OF AN ACCOUNT STATEMENT FINANCIAL DOCUMENTATION IS STILL NECESSARY TO PROVE QUALIFICATION FOR THE FINANCIAL ASSISTANCE SERVICE
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	THE ORGANIZATION'S SERVICE AREA IS A 21 COUNTY URBAN/RURAL AREA LOCATED NEAR THE INTERSECTION OF A FOUR-STATE AREA THE POPULATION IS ELDERLY AND UNDER-INSURED THE LOCAL ECONOMY CONSISTS OF AGRICULTURAL, SMALL MANUFACTURING AND SELF-EMPLOYED BUSINESSES, PRIMARILY BLUE COLLAR WORKERS THE ORGANIZATION SUPPORTS A PAYOR MIX OF 62% MEDICARE AND MEDICAID, 31 5% COMMERCIAL AND 6 5% SELF PAY A LARGE PERCENT OF THE REGION'S POPULATION ARE BELOW THE NATIONAL POVERTY LEVEL AND ARE UNINSURED OR UNDER-INSURED NEARLY A QUARTER OF THE POPULATION SMOKE, HAVE DIABETES OR HAVE A BODY MASS INDEX GREATER THAN 30 OVER HALF OF THE ELEMENTARY AGE STUDENTS RECEIVE FREE OR REDUCED-COST LUNCHES

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	THE ORGANIZATION OFFERS NEARLY 50 EDUCATIONAL PROGRAMS THROUGHOUT THE year to help maintain a healthy lifestyle These are well-advertised and most of them are free of charge For the past eight years, the organization has sponsored the Pound Plunge, a three-month long event to encourage weight loss, exercise and healthy eating More than 12,000 people have participated The 4th Grade Challenge is a program created for children who are at the age when they can begin to make choices for themselves The objective of the program is to improve these students health by providing an eight week curriculum with fun, hands-on activities designed to encourage healthy eating habits, exercise and making wise lifestyle choices The program began it's seventh year in September, 2013 The organization is A funding partner of a community alliance project geared to share and coordinate the existence of community health and welfare projects
AFFILIATED HEALTH CARE SYSTEM	SCHEDULE H, PART VI, LINE 5	THE ORGANIZATION IS AFFILIATED, THROUGH A PARENT BOARD, WITH A FOUNDATION, AN ACUTE LONG TERM CARE HOSPITAL, A MEDICAL TRANSPORT PROVIDER, A COMMUNITY HEALTH IMPROVEMENT SOLUTIONS SERVICE AND A HEALTH INFORMATION EXCHANGE, ALL OF WHICH COLLABORATE WITH EDUCATIONAL, GOVERNMENTAL AND LOCAL BUSINESS LEADERS TO IMPLEMENT PROGRAMS THAT WILL HELP TO ALLEVIATE THOSE ISSUES WHICH LEAD TO POOR HEALTH HABITS AND THE ULTIMATE NEED FOR MEDICAL CARE THE PARENT BOARD IS COMPRISED OF COMMUNITY LEADERS WHO REPRESENT THE EDUCATIONAL, MEDICAL, GOVERNMENTAL AND BUSINESS SECTORS IN THE COMMUNITY THE FOUNDATION HAS DIRECT OVERSIGHT FOR MANY OF THE PROGRAMS AND COUNCILS THAT ARE WORKING TO ELIMINATE THE FACTORS THAT LEAD TO THE NEED FOR MEDICAL CARE THE ACUTE LONG TERM CARE HOSPITAL IS A FACILITY DEDICATED TO THE CARE OF THOSE PATIENTS WHOSE CHRONIC ILLNESS REQUIRES A GREATER LENGTH OF STAY THAN THE NORM FOR ROUTINE ACUTE PATIENTS THE MEDICAL TRANSPORT PROVIDER IS THE SOLE AMBULANCE PROVIDER IN THE COUNTY, NOT SUPPORTED BY ANY ALTERNATIVE GOVERNMENT FUNDING THE COMMUNITY HEALTH IMPROVEMENT SOLUTIONS SERVICE WORKS WITH OTHER EMPLOYERS IN THE COMMUNITY TO EFFECT HEALTHY CHANGES IN THEIR WORKFORCES THE HEALTH INFORMATION EXCHANGE IS AN EFFORT TO MAKE ALL MEDICAL RECORD INFORMATION FOR A PATIENT ACCESSIBLE BY ANY PROVIDER AT ANY LOCATION

Additional Data

Software ID:
Software Version:
EIN: 44-0545289
Name: HEARTLAND REGIONAL MEDICAL CENTER

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?
42

Name and address	Type of Facility (describe)
HEARTLAND CLINIC 901 HEARTLAND ROAD ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 902 RIVERSIDE ROAD ST JOSEPH,MO 64507	SPECIALTY CLINIC
HEARTLAND CLINIC 802 N RIVERSIDE ST JOSEPH,MO 64507	SPECIALTY CLINIC
HEARTLAND CLINIC 5514 CORPORATE DR ST JOSEPH,MO 64507	SPECIALTY CLINIC
HEARTLAND CLINIC 5210 NORTH BELT HIGHWAY ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 5301 FARAON ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 105 FAR WEST DRIVE ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 5325 FARAON ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 1115 N BELT HIGHWAY ST JOSEPH,MO 64506	SPECIALTY CLINIC
SPA AT BRIARCLIFF 4133 NORTH MULBERRY DRIVE KANSAS CITY,MO 64116	SPECIALTY CLINIC
HEARTLAND CLINIC 2703 RUNNING HORSE RD PLATTE CITY,MO 64079	SPECIALTY CLINIC
HEARTLAND CLINIC 3715 BECK ROAD ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 401 ILLINOIS ST JOSEPH,MO 64504	SPECIALTY CLINIC
ADVANCED DIAGNOSTIC IMAGING 3620 FREDERICK AVENUE ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 1314 N 36TH ST ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 400 N FULLERTON PRINCETON,MO 64673	SPECIALTY CLINIC
HEARTLAND CLINIC 4201 NORTH BELT HIGHWAY ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 215 S WALNUT ST CAMERON,MO 64429	SPECIALTY CLINIC
HEARTLAND CLINIC 207 SO MAIN TROY,KS 66087	SPECIALTY CLINIC
HEARTLAND OUTPATIENT THERAPY-MIDWEST 3107 FREDERICK ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND COUNSELING 137 N BELT HIGHWAY ST JOSEPH,MO 64506	SPECIALTY CLINIC
PATEE DENTAL CLINIC 904 SOUTH 10TH ST JOSEPH,MO 64501	SPECIALTY CLINIC
HEARTLAND CLINIC 300 UTAH HIAWATHA,KS 66434	SPECIALTY CLINIC
HANDS OF HOPE HOSPICE 307 PINEVIEW STREET STANBERRY,MO 64489	SPECIALTY CLINIC
HEARTLAND CLINIC 711 N 36TH ST ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 1015 WEST FOURTH CAMERON,MO 64429	SPECIALTY CLINIC
HEARTLAND CLINIC 2024 S MAIN MARYVILLE,MO 64468	SPECIALTY CLINIC
HEARTLAND CLINIC 2600 MILLER BETHANY,MO 64424	SPECIALTY CLINIC
HEARTLAND CLINIC 2812 ST JOSEPH AVENUE ST JOSEPH,MO 64505	SPECIALTY CLINIC
HEARTLAND CLINIC 3007 N BELT HIGHWAY ST JOSEPH,MO 64506	SPECIALTY CLINIC

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?
42

Name and address	Type of Facility (describe)
HEARTLAND CLINIC 5302 FARAON ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 705 N COLLEGE ALBANY,MO 64402	SPECIALTY CLINIC
HEARTLAND CLINIC 100 CENTRAL ST CHILLICOTHE,MO 64601	SPECIALTY CLINIC
HEARTLAND CLINIC 5204 NORTH BELT HIGHWAY ST JOSEPH,MO 64506	SPECIALTY CLINIC
HEARTLAND CLINIC 8860 NE 82ND TERRACE KANSAS CITY,MO 64158	SPECIALTY CLINIC
HEARTLAND CLINIC 8860 NE 82ND TERRACE KANSAS CITY,MO 64158	SPECIALTY CLINIC
HEARTLAND CLINIC 425 W WASHINGTON STREET KEARNEY,MO 64060	SPECIALTY CLINIC
HEARTLAND CLINIC 6185 JEFFERSON AVENUE PARKVILLE,MO 64152	SPECIALTY CLINIC
HEARTLAND CLINIC 6420 N PROSPECT AVENUE GLADSTONE,MO 64119	SPECIALTY CLINIC
HEARTLAND CLINIC 1103 S US HIGHWAY 169 SMITHVILLE,MO 64089	SPECIALTY CLINIC
HEARTLAND CLINIC 2370 VINTAGE COURT EXCELSIOR SPRINGS,MO 64024	SPECIALTY CLINIC
HEARTLAND CLINIC 6301 N LUCERNE KANSAS CITY,MO 64151	SPECIALTY CLINIC

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) UNITED WAY OF ST JOSEPH 118 SOUTH 5TH STREET ST JOESPH,MO 64501	44-0547802	501(c)(3)	185,433				SUPPORT
(2) HEARTLAND FOUNDATION 5325 FARAON ST JOSEPH,MO 64506	43-1262768	501(C)(3)	1,071,554				SUPPORT
(3) HEARTLAND FOUNDATION 5325 FARAON ST JOSEPH,MO 64506	43-1262768	501(C)(3)	8,515				
(4) COMMUNITY ALLIANCE 3033 FREDERICK ST JOSEPH,MO 64506	44-0419460	501(C)(6)	16,000				SUPPORT
(5) BUCHANAN COUNTY AGRI BUSINESS EXPO PO BOX 8384 ST JOSEPH,MO 64508	26-1352588	501(C)(3)	87,500				SUPPORT
(6) MISSOURI WESTERN STATE UNIVERISTY FOUNDATION 5425 DOWNS DRIVE ST JOSEPH,MO 64507	23-7035423	501(C)(3)	29,000				SUPPORT
(7) MHA CENTER FOR EDUCATION PO BOX 60 JEFFERSON CITY,MO 65102	43-0898947	501(C)(3)	67,489				SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 5

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

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

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

Part IV **Supplemental Information.**

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS	SCHEDULE I, PART I, LINE 2	THE ORGANIZATION IS COMMITTED TO THE DEVELOPMENT OF A HEALTHY COMMUNITY WHICH INCLUDES THE HEALTH OF INDIVIDUALS, AN ADEQUATE NUMBER OF JOBS FOR THE WORKFORCE AND SUCCESSFUL BUSINESSES TO BOOST THE LOCAL ECONOMY GRANTS ARE PROVIDED TO LOCAL GROUPS THAT ACHIEVE THESE OBJECTIVES GENERALLY OUR OFFICERS, DIRECTORS OR EMPLOYEES ARE IN A VOLUNTEER POSITION OR ARE A BOARD MEMBER OF THE RECIPIENT ORGANIZATION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
OTHER COMPENSATION	SCHEDULE J, PART I, LINE 1A	COUNTRY CLUB MEMBERSHIP IS A CORPORATE MEMBERSHIP USE OF THE FACILITY IS AVAILABLE TO EXECUTIVE STAFF BUT THEY MUST PAY ANY PERSONAL COSTS INCURRED NO VALUE IS ASSESSED ON W-2'S
SEVERANCE PAYMENT	SCHEDULE J, PART I, LINE 4B	HELEN THOMPSON 129,881
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	ACCRUED 6/30/2013 ---------- CURT KRETZINGER 90,786 JOHN P WILSON 78,988 DOUGLAS BRANDT 48,459 MARK LANEY, M D 108,333 DIRCK CLARK 34,090 MICHAEL PULIDO 46,454 LISA MICHAELIS 47,051 TAMA WAGNER 40,785 JOE BOYCE, M D 48,487 SCOTT KOELLIKER 52,139 JAMES MCMILLEN, MD 28,924 REBECCA PRESTON, MD 37,532 BARBIE SQUIRES 7,290 DAVIN TURNER, DO 10,500 THOSE LISTED ABOVE HAVE SIGNED SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS WHICH RECOGNIZE THE VALUE OF THE INDIVIDUAL AND THE MUTUAL BENEFIT OF CONTINUED EMPLOYMENT FOR AN EXTENDED PERIOD OF TIME BY ESTABLISHING A 457f PLAN THE PLAN IS FUNDED YEARLY AS THE RESULT OF A CALCULATION DESCRIBED IN THE AGREEMENT WHICH WILL REWARD THE INDIVIDUALS WITH 100% VESTING AT NORMAL RETIREMENT AGE OR UPON DEATH OR UPON SEPARATION FROM SERVICE DUE TO DISABILITY OR UPON INVOLUNTARY SEPARATION FROM SERVICE WITHOUT CAUSE, WITH LUMP SUM PAYMENT WITHIN 90 DAYS OF EACH SITUATION TAKING INTO CONSIDERATION A NON-COMPETE COVENANT SEPARATION WITH CAUSE MAKES SUPPLEMENTAL EXECUTIVE RETIREMENT AGREEMENT NULL AND VOID
COMPENSATION PAID BY HEARTLAND REGIONAL MEDICAL CENTER	SCHEDULE J, PART II	THE COMPENSATION PROVIDED BY HEARTLAND REGIONAL MEDICAL CENTER FOR CURT KRETZINGER, JOHN P WILSON, DIRCK CLARK, DR MARK LANEY, DOUGLAS BRANDT, KAREN DITTEMORE, JOE BOYCE, MD, MICHAEL PULIDO, TAMA WAGNER AND LISA MICHAELIS IS FOR SERVICES TO ALL HEARTLAND ENTITIES INCLUDED IN THE DEFERRED COMPENSATION ARE EMPLOYER CONTRIBUTIONS INTO QUALIFIED PLANS AND NON-QUALIFIED DEFERRED COMPENSATION PLANS THAT ARE SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE AND SEVERANCE THAT IS PROVIDED WITHIN THE EXECUTIVE'S EMPLOYMENT AGREEMENT THEREFORE, THESE AMOUNTS MAY NEVER BE PAID

Additional Data Return to Form

Software ID:
Software Version:
EIN: 44-0545289
Name: HEARTLAND REGIONAL MEDICAL CENTER

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				
MARK LANEY MD	(I)	651,444	456,000	22,562	118,333	19,833	1,268,172	0
	(II)	0	0	0	0	0	0	0
DR DAVID CATHCART	(I)	272,378	6,666	2,493	7,789	10,831	300,157	0
	(II)	0	0	0	0	0	0	0
DR JOHN OLSON	(I)	580,273	119,496	2,376	10,000	20,441	732,586	0
	(II)	0	0	0	0	0	0	0
CURT KRETZINGER	(I)	544,394	138,570	37,950	100,786	8,801	830,501	0
	(II)	0	0	0	0	0	0	0
JOHN P WILSON	(I)	521,854	124,620	21,006	88,988	0	756,468	0
	(II)	0	0	0	0	0	0	0
DOUGLAS BRANDT	(I)	234,704	6,283	23,283	58,315	20,694	343,279	0
	(II)	0	0	0	0	0	0	0
DIRCK CLARK	(I)	276,329	56,880	20,926	45,409	19,880	419,424	0
	(II)	0	0	0	0	0	0	0
MICHAEL PULIDO	(I)	257,603	61,380	2,879	56,653	22,494	401,009	0
	(II)	0	0	0	0	0	0	0
LYNN THUENTE	(I)	135,047	7,763	6,668	6,073	6,873	162,424	0
	(II)	0	0	0	0	0	0	0
TAMA WAGNER	(I)	177,028	42,480	1,811	49,402	19,553	290,274	0
	(II)	0	0	0	0	0	0	0
LISA MICHAELIS	(I)	321,911	43,750	31,510	57,331	12,864	467,366	0
	(II)	0	0	0	0	0	0	0
SCOTT KOELLIKER	(I)	245,734	38,511	13,908	62,463	23,694	384,310	0
	(II)	0	0	0	0	0	0	0
DR REBECCA PRESTON	(I)	231,613	15,000	488	45,395	14,308	306,804	0
	(II)	0	0	0	0	0	0	0
DR ROBERT GRANT	(I)	870,564	56,566	1,944	10,000	25,694	964,768	0
	(II)	0	0	0	0	0	0	0
DR MOHAN HINDUPUR	(I)	933,057	55,741	20,729	10,000	17,331	1,036,858	0
	(II)	0	0	0	0	0	0	0
DR FRANK LAMMOGLIA	(I)	815,806	55,741	2,376	10,000	20,802	904,725	0
	(II)	0	0	0	0	0	0	0
DR ARVIND SHARMA	(I)	821,043	55,741	18,944	10,000	24,694	930,422	0
	(II)	0	0	0	0	0	0	0
DR HEMANT SHETH	(I)	931,601	132,449	16,650	14,264	18,831	1,113,795	0
	(II)	0	0	0	0	0	0	0
DR MAUREEN BOYLE MANGANARO	(I)	419,882	63,343	18,944	10,000	23,694	535,863	0
	(II)	0	0	0	0	0	0	0
DR ED KAMMERER	(I)	236,895	194,460	1,674	10,000	24,694	467,723	0
	(II)	0	0	0	0	0	0	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DR MICHAEL NELLESTEIN	(I)	478,577	6,666	18,686	10,000	22,694	536,623	0
	(II)	0	0	0	0	0	0	0
DR PADMAVATHI VELIGATI	(I)	413,043	63,343	19,376	10,000	0	505,762	0
	(II)	0	0	0	0	0	0	0
HELEN THOMPSON	(I)	89,064	0	129,881	4,055	6,473	229,473	0
	(II)	0	0	0	0	0	0	0
DR JOE BOYCE	(I)	314,774	85,833	4,789	58,930	18,831	483,157	0
	(II)	0	0	0	0	0	0	0
DR DAVIN TURNER	(I)	351,681	70,327	1,944	20,500	20,694	465,146	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF ST JOE	43-1203910	79075LAA5	05-17-2003	32,225,000	REFUND THE SERIES 2001 (C) BONDS		X		X		X
B	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF ST JOE	43-1203910	79075LA09	09-30-2011	25,250,000	SERIES 2011 FIXED RATE		X		X		X
C	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF ST JOE	43-1203910	79075LAB3	02-13-2009	70,000,000	SERIES 2009A VARIABLE RATE REV		X		X		X
D	HEALTH EDUCATIONAL FACILITIES	43-1178966	60637ACP5	10-03-2012	51,489,534	SERIES 2012 FIXED RATES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	30,825,000	5,190,000	770,000	0
2	Amount of bonds legally defeased	0	0	0	0
3	Total proceeds of issue	32,225,000	25,250,000	70,000,000	51,489,534
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrows	0	0	0	0
7	Issuance costs from proceeds	260,005	216,452	1,026,303	750,000
8	Credit enhancement from proceeds	0	0	0	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	0	0	64,315,602	45,438,167
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	4,658,095	5,301,367
13	Year of substantial completion	2003	2012	2013	2013

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X			X		X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X			X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0%		0%		0%		0%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X		X		X	
b	Exception to rebate?								
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X	X			X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	WELLS FARGO		0		0			
c	Term of hedge	15							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider	0		0		0		0	
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF ST JOE	COLUMN A, PART IV, LINE 2C	The rebate calculation was made in 2008 and a payment was made The rebate calculation occurred again in 2012 which determined that the earlier rebate calculation was in error Form 8038-R was filed and a refund was received

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

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2012

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Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SEE PART IV					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS WITH INTERESTED PERSONS	SCHEDULE L, PART IV	(A) DONNA WILSON (B) DONNA WILSON IS THE YOUTH HEALTH DIRECTOR FOR HEARTLAND REGIONAL MEDICAL CENTER AND IS THE WIFE OF JOHN WILSON, WHO IS THE CHIEF FINANCIAL OFFICER OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 106,038 (D) SALARY FOR YOUTH HEALTH DIRECTOR SERVICES (E) NO (A) CORINNE KOELLIKER (B) CORINNE KOELLIKER IS A LASER TECHNICIAN FOR HEARTLAND REGIONAL MEDICAL CENTER, AND IS THE SISTER OF SCOTT KOELLIKER, WHO IS A KEY EMPLOYEE OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 35,682 (D) SALARY FOR LASER TECHNICIAN SERVICES (E) NO (A) JON KOELLIKER (B) JON KOELLIKER IS A TS APPLICATIONS ANALYST FOR HEARTLAND REGIONAL MEDICAL CENTER, AND IS THE BROTHER OF SCOTT KOELLIKER, WHO IS A KEY EMPLOYEE OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 107,534 (D) SALARY FOR TS APPLICATIONS ANALYST SERVICES (E) NO (A) MARINA KOELLIKER (B) MARINA KOELLIKER IS A REGISTERED NURSE FOR HEARTLAND REGIONAL MEDICAL CENTER, AND IS THE WIFE OF SCOTT KOELLIKER, WHO IS A KEY EMPLOYEE OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 72,153 (D) SALARY FOR REGISTERED NURSE SERVICES (E) NO (A) TRACY HOWERY (B) TRACY HOWERY IS AN ADVANCED PRACTICE REGISTERED NURSE FOR HEARTLAND REGIONAL MEDICAL CENTER, AND IS THE DAUGHTER-IN-LAW OF DAVE HOWERY, WHO IS A DIRECTOR OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 103,310 (D) SALARY FOR REGISTERED NURSE SERVICES (E) NO (A) PATRICK DILLON (B) PATRICK DILLON IS A RETAIL SALES MANAGER FOR HEARTLAND REGIONAL MEDICAL CENTER, AND IS THE BROTHER OF BARBIE SQUIRES, WHO IS AN OFFICER OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 171,792 (D) SALARY FOR RETAIL SALES MANAGER SERVICES (E) NO (A) MARY KOELLIKER (B) MARY KOELLIKER IS A THERAPY DEPARTMENT EMPLOYEE FOR HEARTLAND REGIONAL MEDICAL CENTER, AND IS THE SISTER-IN-LAW OF SCOTT KOELLIKER, WHO IS A KEY EMPLOYEE OF HEARTLAND REGIONAL MEDICAL CENTER (C) $ 28,661 (D) SALARY FOR THERAPY DEPARTMENT SERVICES (E) NO

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

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HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (MEDICAL EQUIPMENT)	X	1	53,214	COST
26	Other ▶ ( )				
27	Other ▶ ( )				
28	Other ▶ ( )				

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

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

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HEARTLAND REGIONAL MEDICAL CENTER

Employer identification number
44-0545289

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	THE MISSION OF THE HEARTLAND REGIONAL MEDICAL CENTER IS TO ESTABLISH AND OPERATE A DIVERSIFIED HEALTH CARE DELIVERY SYSTEM THAT PROVIDES THE RIGHT CARE, AT THE RIGHT TIME, IN THE RIGHT PLACE, AT THE RIGHT COST WITH OUTCOMES SECOND TO NONE FOR THE PEOPLE LIVING IN NORTHWEST MISSOURI AND ADJACENT AREAS IN KANSAS, IOWA, AND NEBRASKA, REGARDLESS OF ABILITY TO PAY, WHILE ALSO STRIVING TO IMPROVE THE LIVES OF THOSE INDIVIDUALS BY FOCUSING ON PREVENTIVE HEALTH INITIATIVES SUCH AS EDUCATION, WELLNESS PROGRAMS, HEALTH-RELATED ACTIVITIES AND COMMUNITY BENEFIT PROGRAMS

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	HEARTLAND REGIONAL MEDICAL CENTER IS 352-BED MEDICAL SURGICAL HOSPITAL LOCATED IN ST JOSEPH, MISSOURI IT SERVES A COMMUNITY OF 70,000 RESIDENTS BECAUSE ST JOSEPH IS A BORDER TOWN, IT ALSO PROVIDES SERVICES TO THOSE LIVING IN THE ADJACENT STATES OF KANSAS, NEBRASKA AND IOWA THE ECONOMY OF THE REGION IS BASED ON AGRICULTURE, MINOR MANUFACTURING AND SMALL BUSINESSES RESULTING IN A PAYOR MIX FOR THE HOSPITAL OF 62% GOVERNMENTAL, 31 5% COMMERCIAL AND 6 5% UNINSURED THE HOSPITAL PROVIDES A WIDE RANGE OF INPATIENT AND OUTPATIENT SERVICES INCLUDING CARDIO-THORACIC, VASCULAR, ORTHOPEDIC AND GENERAL SURGERIES, MENTAL HEALTH SERVICES, ALONG WITH A FULL ARRAY OF DIAGNOSTIC AND THERAPEUTIC SERVICES IT OPERATES A 24-HOUR EMERGENCY ROOM DESIGNATED AS A TRAUMA II CENTER BY THE STATE OF MISSOURI THE HOSPITAL'S OBSTETRICS DEPARTMENT PROVIDES 18 LABOR/DELIVERY/RECOVERY/POST-PARTUM BEDS WHICH ARE ALSO DESIGNATED AS A LEVEL II CENTER THE HOSPITAL PROVIDES RADIATION ONCOLOGY SERVICES, HOME HEALTH VISITS AND HOSPICE CARE THE ORGANIZATION IS A MEMBER OF THE MAYO NETWORK FOR CLINICAL CONSULTATIONS DURING THE YEAR, 16,792 PATIENTS WERE ADMITTED TO THE HOSPITAL RESULTING IN 72,057 PATIENT DAYS A TOTAL OF 11,257 SURGERIES WERE PERFORMED, THE EMERGENCY ROOM SERVED 53,460 PATIENTS AND 171,750 VISITS WERE GENERATED BY OUTPATIENTS THE HOSPITAL EMPLOYS 4,180 PEOPLE AND HAS A TOTAL OF 247 ACTIVE AND ASSOCIATE MEDICAL STAFF THE EMPLOYED MEDICAL STAFF INCLUDES 157 PHYSICIANS, 1 DENTIST, 1 CHIROPRACTOR AND 65 NURSE PRACTITIONERS/PHYSICIAN EXTENDERS COVERING 64 FAMILY MEDICINE AND SPECIALTY CLINICS AT 42 LOCATIONS THROUGHOUT THE REGION RESULTING IN APPROXIMATELY 685,200 PATIENT VISITS DURING THE YEAR

Identifier	Return Reference	Explanation
BUSINESS/FAMILY RELATIONSHIPS	FORM 990, PART VI, SECTION A, LINE 2	BRIAN BRADLEY, JOHN P WILSON, JOE BOYCE, MD, DIRCK CLARK, DOUGLAS BRANDT HAVE A BUSINESS RELATIONSHIP THEY ARE EITHER OFFICERS AND/OR DIRECTORS OF LEWIS AND CLARK INFORMATION EXCHANGE, A FORMERLY RELATED NOT-FOR-PROFIT CORPORATION CAROL ROEVER, JOHN P WILSON, CURT KRETZINGER, DOUGLAS BRANDT HAVE A BUSINESS RELATIONSHIP THEY ARE EITHER OFFICERS AND/OR DIRECTORS OF REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY OR HEARTLAND FOUNDATION OR HEARTLAND HEALTH, ALL RELATED NOT-FOR-PROFIT CORPORATIONS JOHN P WILSON, CURT KRETZINGER, DIRCK CLARK, DOUGLAS BRANDT, MARK LANEY, M D , SCOTT KOELLIKER, LISA MICHAELIS HAVE A BUSINESS RELATIONSHIP THEY ARE EITHER OFFICERS AND/OR DIRECTORS OF MIDWESTERN HEALTH MANAGMENT, INC , COMMUNITY HEALTH PLAN, INC , COMMUNITY HEALTH PLAN INSURANCE COMPANY, HHS PROPERTIES, INC , UPTOWN HOUSING, INC , ALL RELATED FOR PROFIT CORPORATIONS

Identifier	Return Reference	Explanation
MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, SECTION A, LINE 6	HEARTLAND HEALTH, A MISSOURI NONPROFIT CORPORATION, IS THE SOLE MEMBER OF HEARTLAND REGIONAL MEDICAL CENTER

Identifier	Return Reference	Explanation
GOVERNING BOARD DECISIONS SUBJECT TO APPROVAL OF MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, SECTION A, LINE 7B	THE SOLE MEMBER (HEARTLAND HEALTH) SHALL HAVE THE FOLLOWING POWERS OVERALL STRATEGIC DIRECTION (EXCLUDING MATTERS RELATED PRIMARILY TO THE ACCOUNTABLE CARE ORGANIZATION (ACO) OPERATED BY THE HOSPITAL, INCLUDING SPECIFICALLY ANY MEDICARE SHARED SAVINGS PROGRAM CREATED UNDER THE AFFORDABLE CARE ACT), APPOINTMENT OF AUDITORS AND LEGAL COUNSEL, ESTABLISHMENT OF BANKING RELATIONSHIPS AND MANAGEMENT OF CASH AND OTHER ASSETS (EXCLUDING ACO SHARED SAVINGS DISTRIBUTIONS AND REPAYMENT OF SHARED LOSSES), LONG-RANGE PLANNING, ADOPTION OF ANNUAL OPERATING PLANS AND APPLICATION FOR CERTIFICATES OF NEED

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION A, LINE 11B	AN INDEPENDENT ACCOUNTING FIRM PREPARES AND REVIEWS THE 990 THE TREASURER AND ASSISTANT TREASURER OF HEARTLAND REGIONAL MEDICAL CENTER REVIEW THE 990 THE 990 IS THEN POSTED TO A WEBSITE FOR ALL VOTING MEMBERS TO ACCESS BEFORE IT IS FILED

Identifier	Return Reference	Explanation
MONITORING OF CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	UPON AGREEING TO FILL A BOARD POSITION, THE PROSPECTIVE MEMBER IS REQUIRED TO SIGN A CONFLICT OF INTEREST DOCUMENT WHICH DISCLOSES FAMILY AND BUSINESS RELATIONSHIPS THAT COULD BE CONSIDERED IN CONFLICT WITH THEIR POSITION ON THE BOARD IN THIS DOCUMENT, THEY AGREE THAT THEY WILL DISCLOSE ANY ACTIVITIES IN WHICH THEY MAY NOT BE INDEPENDENT IN REGARDS TO A TRANSACTION THIS DOCUMENT IS DISTRIBUTED AND HELD BY LEGAL COUNSEL THE MEMBER ALSO SIGNS HEARTLAND'S CODE OF CONDUCT DOCUMENT IN WHICH THEY AGREE TO ETHICAL BEHAVIOR AND ADHERING TO CONFIDENTIALITY POLICIES THIS DOCUMENT IS HELD BY THE CORPORATE COMPLIANCE OFFICE ANNUALLY, THE CORPORATE COMPLIANCE OFFICER DISTRIBUTES A SURVEY TO EACH BOARD MEMBER TO FACILITATE DISCLOSURE OF ANY REPORTABLE ACTIVITIES DURING THE COURSE OF BOARD MEETINGS, BOARD MEMBERS WILL DISMISS THEMSELVES FROM MEETINGS AND/OR ABSTAIN FROM VOTING DURING DISCUSSIONS OF ISSUES THAT RELATE TO THOSE SPECIFIC MEMBERS OR THE COMPANIES THAT THEY REPRESENT FOR EXAMPLE, PHYSICIAN BOARD MEMBERS ABSTAIN FROM VOTING ON THEIR OWN RE-CREDENTIALING, UNIVERSITY BOARD MEMBERS ARE DISMISSED DURING DISCUSSIONS OF UNIVERSITY-RELATED ACTIVITIES AND LEGAL COUNSEL IS DISMISSED DURING DISCUSSION AND VOTING ON LEGAL COUNSEL REVIEW AND SELECTION ALL DISMISSALS AND ABSTENTIONS ARE RECORDED IN THE MINUTES OF THE BOARD MEETING ANNUALLY, THE BOARD MEMBERS, THE OFFICERS AND KEY EMPLOYEES ARE REQUIRED TO SIGN A CODE OF CONDUCT DOCUMENT IN WHICH THEY AGREE TO ETHICAL BEHAVIOR AND ADHERING TO CONFIDENTIALITY POLICIES THEY ALSO RECIEVE A QUESTIONNAIRE WHICH FACILITATES THE DISCLOSURE OF ANY REPORTABLE ACTIVITIES TO THE CORPORATE COMPLIANCE OFFICER

Identifier	Return Reference	Explanation
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & 15B	ANNUAL REVIEW--PERFORMED DURING FISCAL YEAR 2012 FOR THE FOLLOWING FISCAL YEAR MARKET DATA IS PROVIDED BY INTEGRATED HEALTHCARE STRATEGIES (IHS) A COMPENSATION COMMITTEE COMPRISED OF THE HEARTLAND HEALTH BOARD CHAIR, HEARTLAND HEALTH BOARD VICE-CHAIR AND THREE ADDITIONAL HEARTLAND HEALTH BOARD MEMBERS AND INDEPENDENT LEGAL COUNSEL, AS SCRIBE, OVERSEE AN ANNUAL SALARY REVIEW PROCESS FOR OFFICERS, ADMINISTRATORS AND KEY EMPLOYEES FOR EACH POSITION TO BE REVIEWED, THE FULL SCOPE OF DUTIES AND RESPONSIBILITIES, NUMBERS OF STAFF MANAGED, PROCESSES MANAGED, APPROXIMATE REVENUE, EXPENSE, OR CAPITAL DOLLARS MANAGED ARE PROVIDED TO A THIRD PARTY CONSULTANT (FOR THIS PERIOD--IHS) THAT SPECIALIZES IN RESEARCH MARKET SALARY DATA FACILITY SIZE, NOT-FOR-PROFIT STATUS AND THE SCOPE OF EACH JOB POSITION IS COMPARED TO LIKE FACILITIES TO DETERMINE BASE COMPENSATION AND INCENTIVE COMPENSATION FOR EACH POSITION THE DATA GATHERED BY THE MARKET RESEARCH FIRM IS REVIEWED BY THE COMPENSATION COMMITTEE, OUTLIER ISSUES ARE RESOLVED AND BASED UPON PRESENT FINANCIAL INDICATORS, THE COMMITTEE MAKES THEIR DETERMINATION OF COMPENSATION LEVELS FOR THE NEXT PAY YEAR

Identifier	Return Reference	Explanation
AVAILABILITY OF DOCUMENTS	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY OR FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
RECONCILIATION OF NET ASSETS	FORM 990, PART XI, LINE 9	NET ASSET TRANSFER $ (6,819,835) CHANGE IN FAIR VALUE 4,024,668 CHANGE IN PENS LIAB 14,479,052 DECONSOLIDATION OF AFFILIATES (1,048,134) ---------- $ 10,635,751 ==========

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

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Name of the organization
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Employer identification number
44-0545289

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) NORTHLAND EXPANSION LLC 5323 FARAON ST JOSEPH, MO 64506	DEVELOPMENT	MO		0	HRMC

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) HEARTLAND HEALTH 5325 FARAON ST JOSEPH, MO 64506 43-1283316	HEALTHCARE	MO	501(C)(3)	11A	NA		No
(2) HEARTLAND FOUNDATION 5325 FARAON ST JOSEPH, MO 64506 43-1262768	SUPPORT	MO	501(C)(3)	9	HH	Yes	
(3) HEARTLAND LONG TERM ACUTE CARE HOSPITAL 5325 FARAON ST JOSEPH, MO 64506 26-1972987	HEALTH	MO	501(C)(3)	3	HH	Yes	
(4) LEWIS AND CLARK INFORMATION EXCHANGE 5325 FARAON ST JOSEPH, MO 64506 32-0290671	DATA SHARING	MO	501(C)(3)	9	HH	Yes	
(5) REGIONAL EMERGENCY MEDICAL SERVICES AUTH 5325 FARAON ST JOSEPH, MO 64506 27-3923442	AMBULANCE SVC	MO	501(C)(3)	9	HH	Yes	
(6) HEARTLAND HEALTH CARE PLAN TRUST FUND 5325 FARAON STREET ST JOSEPH, MO 64506 43-1286484	VEBA	MO	501(C)(9)		HH	Yes	

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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) VILLAGE AT BURLINGTON CREEK OFFICE LLC 6300 N REVERE KANSAS CITY, MO 64151 45-3336361	DEVELOPMENT	MO	HRMC	RELATED	-291,939	400,319		No	0		No	35 236 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) MIDWESTERN HEALTH MANAGEMENT INC 5325 FARAON ST JOSEPH, MO 64506 43-1264358	HEALTHCARE	MO	HH	C CORP	0	0	0 %	Yes	
(2) COMMUNITY HEALTH PLAN INC 5325 FARAON ST JOSEPH, MO 64506 43-1690582	INSURANCE	MO	HH	C CORP	0	0	0 %	Yes	
(3) COMMUNITY HEALTH PLAN INSURANCE COMPANY 5325 FARAON ST JOSEPH, MO 64506 43-1210152	INSURANCE	MO	HH	C CORP	0	0	0 %	Yes	
(4) HHS PROPERTIES INC 5325 FARAON ST JOSEPH, MO 64506 43-1593799	INVESTMENT	MO	HH	C CORP	0	0	0 %	Yes	
(5) UPTOWN HOUSING INC 5325 FARAON ST JOSEPH, MO 64506 26-1416252	REDEVELOPMENT	MO	HH	C CORP	0	0	0 %	Yes	
(6) UPTOWN ST JOSEPH REDEVELOPMENT CORP 5325 FARAON ST JOSEPH, MO 64506 20-1742813	REDEVELOPMENT	MO	HH	C CORP	0	0	0 %	Yes	
(7) SHOAL CREEK FAMILY MEDICINE & ALLERGY 5325 FARAON ST JOSEPH, MO 64506 01-0754265	HEALTHCARE	MO	HRMC	S CORP	0	32,677	100 000 %	Yes	

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

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

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

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

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

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

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

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

Software ID:
Software Version:
EIN: 44-0545289
Name: HEARTLAND REGIONAL MEDICAL CENTER

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
MIDWESTERN HEALTH MANAGEMENT INC 5325 FARAON ST JOSEPH, MO 64506 43-1264358	HEALTHCARE	MO	HH	C CORP	0	0	0 %	Yes	
COMMUNITY HEALTH PLAN INC 5325 FARAON ST JOSEPH, MO 64506 43-1690582	INSURANCE	MO	HH	C CORP	0	0	0 %	Yes	
COMMUNITY HEALTH PLAN INSURANCE COMPANY 5325 FARAON ST JOSEPH, MO 64506 43-1210152	INSURANCE	MO	HH	C CORP	0	0	0 %	Yes	
HHS PROPERTIES INC 5325 FARAON ST JOSEPH, MO 64506 43-1593799	INVESTMENT	MO	HH	C CORP	0	0	0 %	Yes	
UPTOWN HOUSING INC 5325 FARAON ST JOSEPH, MO 64506 26-1416252	REDEVELOPMENT	MO	HH	C CORP	0	0	0 %	Yes	
UPTOWN ST JOSEPH REDEVELOPMENT CORP 5325 FARAON ST JOSEPH, MO 64506 20-1742813	REDEVELOPMENT	MO	HH	C CORP	0	0	0 %	Yes	
SHOAL CREEK FAMILY MEDICINE & ALLERGY 5325 FARAON ST JOSEPH, MO 64506 01-0754265	HEALTHCARE	MO	HRMC	S CORP	0	32,677	100 000 %	Yes	

--> **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
COMMUNITY HEALTH PLAN	L	1,513,611	FMV
COMMUNITY HEALTH PLAN	Q	1,482,816	FMV
MIDWESTERN HEALTH MANAGEMENT INC	B	550,000	FMV
MIDWESTERN HEALTH MANAGEMENT INC	D	832,285	FMV
MIDWESTERN HEALTH MANAGEMENT INC	J	217,900	FMV
MIDWESTERN HEALTH MANAGEMENT INC	L	13,798,666	FMV
MIDWESTERN HEALTH MANAGEMENT INC	M	8,383,099	FMV
MIDWESTERN HEALTH MANAGEMENT INC	Q	4,133,202	FMV
HHS PROPERTIES INC	B	200,000	FMV
HHS PROPERTIES INC	K	165,206	FMV
HHS PROPERTIES INC	L	459,177	FMV
HHS PROPERTIES INC	Q	53,618	FMV
LEWIS AND CLARK INFORMATION EXCHANGE	L	591,282	FMV
LEWIS AND CLARK INFORMATION EXCHANGE	Q	170,918	FMV
NORTHLAND EXPANSION LLC	H	1,410,720	FMV
REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY	B	6,000,000	FMV
REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY	D	201,754	FMV
REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY	J	180,066	FMV
REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY	L	5,463,418	FMV
REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY	M	82,514	FMV
REGIONAL EMERGENCY MEDICAL SERVICES AUTHORITY	Q	3,155,555	FMV
HEARTLAND LONG TERM ACUTE CARE HOSPITAL	D	9,207,537	FMV
HEARTLAND LONG TERM ACUTE CARE HOSPITAL	J	519,996	FMV
HEARTLAND LONG TERM ACUTE CARE HOSPITAL	L	8,872,668	FMV
HEARTLAND LONG TERM ACUTE CARE HOSPITAL	Q	9,349,155	FMV

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
HEARTLAND FOUNDATION	D	1,386,162	FMV
HEARTLAND FOUNDATION	L	892,871	FMV
HEARTLAND FOUNDATION	Q	887,171	FMV
HEARTLAND HEALTH BUSINESS PLAZA LLC	K	991,042	FMV
SHOAL CREEK FAMILY MEDICINE AND ALLERGY INC	D	1,045,944	FMV
SHOAL CREEK FAMILY MEDICINE AND ALLERGY INC	L	1,575,841	FMV
SHOAL CREEK FAMILY MEDICINE AND ALLERGY INC	Q	529,898	FMV

Heartland Regional Medical Center

Auditor's Report and Consolidated Financial Statements

June 30, 2013 and 2012

BKD LLP
CPAs & Advisors

Heartland Regional Medical Center

June 30, 2013 and 2012

Contents

Independent Auditor's Report

Board of Directors
Heartland Regional Medical Center
St Joseph, Missouri

We have audited the accompanying consolidated financial statements of Heartland Regional Medical Center (the Medical Center), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of June 30, 2013 and 2012, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of Matter

As discussed in *Note 1*, in 2013, the Medical Center changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update 2011-07 Our opinion is not modified with respect to this matter

Supplementary Information

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

BKD, LLP

Kansas City, Missouri
September 26, 2013

Heartland Regional Medical Center
Consolidated Balance Sheets
June 30, 2013 and 2012

Assets

	2013	2012
Current Assets		
Cash and cash equivalents	$ 13,044,290	$ 16,936,514
Patient accounts receivable, net of allowance, 2013 – $21,383,000, 2012 – $18,241,000	69,594,614	56,942,583
Inventories	6,866,514	8,730,387
Prepaid expenses and other	7,941,109	7,746,022
Estimated amounts due from third-party payers	1,896,906	3,787,677
Due from affiliates	76,138	1,349,666
Current portion of assets limited as to use	1,690,000	1,540,000
Total current assets	101,109,571	97,032,849
Assets Limited as to Use, Net of Current Portion	363,730,573	314,785,646
Due from Affiliates	11,577,727	14,737,211
Notes Receivable	2,863,231	3,191,976
Other Assets	4,321,219	4,451,885
Deferred Financing Costs, Net	3,809,695	3,421,009
Property and Equipment, Net	273,821,455	240,197,540
Total assets	$ 761,233,471	$ 677,818,116

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2013	2012
Current Liabilities		
Current maturities of long-term debt	$ 5,178,485	$ 5,435,018
Accounts payable	18,509,078	20,105,080
Construction payable	5,316,175	7,653,138
Accrued expenses	35,369,734	38,019,809
Total current liabilities	64,373,472	71,213,045
Long-term Debt, Net of Current Portion	235,048,026	190,850,994
Derivative Instruments	11,179,581	16,032,250
Accrued Self-insured Costs, Net of Current Portion	13,903,515	17,209,900
Accrued Costs for Pension and Supplemental Retirement Plans	16,242,588	33,837,161
Other Non-current Liabilities	957,135	865,110
Total liabilities	341,704,317	330,008,460
Net Assets		
Unrestricted	419,529,154	347,809,656
Total liabilities and net assets	$ 761,233,471	$ 677,818,116

Heartland Regional Medical Center

Consolidated Statements of Operations and Changes in Net Assets

Years Ended June 30, 2013 and 2012

	2013	2012 (Restated)
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual allowances)	$ 549,533,770	$ 529,274,919
Provision for uncollectible accounts	(40,668,519)	(42,083,155)
Net patient service revenue	508,865,251	487,191,764
Other	41,440,888	34,980,861
Total unrestricted revenues, gains and other support	550,306,139	522,172,625
Operating Expenses		
Salaries and wages	231,914,937	219,737,085
Employee benefits	57,290,320	54,413,035
Professional fees	9,514,766	12,658,861
Supplies	88,502,879	83,509,856
General, administrative and other	71,442,244	63,582,563
Insurance	1,062,509	6,562,455
Depreciation and amortization	28,860,141	26,938,139
Interest	6,513,437	2,716,878
Federal reimbursement allowance	26,434,373	15,363,718
Total operating expenses	521,535,606	485,482,590
Operating Income	28,770,533	36,690,035
Other Income (Expenses)		
Interest and dividend income from investments	5,461,527	4,340,137
Net gain on sale of investments	10,807,134	1,273,443
Change in net unrealized gains and losses on trading securities	16,714,294	(1,324,588)
Change in fair value of derivative instruments	828,001	(147,800)
Net gain (loss) on disposal of property and equipment	22,416	(1,605)
Other	(1,617,203)	(1,442,996)
Total other income	32,216,169	2,696,591
Excess of Revenues Over Expenses	60,986,702	39,386,626
Net assets transferred to Heartland Foundation	(60,000)	(520,000)
Net assets transferred to Midwestern	(550,000)	(700,000)
Net assets transferred to Properties	(200,000)	(300,000)
Net assets transferred to REMSA	(6,000,000)	-
Donated equipment	87,210	197,616
Deconsolidation of affiliates	(1,048,134)	-
Change in fair value of cash flow hedging derivatives	4,024,668	(5,014,930)
Change in defined benefit pension plan gain/(loss)	14,479,052	(21,572,578)
Increase in Unrestricted Net Assets	71,719,498	11,476,734
Net Assets, Beginning of Year	347,809,656	336,332,922
Net Assets, End of Year	$ 419,529,154	$ 347,809,656

Heartland Regional Medical Center

Consolidated Statements of Cash Flows

Years Ended June 30, 2013 and 2012

	2013	2012
Operating Activities		
Increase in net assets	$ 71,719,498	$ 11,476,734
Items not requiring (providing) cash		
Depreciation and amortization	28,860,141	26,938,139
(Gain) loss on sale of property and equipment	(22,416)	1,605
Net gain on sale of investments	(10,247,596)	(985,167)
Forgiveness of notes receivable	1,239,164	947,888
Amortization of bond premium and issuance costs	275,846	312,384
Gain on extinguishment of debt	(216,399)	(2,201,413)
Net assets transferred to Heartland Foundation	60,000	520,000
Net assets transferred to Midwestern	550,000	700,000
Net assets transferred to Properties	200,000	300,000
Net assets transferred to REMSA	6,000,000	-
Net assets transferred to LTACH	-	441,592
Deconsolidation of affiliates	1,048,134	-
Donated equipment	(87,210)	(197,616)
Change in fair value of derivative instruments	(828,001)	147,800
Change in fair value of cash flow hedging derivatives	(4,024,668)	5,014,930
Change in net unrealized gains and losses on securities	(17,415,551)	1,296,040
Change in defined benefit pension plan gain/(loss)	(14,479,052)	21,572,578
Changes in		
Patient accounts receivable	(12,652,031)	(7,443,149)
Inventories	1,863,873	(1,813,579)
Prepaid expenses and other	242,261	(1,497,176)
Due to/from affiliates, net	3,384,878	(3,183,245)
Accounts payable	(1,596,002)	5,705,104
Accrued expenses, accrued pension costs and other	(5,673,571)	3,095,005
Estimated receivable from/payable to third-party payers	1,890,771	(4,442,351)
Accrued self-insured costs, noncurrent portion	(3,306,385)	3,270,459
Net cash provided by operating activities	46,785,684	59,976,562
Investing Activities		
Purchase of property and equipment, net of proceeds from sale	(64,440,704)	(46,987,724)
Increase in assets limited as to use, net	(21,431,780)	(442,952)
Increase in other long-term investments	(140,023)	(1,467,471)
Issuance of notes receivable	(1,461,751)	(1,183,935)
Payments received on notes receivable	113,984	38,534
Net assets transferred to Heartland Foundation	(60,000)	(520,000)
Net assets transferred to Midwestern	(550,000)	(700,000)
Net assets transferred to Properties	(200,000)	(300,000)
Net assets transferred to REMSA	(6,000,000)	-
Net cash used in investing activities	(94,170,274)	(51,563,548)

Heartland Regional Medical Center
Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2013 and 2012

	2013	2012
Financing Activities		
Principal payments under debt agreements	$ (5,513,895)	$ (5,421,527)
Proceeds from issuance of long-term debt	51,497,915	28,017,983
Payment of deferred financing fees	(708,053)	(248,214)
Payments under bond repurchase agreement	(1,783,601)	(25,040,996)
Net cash provided by (used in) financing activities	43,492,366	(2,692,754)
Increase (Decrease) in Cash and Cash Equivalents	(3,892,224)	5,720,260
Cash and Cash Equivalents, Beginning of Year	16,936,514	11,216,254
Cash and Cash Equivalents, End of Year	$ 13,044,290	$ 16,936,514
Supplemental Cash Flows Information		
Cash paid for interest	$ 5,567,246	$ 4,326,973
Property and equipment purchases included in accounts payable	5,316,175	7,653,138

Heartland Regional Medical Center

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Heartland Regional Medical Center (the Medical Center) is a Missouri nonprofit corporation that operates a general medical and surgical hospital and employs both primary and specialty physicians Services are provided primarily to residents of Northwest Missouri and adjacent areas in Kansas, Iowa and Nebraska The Medical Center has a 21% interest in Heartland Health Business Plaza, LLC, which is a Missouri limited liability company *(see Note 10)* The Medical Center has a 50% interest in Village at Burlington Creek Office, LLC, which is a Missouri limited liability company *(see Note 12)*

During 2013, the Medical Center acquired Shoal Creek Family Medicine (Shoal) Shoal is wholly owned by the Medical Center and is not material to the Medical Center's consolidated financial statements

In 2013, the Medical Center opened several physician offices and outpatient medical facilities in the southern counties of its service area These locations operate under the name Mosaic Life Care

The consolidated financial statements include the accounts of these entities, which is collectively referred to herein as the Medical Center Significant intercompany accounts and transactions have been eliminated in the consolidated financial statements

Heartland Health (Heartland), a Missouri nonprofit corporation, is the parent of the Medical Center, Community Health Plan, Inc (CHP), Community Health Plan Insurance Company (CHPIC), Heartland Foundation (the Foundation), Midwestern Health Management, Inc (Midwestern), HHS Properties, Inc (Properties), Heartland Long Term Acute Care Hospital (LTACH), Lewis and Clark Information Exchange (LACIE) and Regional Emergency Medical Services Authority (REMSA)

Effective December 31, 2012, CHP was merged with and into CHPIC with CHPIC being the surviving entity Effective February 27, 2013, Heartland withdrew from its position as sole member of LACIE and LACIE is now governed by a self-perpetuating board On April 19, 2013, Heartland Health presented the City of St Joseph and Buchanan County with a letter stating that Heartland Health will no longer subsidize the ambulance services being provided through REMSA effective July 1, 2014 Heartland representatives are working with City and County officials to develop a transition plan

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consisted primarily of cash on hand, bank deposits, money market accounts and other short-term interest-bearing accounts with maturities at the date of purchase of three months or less

At June 30, 2013, the Medical Center's cash accounts exceeded federally insured limits by approximately $13,112,000

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts

For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Medical Center's allowance for doubtful accounts for self-pay patients increased from 91% of self-pay accounts receivable at June 30, 2012, to 97% of self-pay accounts receivable at June 30, 2013 In addition, the Medical Center's write-offs decreased approximately $1,000,000 from approximately $68,000,000 for the year ended June 30, 2012, to approximately $67,000,000 for the year ended June 30, 2013 The increase in the self-pay allowance percentage of self-pay accounts receivable was the result of negative trends experienced in the collection of amounts from self-pay patients in fiscal year 2013

Other Receivables

The Medical Center participates in the 340B Drug Pricing Program (the Program) The Program limits the cost of covered outpatient drugs At June 30, 2013 and 2012, the Medical Center had approximately $2,294,000 and $1,737,000, respectively, recorded as other receivables related to the Program The Medical Center generated approximately $17,877,000 and $11,052,000 of gross revenues from the Program in 2013 and 2012, respectively, which is recorded in other operating revenue

Inventories

Inventories consist of supplies and are valued at the lower of cost (first-in, first-out) or market (net realizable value)

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value in the consolidated balance sheets Donated investments are reported at fair value at the date of receipt, which is then treated as cost Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses, unless the income or loss is restricted by donor or law Investment income or loss is reported as other revenue for operating cash, assets that are designated for self-insured claims and debt service funds All other investment income or loss is reported as other income (expense) Investment income on investment of temporarily restricted funds is added to the temporarily restricted net assets to the extent restricted by donor

Investments in Unconsolidated Companies

Investments in unconsolidated companies, which are more than 20% and not more than 50% owned and that are not otherwise deemed to be a controlled organization or trading investment, are accounted for under the equity method All other investments in unconsolidated companies are recorded at the lower of cost or fair value The investments in unconsolidated companies are included as a component of other assets in the accompanying consolidated balance sheets

Assets Limited as to Use

Assets limited as to use include (1) assets held by trustees and (2) assets set aside by the Board of Trustees for future capital and equipment purchases and payment of self-insured claims over which the Board retains control and may at its discretion subsequently use for other purposes Amounts required to meet current liabilities of the Medical Center are included in current assets

Costs of Borrowing

Financing costs and discounts are amortized over the period the related debt is outstanding using the interest method These costs are included as a component of interest expense in the accompanying consolidated statements of operations and changes in net assets

Long-lived Asset Impairment

The Medical Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value

No asset impairment was recognized during the years ended June 30, 2013 and 2012

Property and Equipment

Property and equipment acquisitions are recorded at cost (except donated property and equipment, which are recorded at fair market value at date of receipt) and are depreciated using the straight-line method over the estimated useful life of each asset Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives

The estimated useful lives for each major depreciable classification of property and equipment are as follows

Land improvements	5 - 10 years
Buildings and fixed equipment	5 - 40 years
Moveable equipment	3 - 20 years

Interest incurred and interest earned on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor Monetary gifts that must be used to acquire property and equipment are reported as restricted support The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service

Guarantee

The Medical Center guarantees certain third-party debt of a health care organization Should the Medical Center be obligated to perform under the guarantee agreement, the Medical Center may seek reimbursement from the related organization of amounts expended under the guarantee

The maximum amount guaranteed is $725,000 At June 30, 2013, the total outstanding balance on the guaranteed loan was $304,000

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique The resulting discount is amortized using the level-yield method and is reported as contribution revenue

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor

Income Taxes

The Medical Center is a nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code However, the Medical Center is subject to federal income tax on any unrelated business taxable income Heartland Business Plaza, LLC and Village at Burlington Creek Office, LLC are limited liability companies that are taxed as partnerships With a few exceptions, the Medical Center is no longer subject to U S federal, state and local income tax examinations by tax authorities before 2009

Excess of Revenues Over Expenses

The consolidated statements of operations include excess of revenues over expenses Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, the changes in fair value of the derivatives that are designated as a hedge, permanent transfers to and from affiliates for other than goods and services, changes in minimum pension liability, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets)

Net Patient Service Revenue

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided Thus, the Medical Center records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided This provision for uncollectible accounts is presented on the statement of operations as a component of net patient service revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

Estimated Accrued Self-Insured Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported based on an evaluation of pending claims and actual claims experience

Claims liabilities are recorded at the gross amount, without consideration of insurance recoveries Expected recoveries are presented separately as receivables in the consolidated balance sheets

Functional Expenses

The Medical Center provides general health care services to residents within its geographic location and incurs related general and administrative expense Expenses related to providing these services for year ended June 30 were as follows

	2013	2012
General health care services	$ 498,184,000	$ 452,883,000
Management, general and adminstrative	22,571,000	32,599,000
Fundraising	781,000	-
	$ 521,536,000	$ 485,482,000

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the year ending date *(see Note 14)*

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under the Medicare program are generally made for up to four years based on a statutory formula Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program

The Medical Center recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period

Change in Accounting Principle

In 2013, the Medical Center changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities* The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts related to patient service revenue to a deduction from patient service revenue and to provide enhanced disclosures around the Medical Center's policies related to uncollectible accounts The change had no effect on prior year change in net assets

The following financial statement line items for fiscal years 2013 and 2012 were affected by the change in accounting principle

	2013 Statement of Operations		
	As Computed Under Previous Guidance	As Computed Under ASU 2011-07	Effect of Change
Net patient service revenues	$ 549,533,770	$ -	$ (549,533,770)
Patient service revenue (net of contractual allowances)	-	549,533,770	549,533,770
Provision for uncollectible accounts	-	(40,668,519)	(40,668,519)
Net patient service revenue less provision for uncollectible accounts	-	508,865,251	508,865,251
Total unrestricted revenue, gains and other support	590,974,658	550,306,139	(40,668,519)
Provision for uncollectible accounts	40,668,519	-	(40,668,519)
Total expenses	562,204,125	521,535,606	(40,668,519)

	2012 *(Restated)* Statement of Operations		
	As Previously Reported	As Computed Under ASU 2011-07	Effect of Change
Net patient service revenues	$ 529,274,919	$ -	$ (529,274,919)
Patient service revenue (net of contractual allowances)	-	529,274,919	529,274,919
Provision for uncollectible accounts	-	(42,083,155)	(42,083,155)
Net patient service revenue less provision for uncollectible accounts	-	487,191,764	487,191,764
Total unrestricted revenue, gains and other support	564,255,780	522,172,625	(42,083,155)
Provision for uncollectible accounts	42,083,155	-	(42,083,155)
Total expenses	527,565,745	485,482,590	(42,083,155)

Note 2: Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates These payment arrangements include

Medicare. Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of the annual cost report and audit by the Medicare Administrative Contractor Classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization Medicare cost reports have been audited by the Medicare Administrative Contractor through June 30, 2009

Effective January 1, 2000, the Medical Center was designated as a rural and sole community hospital by the Centers for Medicare and Medicaid Services (CMS) This designation increases the reimbursement rates paid to the Medical Center for services rendered to certain patients who participate in the Medicare program

Medicaid. Outpatient hospital services are reimbursed on a percentage of charges, except for certain services that are reimbursed according to a fee schedule Inpatient services are reimbursed on a per diem basis

The Medical Center participates in the Medicaid Federal Reimbursement Allowance Program (FRA) Under FRA, the Medical Center received reimbursement of approximately $32,542,000 and $21,073,000, which is reflected as a component of net patient service revenue, and paid taxes of approximately $26,434,000 and $15,364,000 in 2013 and 2012, respectively

Managed Care. The Medical Center has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for payment to the Medical Center under these agreements includes prospectively determined rates per day and discounts from established charges

Patient service revenue, net of contractual allowances (but before the provision for uncollectible accounts), recognized in the years ended June 30, 2013 and 2012 were approximately

	2013	2012
Medicare	$ 211,509,486	$ 209,479,823
Medicaid	62,475,364	57,370,636
Managed care/commercial	242,274,310	234,418,026
Patients (self-pay)	33,274,610	28,006,433
Total	$ 549,533,770	$ 529,274,919

Note 3: Charity Care

The Medical Center's charity care policy is to provide health care services to patients whose income level is at or below 300% of the poverty guidelines used by the Department of Health and Human Services. The Medical Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services furnished under its charity care policy and the estimated cost of those services. Cost of charity care is calculated by applying hospital specific cost-to-charge ratios to the total amount of charity care deductions from gross revenue. The cost-to-charge ratio is calculated by taking the hospital total expenses and gross charges by major payers and applying adjustments to remove the cost of non-patient care activity. The amount of charity care provided at cost was approximately $13,470,000 and $13,057,000 for the years ended June 30, 2013 and 2012, respectively.

Note 4: Concentration of Credit Risk

The Medical Center provides health care services through its inpatient and outpatient care facilities. The Medical Center grants credit without collateral or other security to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at June 30, 2013 and 2012, is

	2013	2012
Medicare	38%	35%
Medicaid	18%	17%
Managed care/commercial	24%	24%
Patients (self-pay)	20%	24%
	100%	100%

Note 5: Long-term Debt

Long-term debt consists of the following at June 30, 2013 and 2012

	2013	2012
Long-term debt		
Series 2001A Variable Rate Revenue Bonds	$ 36,500,000	$ 36,500,000
Series 2001B Variable Rate Refunding Revenue Bonds	15,100,000	17,825,000
Series 2001D Variable Rate Revenue Bonds	32,450,000	32,450,000
Series 2003E Variable Rate Refunding Revenue Bonds	2,750,000	4,050,000
Series 2009A Variable Rate Demand Revenue Bonds	69,495,000	69,625,000
Series 2011 Fixed Rate Refunding Revenue Bonds	22,690,000	25,250,000
Series 2012 Fixed Rate Revenue Bonds	50,000,000	-
Mortgage payable, due monthly in payments of $45,000, including interest at 2 79%, due December 10, 2020, collateralized by certain real estate	3,621,999	3,993,040
Mortgage payable, due monthly in payments of $21,534, including interest at 5 3%, due December 1, 2027, collateralized by certain real estate	2,600,903	2,661,893
Note payable, bearing interest at LIBOR plus 125 basis points, principal and interest payable monthly through January 2023, collateralized by certain real estate	1,228,357	1,333,599
Note payable, bearing interest at LIBOR plus 125 basis points, principal and interest payable monthly through January 2023, collateralized by certain real estate	2,310,000	2,529,001
Note payable, principal payable annually through 2015	34,240	68,479
	238,780,499	196,286,012
Plus unamortized premium	1,446,012	-
Total long-term debt	240,226,511	196,286,012
Less current maturities	5,178,485	5,435,018
Total long-term debt, net	$ 235,048,026	$190,850,994

Series 2001 Bonds

The Medical Center entered into a Master Trust Indenture dated November 1, 2001 (the 2001 Master Indenture), whereby, the Obligated Group is jointly and severally obligated for payment of all principal and interest on all obligations issued under the 2001 Master Indenture The Medical Center, as the sole member of the Obligated Group, is subject to various covenants under the 2001 Master Indenture containing restrictions and limitations with respect to the incurrence of encumbrances, incurrence of indebtedness, completion of consolidation and mergers, the transfer of assets and the addition and withdrawal of members of the Obligated Group

Pursuant to a Bond Trust Indenture, a loan agreement and other related agreements dated November 1, 2001, the Medical Center borrowed $151,450,000 through issuance of Health Facilities Revenue Bonds (Heartland Regional Medical Center) Series 2001A, B, C and D Bonds by The Industrial Development Authority of St Joseph, Missouri The loan proceeds of the Series 2001A and D Bonds were used to finance a portion of the cost of acquisition, construction and equipping of a five-floor addition to the Medical Center, fund capitalized interest on the Series 2001A and D Bonds, fund a portion of the Debt Service Reserve Fund and pay certain expenses incurred in connection with the issuance of the Series 2001A and D Bonds The loan proceeds of Series 2001B and C Bonds were used to advance refund Series 1992 and 1993 Revenue Bonds, fund a portion of the Debt Service Reserve Funds and pay certain expenses incurred in connection with the issuance of the Series 2001B and C Bonds and the advance refunding of the Series 1992 and 1993 Bonds Payment of principal and interest on the Series 2001 Bonds is insured under a financial guaranty insurance policy between the Medical Center and AMBAC Assurance Corporation In May 2003, the Series 2001C Bonds were advance refunded by the issuance of the Health Facilities Refunding Revenue Bonds Series 2003E

The Series 2001 Bonds are secured by a mortgage dated November 1, 2001 to the Master Trustee and may bear interest at an auction, weekly, commercial paper, long-term or fixed rate An entire series of the Series 2001 Bonds may be in only one rate mode at the same time Initially, all of the Series 2001 Bonds were issued in an auction rate mode The interest rate at June 30, 2013 and 2012, on the Series 2001A, B and D Bonds was 0 21% and 0 39%, respectively

The Series 2001A Bonds are subject to scheduled mandatory redemptions prior to final maturity beginning on December 3, 2015 through December 10, 2026 in annual principal amounts ranging from $925,000 to $6,725,000 The Series 2001B Bonds are subject to scheduled mandatory redemption through November 16, 2023 in annual principal amounts ranging from $725,000 to $4,675,000 The Series 2001D Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts graduating from $6,560,000 on December 17, 2026 to $5,935,000 at final maturity on December 11, 2031

In December 2012, the Medical Center repurchased a portion of the Series 2001B auction rate bonds with a par value of $2,000,000 for a total of $1,783,601 (89% of par value), including accrued interest The repurchased bonds had maturity dates ranging from 2013 through 2015 As a result of the repurchase, the Medical Center recognized a gain on extinguishment of debt of approximately $216,000

Series 2003E Bonds

Pursuant to a Supplemental Master Trust Indenture and other related agreements dated May 13, 2003, the Obligated Group borrowed $32,225,000 through issuance of Health Facilities Refunding Revenue Bonds Series 2003E by the Industrial Development Authority of St Joseph, Missouri The loan proceeds were used to advance refund the Taxable Health Facilities Refunding Revenue Bonds, Series 2001C

The Series 2003E Bonds are secured by a mortgage dated November 1, 2001 to the Master Trust and may bear interest at an auction, weekly, commercial paper, long-term or fixed rate The entire Series 2003E Bonds may be in only one rate mode at the same time Initially, all of the Series 2003E Bonds were issued in an auction rate mode The interest rate at June 30, 2013 and 2012, on the Series 2003E Bonds was 0 33% and 0 39%, respectively

The Series 2003E Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts graduating from $1,350,000 on November 15, 2013 to $1,400,000 at final maturity on November 20, 2014

Series 2009A Bonds

Pursuant to a Supplemental Master Trust Indenture and other related agreements dated February 26, 2009, the Obligated Group borrowed $70,000,000 through issuance of Health Facilities Variable Rate Demand Revenue Bonds 2009A by the Industrial Development Authority of St Joseph, Missouri The loan proceeds were used to finance the cost of the construction and equipping of certain health care facilities and pay certain costs of issuance of the Bonds, including credit enhancement for the Bonds

The Series 2009A Bonds are secured by a mortgage dated November 1, 2001 to the Master Trust and may bear interest at a weekly rate that may be converted to a daily, long-term, fixed rate or auction rate upon satisfaction of certain conditions The entire Series 2009A Bonds may be in only one rate mode at the same time Initially all of the Series 2009A Bonds were issued in a weekly rate mode The interest rate at June 30, 2013 and 2012 on the Series 2009A Bonds was 0 05% and 0 15%, respectively The Medical Center maintains a letter of credit totaling $70,408,907 expiring in May 2018 that can be drawn on should the bonds not be remarketed Advances under the letter of credit not repaid on the date of advance are considered term loans payable in eight quarterly installments of principal plus interest commencing one year from the date of advance

The Series 2009A Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts graduating from $265,000 on November 15, 2013 to $5,880,000 at final maturity on November 15, 2043

Series 2011 Bonds

Pursuant to a Supplemental Master Trust Indenture and other related agreements dated September 1, 2011, the Obligated Group borrowed $25,250,000 through issuance of Health Facilities Refunding Revenue Bonds 2011 by the Industrial Development Authority of St Joseph, Missouri

Loan proceeds were used to refund the August 2011 repurchase of 2001A, B, D and 2003E auction rate bonds with a par value of $27,975,000 for a total of $25,040,996 (90% of par value), including accrued interest The repurchased bonds had maturity dates ranging from 2014 through 2031 As a result of the repurchase, the Medical Center recognized a gain on extinguishment of debt of approximately $2,937,000 and expensed deferred financing costs of approximately $736,000

The Series 2011 Bonds are secured by a mortgage dated November 1, 2001 to the Master Trust and bear interest at a fixed rate of 3%

The Series 2011 Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts graduating from $2,630,000 on November 15, 2013 to $4,035,000 at final maturity on November 15, 2021

Series 2012 Bonds

Pursuant to a Supplemental Master Trust Indenture and other related agreements dated October 3, 2012, the Obligated Group borrowed $50,000,000 through issuance of Health Facilities Revenue Bonds 2012 by the Health and Educational Facilities Authority of the State of Missouri

Loan proceeds were used to fund various capital projects for the Medical Center The Series 2012 Bonds are secured by a mortgage dated November 1, 2001 to the Master Trust and bear interest at rates varying from 3 5% to 5%

The Series 2012 Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts graduating from $570,000 on February 15, 2027 to $5,090,000 at final maturity on February 15, 2043

Trustee-Held Funds

The 2001 Master Trust Indenture, as supplemented, requires that deposits be made to trustee-held accounts, which must be used for specific purposes, until each respective debt issue is retired These trustee-held funds aggregated approximately $11,062,000 and $21,516,000 at June 30, 2013 and 2012, respectively Included in trustee-held funds at June 30, 2013 was approximately $10,903,000 related to the project funds created as part of the Series 2009A and Series 2012 bond issuances In November 2011, the Medical Center met requirements under the Master Trust Indenture for release of moneys held in the debt service reserve funds for the Series 2001A, 2001B, 2001D and 2003E bonds

Derivative Instruments

The Medical Center has entered into an interest rate swap agreement with a financial institution to effectively convert the variable rate Series 2001A Bonds and Series 2001B Bonds with an aggregate outstanding balance of $63,400,000 and $64,125,000 at June 30, 2013 and 2012, respectively, to bear interest at a fixed rate of 3 97% through December 10, 2026 Also, the Medical Center has entered into an interest rate swap agreement with a financial institution to effectively convert the variable rate Series 2003E Bonds with an aggregate outstanding balance of $6,425,000 and $9,450,000 at June 30, 2013 and 2012, respectively, to bear interest at a fixed rate of 3 71% through November 20, 2014 The Medical Center has designated these interest rate swap agreements as a hedge of its $54,350,000 variable rate revenue bonds and the notional balances decline in direct relation to the scheduled repayment of the bonds

In September 2011 and December 2012, the Bonds under which the swap agreements were initiated were partially refunded and redeemed but the swaps remained in place

The Medical Center evaluated the agreements for hedge ineffectiveness, noting only a portion was effective The percent of the Bonds refunded were deemed to equal the ineffective portion of the hedge The September 2011 refunded portion of the Series 2001A and 2001B Bonds was 15% and the refunded portion of the Series 2003B Bonds was 43 5% The December 2012 refunded portion of the Series 2001B Bonds was 3% The changes in fair value of such agreements since the date of refunding of the Bonds are allocated based on these percentages between the effective portion and ineffective portion The effective portion is reported as a component of change in unrestricted net assets and changes in fair value of the agreement are recorded as change in fair value of cash flow hedging derivative on the accompanying Consolidated Statements of Operations At the date of partial refunding, the cumulative loss in fair value of the swap agreements (recorded in Unrestricted Net Assets) was $2,336,378 for the September 2011 refunding and $436,792 for the December 2012 refunding This amount is currently being amortized through the termination date of the swap agreements, which occur in 2014 and 2026

In connection with the issuance of the Series 2001D Bonds, the Medical Center entered into a 20-year interest rate swap agreement with a fixed notional amount of $45,225,000 with a financial institution to reduce the future potential volatility of interest expense related to the Series 2001D Bonds The Medical Center has not designated this interest rate swap agreement as a hedge of its Series 2001D Bonds and, accordingly, changes in the fair value of the interest rate swap agreement are reported in the accompanying Consolidated Statements of Operations as change in fair value of derivative instruments in Other Income (Expense)

The table below presents certain information regarding the Medical Center's interest rate swap agreements designated as a cash flow hedge and the interest rate swap agreements undesignated

	2013	2012
Noncurrent Liabilities		
Interest rate swap - hedged (effective)	$ 8,531,079	$ 12,713,572
Interest rate swap - hedged (ineffective)	2,109,661	2,414,840
Interest rate swap - unhedged	538,841	903,838
Total derivative instruments	$ 11,179,581	$ 16,032,250
Other Income (Expense)		
Change in fair value of derivative instruments (unhedged)	$ 364,997	$ 81,576
Change in fair value of derivative instruments (ineffective)	753,457	(78,461)
Amortization of cumulative loss in fair value (ineffective)	(290,453)	(150,915)
	$ 828,001	$ (147,800)
Change in Fair Value of Cash Flow Hedging Derivatives (effective)	$ 4,024,668	$ (5,014,930)

During 2013, the Medical Center novated the interest rate swap agreements to new counterparties to alleviate the underlying insurance and collateral exposure This novation did not modify any of the terms of the original swap agreements Management determined the novation did not constitute new hedging instruments, and therefore the accounting for the agreements has not changed

Auction Rate Bonds

The Series 2001 and Series 2003 Bonds were issued as "auction rate securities," with variable interest rates determined each 35 days in accordance with the auction procedures set forth in the Bond Indenture relating to the Bonds The Bonds are insured through bond insurance purchased from AMBAC Assurance Corporation (the "Insurer") and the Insurer's credit rating affects the rating of the Bonds On November 8, 2010, Ambac Financial Group, Inc , the parent company of the Insurer, filed for a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code which does not include the Insurer At June 30, 2013 and 2012, the Insurer was not rated by Standard & Poor's Ratings Services

There have been severe disruptions of the auction rate markets nationally as a result of actual and threatened downgrades in bond insurers, repercussions from the subprime mortgage markets and factors unrelated to the creditworthiness of the Medical Center, as a result of which the Medical Center has experienced "failed auctions" since February 2008 Interest rates on the failed auctions default to the maximum rate defined in the related Bond agreements The Bonds maximum auction rate is the lesser of 15% or 175% of the higher of after-tax commercial paper rate or the Securities Industry and Financial Markets Association (SIFMA) index Beginning with the first failed auction in February 2008, the rates on the Bonds ranged from 0 09% to 13 93%, with the most recent auction rate on August 21, 2013 of 0 11%

Debt Maturities

Aggregate annual maturities of long-term debt at June 30, 2013 are as follows

Year Ending June 30,	Long-term Debt
2014	$ 5,178,485
2015	5,712,783
2016	6,672,624
2017	6,948,663
2018	7,195,378
Thereafter	208,518,578
	$240,226,511

Note 6: Assets Limited as to Use

Assets limited as to use include

	2013	2012
U S Government mortgage-backed securities	$ 13,014,717	$ 17,728,405
Municipal securities	17,504,198	12,391,845
Corporate notes	41,872,862	42,918,804
Common collective trust	-	37,872,623
Private investment funds	27,334,760	33,982,858
Common and preferred stocks	47,098,253	37,739,222
Mutual funds		
PIMCO Total Return Fund	11,000,889	17,788,013
T Rowe Price Institutional Structure Fund	81,903,979	67,523,894
PIMCO Unconstrained Bond Fund	49,214,398	31,642,756
JPMorgan International Equity Fund	47,898,901	-
Other mutual funds	6,285,916	5,301,292
Cash and short-term investments	5,402,976	5,475,730
Foreign issues	6,012,985	4,511,350
Investment redemption receivable	9,111,586	-
Accrued interest and other investments	1,764,153	1,448,854
	$ 365,420,573	$ 316,325,646

A summary of the limitations or restrictions on these investments at June 30, 2013 and 2012 is as follows

	2013	2012
Board-designated for debt, capital improvements and self-insured claims	$354,358,864	$294,809,878
Series 2012 and 2009A Project Funds held by trustee	10,902,585	20,585,327
Held by trustee under bond indenture agreements	159,124	930,441
Total assets limited as to use	365,420,573	316,325,646
Less current portion required for current liabilities	1,690,000	1,540,000
Noncurrent assets limited as to use	$ 363,730,573	$ 314,785,646

A summary of investment return for 2013 and 2012 is comprised of the following

	2013	2012
Interest and dividend income	$ 6,796,540	$ 6,044,147
Net gain on sale of investments	10,247,596	985,167
Change in net unrealized gains and losses	17,415,551	(1,296,040)
Total investment return	$ 34,459,687	$ 5,733,274
Reconciliation of total investment return reporting		
Investment income reported as		
Other operating revenue, net	$ 1,476,732	$ 1,444,282
Other non-operations income (expense)		
Interest and dividend income from investments	5,461,527	4,340,137
Net gain on sale of investments	10,807,134	1,273,443
Change in net unrealized gains and losses	16,714,294	(1,324,588)
Total investment return	$ 34,459,687	$ 5,733,274

Alternative Investments

As permitted by Topic 825, the Medical Center has elected to measure the private investment funds at fair value Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial position of the Medical Center Changes in fair value for these items are reported in change in net unrealized gains and losses on trading securities in the accompanying consolidated statements of operations

The fair value of alternative investments has been estimated using the net asset value per share of the investments Alternative investments held at June 30 consist of the following

	2013			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private investment funds	$ 27,334,760	$ -	Limited to semi-annual redemption	100 days

	2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private investment funds	$ 33,982,858	$ -	Limited to semi-annual redemption	100 days
Common collective trust	37,872,623	-	No restrictions	5 days
Total	$ 71,855,481	$ -		

The value of the investment in common collective trust has been recorded using the equity method of accounting This investment is primarily comprised of international common stocks with a goal to provide a long-term return in non-U S dollar denominated equity securities During 2013, the Medical Center withdrew its investment in the common collective trust and reinvested in mutual funds

The fair value of private investment funds has been estimated using the net asset value per share of the investments These investments are primarily in partnerships directed through several portfolio managers that follow multiple investment strategies with a goal to maintain a low volatility with returns that outperform the U S equity markets During 2013, the Medical Center submitted written notification to withdraw from the fund As of June 30, 2013, the Medical Center has a redemption receivable from the fund of $9,111,586

Note 7: Employee Benefit Plans

The Medical Center participates in Heartland's defined contribution plan (the DC Plan) and Heartland's defined benefit pension plan (the DB Plan), which collectively cover substantially all employees of Heartland

Under the DC Plan, Heartland will contribute 3% of the employees' annual compensation Heartland will also match 50% of the first 2% of annual compensation that has been voluntarily contributed by the employees The Medical Center's expense related to the DC Plan was approximately $7,263,000 and $6,392,000 during the years ended June 30, 2013 and 2012, respectively, and is reflected as a component of employee benefits in the accompanying consolidated statements of operations

Effective January 1, 2001, amendments were made to the DB Plan that affected the participation of employees of Heartland as follows (a) certain employees' benefits were frozen under the DB Plan, and those employees began participating in the DC Plan, (b) certain employees were given a choice of continuing to accrue benefits under the DB Plan or switching to the DC Plan, (c) certain employees remain active in the DB Plan and are not eligible to participate in the DC Plan, and (d) employees hired after January 1, 2001 are not eligible to participate in the DB Plan, but are eligible to participate in the DC Plan

The Medical Center's funding policy for the DB Plan is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Medical Center may determine to be appropriate from time to time The Medical Center expects to contribute $7,200,000 to the plan in fiscal 2014

The Medical Center uses a June 30 measurement date for the DB Plan Significant balances, costs and assumptions are

	Pension Benefits	
	2013	2012
Change in Benefit Obligation		
Beginning of year	$116,165,029	$ 96,929,662
Service cost	1,215,927	1,147,028
Interest cost	4,569,925	5,114,951
Actuarial (gain) loss	(7,233,819)	17,779,971
Benefits paid and expenses	(4,780,990)	(4,806,583)
End of year	109,936,072	116,165,029
Change in Fair Value of Plan Assets		
Beginning of year	83,332,868	81,015,737
Actual return on plan assets	8,843,406	(76,286)
Employer contribution	7,200,000	7,200,000
Benefits paid and expenses	(4,780,990)	(4,806,583)
End of year	94,595,284	83,332,868
Funded status	$(15,340,788)	$(32,832,161)

The Medical Center's share of pension expense was approximately $3,881,000 and $2,342,000 in 2013 and 2012, respectively

	2013	2012
Weighted-average assumptions used to determine benefit obligations		
Discount rate	4 51%	3 98%
Rate of compensation increase	2 10%	2 10%
Weighted-average assumptions used to determine net periodic pension cost		
Discount rate	3 98%	5 35%
Expected return on plan assets	7 75%	7 75%
Rate of compensation increase	2 10%	4 70%

The following table presents the components of net periodic pension cost as of June 30, 2013 and 2012

	2013	2012
Service cost	$ 1,215,927	$ 1,147,028
Interest cost	4,569,925	5,114,951
Expected return on plan assets	(6,538,996)	(6,366,285)
Recognized net actuarial losses	4,940,823	2,649,964
Net periodic pension expense	$ 4,187,679	$ 2,545,658

	2013	2012
Assets and liabilities recognized in the Balance Sheets		
Noncurrent liabilities	$ 15,340,788	$ 32,832,161
Amounts recognized in the Statements of Operations		
Amounts arising during the period		
Net loss	$ 4,940,823	$ 2,649,964

Amounts that have been recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost consist of

	2013	2012
Net loss	$ 42,872,541	$ 57,349,543
Net prior service cost	7,686	9,736

Other changes in plan assets and benefit obligations recognized in other comprehensive income

	2013	2012
Current year actuarial gain (loss)	$ 9,538,229	$ (24,222,542)
Amortization of actuarial loss	4,938,773	2,647,914
Amortization of prior service cost	2,050	2,050
	$ 14,479,052	$ (21,572,578)

The estimated net loss and prior service cost for the defined benefit pension plan that will be amortized into net periodic benefit cost over the next fiscal year is $3,484,037 and $2,050, respectively

The accumulated benefit obligation for the defined benefit pension plan was $108,795,364 and $114,226,498 at June 30, 2013 and 2012, respectively

The Medical Center has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement The plan agreement permits investment in common stocks, corporate bonds and debentures, U S Government securities and other specified investments, based on certain target allocation percentages

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plans to recognize potentially higher returns The target asset allocation percentages for 2013 are as follows

	Target	Minimum	Maximum
Equity securities	55%	40%	70%
Fixed income securities	35	35	40
Alternative investments	10	5	15

For equity securities, the plan agreement restricts investments in U S dollar-denominated common stock of foreign companies traded in the U S markets to a maximum of 12 5% of total plan assets or 25% of total equity securities Additionally, no more than 5% of the plan's total assets may be invested in the stock of any one company

For corporate and U S Government debt securities, the plan agreement restricts investments to securities bearing a BBB rating or higher and no more than 5% of the plan's total assets may be invested in any single non-U S government security

At June 30, 2013 and 2012, plan assets by category are as follows

	2013	2012
Equity securities and equity mutual funds	58%	55%
U S Government and Corporate debt securities	34%	35%
Other investments	8%	10%
	100%	100%

Defined Benefit Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include exchange traded equity securities and money market mutual funds If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows Such securities are classified in Level 2 of the valuation hierarchy Level 2 investments include U S Treasury securities, corporate notes, asset-backed securities, municipal securities and alternative investments such as hedge funds and partnerships In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 There were no Level 3 investments

The fair values of Medical Center's pension plan assets at June 30, 2013 and 2012, by asset category are as follows

		2013 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 885,438	$ 885,438	$ -	$ -
Corporate stocks	13,690,121	13,690,121	-	-
Equity mutual funds	47,699,766	47,699,766	-	-
Fixed income mutual funds	25,515,317	25,515,317	-	-
U S Government mortgage-backed securities	919,560	-	919,560	-
U S Treasury securities	127,862	-	127,862	-
Corporate notes	3,839,817	-	3,839,817	-
Asset-backed securities	768,540	-	768,540	-
Municipal securities	583,298	-	583,298	-
Hedge fund	310,264	-	310,264	-
	$ 94,339,983	$ 87,790,642	$ 6,549,341	$ -

		2012 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 550,020	$ 550,020	$ -	$ -
Corporate stocks	11,237,521	11,237,521	-	-
Fixed income mutual funds	29,431,320	29,431,320	-	-
Equity mutual hedge funds	41,903,006	-	41,903,006	-
	$ 83,121,867	$ 41,218,861	$ 41,903,006	$ -

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2013

2014	$ 5,226,589
2015	5,594,136
2016	5,780,382
2017	6,159,443
2018	6,484,269
2019-2023	35,937,301

The Medical Center sponsors a health and welfare plan (the Health Care Plan), which provides health and dental coverage to substantially all employees

Heartland adopted supplemental, nonqualified, retirement benefit plans and non-competition agreements for key Medical Center executives in 2005 through 2013 The plans replace previous deferred compensation agreements The total estimated cost for these plans is being charged to operating expense over the expected remaining service period for each individual The expense charged to operations during 2013 and 2012 was $595,000 and $1,326,000, respectively

Note 8: Related Party Transactions

All members of Heartland share certain corporate expenses, including administrative services and data processing and provide goods and services to each other in varying amounts During the years ended June 30, 2013 and 2012, the Medical Center purchased consulting, planning, collecting and other corporate services aggregating approximately $1,696,000 and $1,629,000, respectively, from other Heartland affiliates These services are charged to the Medical Center at cost with no markup

During the years ended June 30, 2013 and 2012, the Medical Center made transfers of net assets to certain affiliates totaling $6,810,000 and $1,520,000, respectively

The following amounts were due from (to) the Medical Center's affiliates at June 30, 2013 and 2012

	2013	2012
Midwestern	$ 832,285	$ (117,979)
Properties	24,441	(15,912)
CHP	-	1,131,665
CHPIC	1,686	-
LTACH	9,207,537	8,860,366
Foundation	1,386,162	1,380,461
LACIE	-	913,679
REMSA	201,754	3,934,597
	11,653,865	16,086,877
Less current portion	76,138	1,349,666
	$ 11,577,727	$ 14,737,211

Note 9: Leases

The Medical Center leases certain equipment under noncancelable operating leases, which expire through 2015. The Medical Center also has agreements to lease real estate, which expire through 2058. A schedule of future minimum lease payments, net of subleases, under noncancelable operating leases with an initial term of more than one year, were

2014	$ 8,246,469
2015	7,554,070
2016	7,176,553
2017	7,124,395
2018	5,595,817
Thereafter	19,257,431
Future minimum lease payments	$ 54,954,735

Total rent expense was approximately $9,109,000 and $8,970,000 during the years ended June 30, 2013 and 2012, respectively.

Note 10: Property and Equipment

Property and equipment at June 30, 2013 and 2012 consist of the following:

	2013	2012
Land and land improvements	$ 33,115,964	$ 29,738,291
Buildings and fixed equipment	299,381,802	260,935,567
Moveable equipment	233,199,433	211,909,548
Construction in progress	23,572,430	24,617,693
	589,269,629	527,201,099
Less accumulated depreciation	315,448,174	287,003,559
	$273,821,455	$240,197,540

As of June 30, 2013 and 2012, the Medical Center has committed approximately $8,000,000 and $64,000,000, respectively, for costs related to various construction projects.

Note 11: Heartland Health Business Plaza, LLC Joint Venture

In July 2001, the Medical Center and a group of physicians entered into a joint venture arrangement and formed Heartland Health Business Plaza, LLC (the Joint Venture), which is incorporated in the State of Missouri At the formation of the Joint Venture, the Medical Center contributed $260,000 for a 21% interest in the Joint Venture and the group of physicians contributed $1,000,000 for a 79% interest in the Joint Venture The Joint Venture is a consolidated subsidiary in the accompanying consolidated financial statements because the Medical Center acts as the managing member of the Joint Venture and is in charge of the Joint Venture's day-to-day operations

In June 2002, the Medical Center sold the Heartland Health Business Plaza building (the Building) to the Joint Venture for $7,560,000 The Joint Venture financed the purchase of the Building through the use of its $1,260,000 capital contributions and a $6,300,000 mortgage from a financial institution The Joint Venture then entered into a lease agreement with the Medical Center, whereby, the Medical Center could lease the Building from the Joint Venture for a term of five years with an option to extend the lease for three additional five-year periods Pursuant to the lease agreement, the Medical Center will pay the Joint Venture an annual rent of $964,894 Because of the Medical Center's continuing involvement in the Building, the gain of $902,150 resulting from the Medical Center's sale of the Building to the Joint Venture will be deferred until such time as the Medical Center no longer has continuing involvement in the Building sale transaction or the lease agreement is discontinued The gain deferred from the sale of the Building has been eliminated in the accompanying consolidated financial statements

Note 12: Village at Burlington Creek Office, LLC Joint Venture

In November 2011, the Medical Center and a group of other parties entered into a joint venture arrangement and formed Village at Burlington Creek Office, LLC (Burlington Creek), which is incorporated in the State of Missouri At the formation of Burlington Creek, the Medical Center contributed $819,000 for a 50% interest in the joint venture and the other parties contributed $819,000 for a total 50% interest in the joint venture collectively Burlington Creek is a consolidated subsidiary in the accompanying consolidated financial statements because the Medical Center has a 50% interest and the ability to exercise control over operations

Burlington Creek owns two office buildings and during 2011 the Medical Center entered into a lease of one of the buildings for a term of fifteen years with a future right to purchase the building Pursuant to the lease agreement, the Medical Center will pay Burlington Creek an annual rent of $296,184 The annual rent payments have been eliminated in the accompanying consolidated financial statements

Note 13: Self-Insurance

The Medical Center's professional and general liability insurance coverage is provided from a commercial carrier under a claims-made policy. Under such policy, claims made and reported to the insurance carrier are covered during the policy term when the incident is reported. Accruals for uninsured losses and the corresponding charge to operations, if any, are based upon management's estimate of losses related to both asserted and unasserted claims considering the nature of specific claims, incidents and past history. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently will be uninsured. It is management's intent to renew the claims-made policy annually.

The Medical Center's professional and general liability insurance coverage includes self-insurance for a specified deductible amount per claim. The Medical Center has accrued for the uninsured portion of the actuarially estimated losses based on pending claims, historical claims experience and industry data. Accrued losses have been discounted at a rate of 3.0% at June 30, 2013 and 2012. Management believes that the accrued liability for uninsured losses is adequate to cover losses incurred to date, but the accrual is necessarily based on estimates and, therefore, the ultimate liability may be less or more than anticipated.

The Medical Center is also self-insured for workers' compensation claims. Stop-loss coverage has been purchased for individual claims exceeding $325,000 per year. The Medical Center has accrued for the uninsured portion of the actuarially estimated losses based upon pending and historical claims experience.

At June 30, 2013 and 2012, current accrued expenses include $2,120,000 and $1,920,000, respectively, for professional and general liability and workers' compensation claims estimated to be paid within one year.

Health care benefits are provided through a health and welfare plan sponsored by Heartland *(see Note 7)*.

Activity in the Medical Center's accrued professional and general liability and workers' compensation claims liability during 2013 and 2012 is summarized as follows:

	2013	2012
Balance, beginning of year	$ 19,129,900	$ 16,139,441
Current year claims incurred and changes in estimates for claims incurred in prior years	(695,111)	4,928,753
Claims and expenses paid	(2,411,274)	(1,938,294)
Balance, end of year	$ 16,023,515	$ 19,129,900

Note 14: Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs There is a hierarchy of three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2013 and 2012

	2013 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
U S Government mortgage-backed securities	$ 13,014,717	$ -	$ 13,014,717	$ -
Municipal securities	17,504,198	-	17,504,198	-
Corporate notes	41,872,862	41,872,862	-	-
Private investment funds	27,334,760	-	27,334,760	-
Common and preferred stocks	47,098,253	47,098,253	-	-
Mutual funds				
PIMCO Total Return Fund	11,000,889	11,000,889	-	-
PIMCO Unconstrained Bond Fund	49,214,398	49,214,398	-	-
T Rowe Price Institutional Structure Fund	81,903,979	81,903,979	-	-
JP Morgan International Equity Fund	47,898,901	47,898,901	-	-
Other mutual funds	6,285,916	6,285,916	-	-
Cash and short-term investments	5,402,976	5,402,976	-	-
Foreign issues	6,012,985	6,012,985	-	-
Financial Liabilities				
Interest rate swap agreement	(11,179,581)	-	(11,179,581)	-

		2012 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
U S Government mortgage-backed securities	$ 17,728,405	$ -	$ 17,728,405	$ -
Municipal securities	12,391,845	-	12,391,845	-
Corporate notes	42,918,804	42,918,804	-	-
Private investment funds	33,982,858	-	33,982,858	-
Common and preferred stocks	37,739,222	37,739,222	-	-
Mutual funds				
PIMCO Total Return Fund	17,788,013	17,788,013	-	-
PIMCO Unconstrained Bond Fund	31,642,756	31,642,756	-	-
T Rowe Price Institutional Structure Fund	67,523,894	67,523,894	-	-
Other mutual funds	5,301,292	5,301,292	-	-
Cash and short-term investments	5,475,730	5,475,730	-	-
Foreign issues	4,511,350	4,511,350	-	-
Financial Liabilities				
Interest rate swap agreement	(16,032,250)	-	(16,032,250)	-

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy There have been no significant changes in the valuation techniques during the year ended June 30, 2013

Investments and Financial Instruments Included in Cash

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include exchange traded equity securities and money market mutual funds If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows Such securities are classified in Level 2 of the valuation hierarchy Level 2 securities include U S Government agency obligations, corporate notes and private investment funds For investments, other than the private investment funds, the inputs used by the pricing service to determine fair value may include one, or a combination of observable inputs such as benchmark yields, broker/dealer quotes, issuer spreads, benchmark securities and reference data market research publications For the private investment funds, the net asset value reported by the fund was used to determine fair value In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3 There were no Level 3 investments

Interest Rate Swap Agreement

The fair value of interest rate swaps are estimated by a third party using forward-looking rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value

Cash and Cash Equivalents

The carrying amount approximates fair value

Long-term Debt

The carrying amount of the variable rate bonds and notes is assumed to approximate fair value Fair value of fixed rate bonds is estimated to approximate carrying value based on the borrowing rates currently available to the Medical Center for debt with similar terms and maturities

Estimates of fair values are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision Changes in assumptions could affect the estimates The fair market value of the Medical Center's financial instruments at June 30, 2013 and 2012 approximates the carrying value except as follows

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, excluding interest rate swaps	$240,226,511	$245,316,871	$ 196,286,012	$ 208,968,770

Note 15: Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time Government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues for patient services The Medical Center has a corporate compliance plan intended to meet federal guidelines As a part of this plan, the Medical Center performs periodic internal reviews of its compliance with laws and regulations As part of the Medical Center's compliance efforts, the Medical Center investigates and attempts to resolve and remedy all reported or suspected incidents of material noncompliance with applicable laws, regulations or policies on a timely basis The Medical Center believes that these compliance programs and procedures lead to substantial compliance with current laws and regulations

The Medical Center is in various stages of responding to inquiries and investigations These various inquiries and investigations could result in fines and/or financial penalties, which could be material At this time, the Medical Center is unable to estimate the possible liability, if any, that may be incurred as a result of these inquiries and investigations, but the Medical Center does not believe it would materially affect the financial position of the Medical Center

Litigation and Claims

There are several court actions filed against the Medical Center by former patients and others seeking compensatory damages Certain of these actions include claims for punitive damages that are not covered by insurance In the opinion of management, losses, if any, that may be incurred upon the ultimate resolution of these claims would not have a material effect on the Medical Center's financial position

Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act (PPACA) will substantially reform the United States health care system The legislation impacts multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid, and insurance companies Starting in 2014, the legislation requires the establishment of health insurance exchanges, which will provide individuals without employer provided health care coverage the opportunity to purchase insurance It is anticipated that some employers currently offering insurance to employees will opt to have employees seek insurance coverage through the insurance exchanges It is possible that the reimbursement rates paid by insurers participating in the insurance exchanges may be substantially different than rates paid under current health insurance products Another significant component of the PPACA is the expansion of the Medicaid program to a wide range of newly eligible individuals In anticipation of this expansion, payments under certain existing programs, such as Medicare disproportionate share, will be substantially decreased Each state's participation in an expanded Medicaid program is optional

The state of Missouri has indicated that it will not participate in the expansion of the Medicaid program The ultimate impact on the overall reimbursement to the Medical Center of any decision to be made cannot be quantified at this point

The PPACA is extremely complex and may be difficult for the federal government and each state to implement While the overall impact of the PPACA cannot currently be estimated, it is possible that it will have a negative impact on the Medical Center's net patient service revenue Additionally, it is possible the Medical Center will experience payment delays and other operational challenges during PPACA's implementation

Note 16: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued

Supplementary Information

Heartland Regional Medical Center

Consolidating Balance Sheet

June 30, 2013

Assets

	Heartland Regional Medical Center	Heartland Health Business Plaza, LLC	Northland Expansion, LLC	Burlington Creek, LLC	Shoal Creek Family Medicine	Eliminations	Consolidated
Current Assets							
Cash and cash equivalents	$ 12 461 021	$ 7 132	$ -	$ 173 774	$ 402 363	$ -	$ 13 044 290
Patient accounts receivable net of allowance of $21 383 000	69 570 296	-	-	-	24 318	-	69 594 614
Inventories	6 851 814	-	-	-	14 700	-	6 866 514
Prepaid expenses and other	7 923 648	-	-	17 461	-	-	7 941 109
Estimated amounts due from third-party payers	1 896 906	-	-	-	-	-	1 896 906
Due from affiliates	1 122 082	-	-	-	-	(1 045 944)	76 138
Current portion of assets limited as to use	1 690 000	-	-	-	-	-	1 690 000
Total current assets	101 515 767	7 132	-	191 235	441 381	(1 045 944)	101 109 571
Assets Limited as to Use, Net of Current Portion	363 730 573	-	-	-	-	-	363 730 573
Due from Affiliates	11 581 960	(4 233)	-	-	-	-	11 577 727
Notes Receivable	2 863 231	-	-	-	-	-	2 863 231
Other Assets	4 742 521	-	-	848 885	157 910	(1 428 097)	4 321 219
Deferred Financing Costs, Net	3 809 695	-	-	-	-	-	3 809 695
Property and Equipment, Net	267 998 905	3 022 661	-	2 799 889	-	-	273 821 455
Total assets	$ 756 242 652	$ 3 025 560	$ -	$ 3 840 009	$ 599 291	$ (2 474 041)	$ 761 233 471

Heartland Regional Medical Center
Consolidating Balance Sheet (Continued)
June 30, 2013

Liabilities and Net Assets

	Heartland Regional Medical Center	Heartland Health Business Plaza, LLC	Northland Expansion, LLC	Burlington Creek, LLC	Shoal Creek Family Medicine	Eliminations	Consolidated
Current Liabilities							
Current maturities of long-term debt	$ 4 611 707	$ 443 248	$ -	$ 123 530	$ -	$ -	$ 5 178 485
Accounts payable	18 507 486	-	-	1 592	-	-	18 509 078
Construction payable	5 316 175	-	-	-	-	-	5 316 175
Accrued expenses	36 137 175	-	-	76 442	5 002	(848 885)	35 369 734
Due to affiliates	-	-	-	-	1 045 944	(1 045 944)	-
Total current liabilities	64 572 543	443 248	-	201 564	1 050 946	(1 894 829)	64 373 472
Long-term Debt, Net of Current Portion	229 391 906	3 178 749	-	2 477 371	-	-	235 048 026
Derivative Instruments	11 179 581	-	-	-	-	-	11 179 581
Accrued Self-insured Costs, Net of Current Portion	13 903 515	-	-	-	-	-	13 903 515
Accrued Costs for Pension and Supplemental Retirement Plans	16 242 588	-	-	-	-	-	16 242 588
Other Non-current Liabilities	971 710	-	-	-	-	(14 575)	957 135
Total liabilities	336 261 843	3 621 997	-	2 678 935	1 050 946	(1 909 404)	341 704 317
Net Assets – Unrestricted	419 980 809	(596 437)	-	1 161 074	(451 655)	(564 637)	419 529 154
Total liabilities and net assets	$ 756 242 652	$ 3 025 560	$ -	$ 3 840 009	$ 599 291	$ (2 474 041)	$ 761 233 471

Σ Ⓐ $581,170,995 Audit revenues - to 570 020

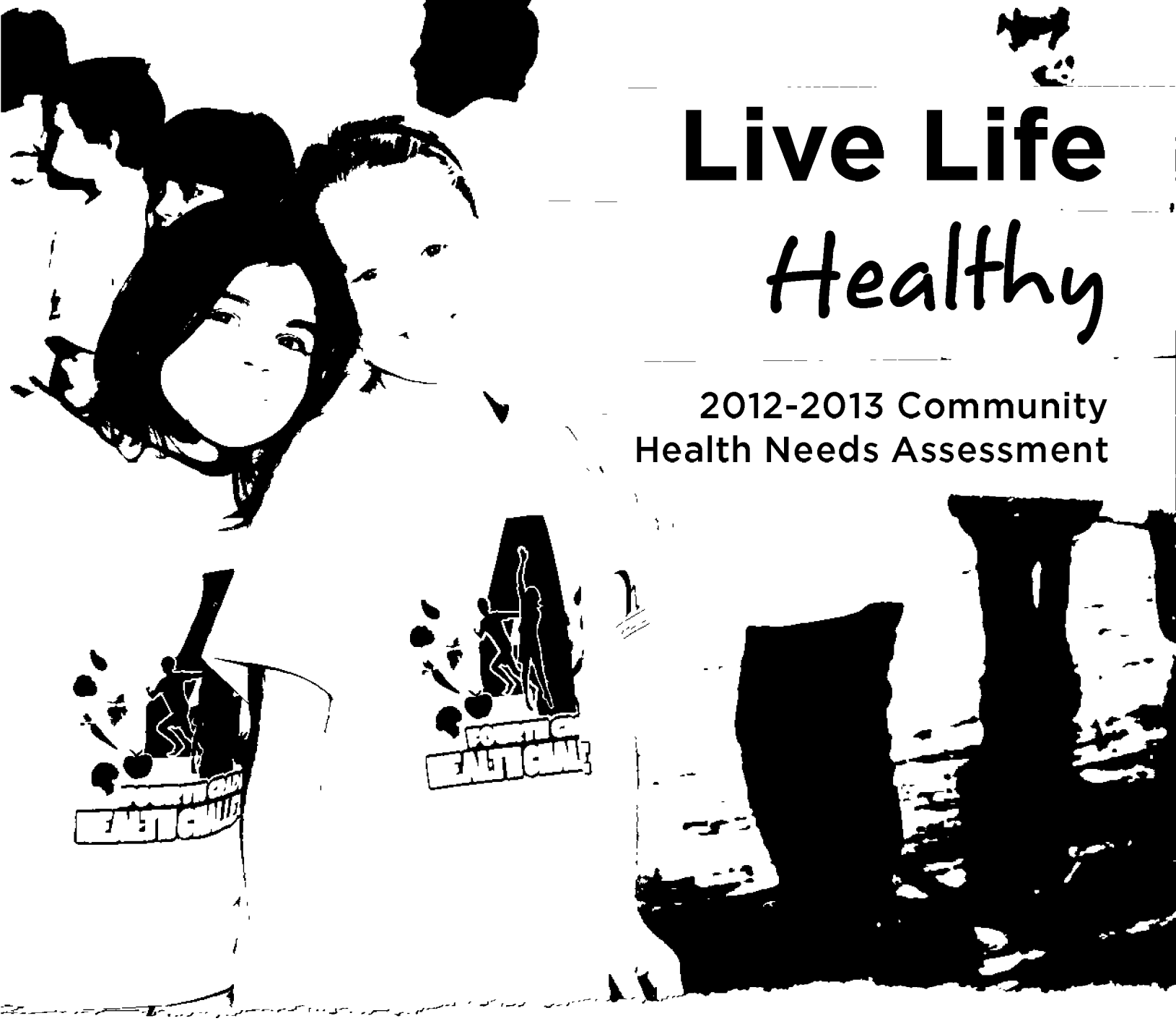
Ⓑ To 570 020

Heartland Regional Medical Center

Consolidating Statement of Operations

Year Ended June 30, 2013

	Heartland Regional Medical Center		Heartland Health Business Plaza, LLC	Northland Expansion, LLC	Burlington Creek, LLC	Shoal Creek Family Medicine	Eliminations	Consolidated
Unrestricted Revenues, Gains and Other Support								
Patient service revenue (net of contractual allowances)	$ 548 726 273		$ -	$ -	$ -	$ 807 497	$ -	$ 549 533 770
Provision for uncollectible accounts	(40 668 519)		-	-	-	-	-	(40 668 519)
Net patient service revenue	508 057 754		-	-	-	807 497	-	508 865 251
Other	40 323 077		991 042	-	713 484	222	(586 937)	41 440 888
Total unrestricted revenues gains and other support	548 380 831	Ⓐ	991 042	-	713 484	807 719	(586 937)	550 306 139
Operating Expenses								
Salaries and wages	231 016 596		-	-	20 080	878 261	-	231 914 937
Employee benefits	57 133 015		-	-	-	157 305	-	57 290 320
Professional fees	9 477 021		2 111	-	35 604	30	-	9 514 766
Supplies	88 473 827		-	-	3 923	25 129	-	88 502 879
General administrative and other	71 427 299		3 104	-	199 141	198 649	(385 949)	71 442 244
Insurance	1 053 077		-	-	9 432	-	-	1 062 509
Depreciation and amortization	28 512 970		182 273	-	164 898	-	-	28 860 141
Interest	6 204 460		168 682	-	140 295	-	-	6 513 437
Federal reimbursement allowance	26 434 373		-	-	-	-	-	26 434 373
Total operating expenses	519 732 638	Ⓑ	356 170	-	573 373	1 259 374	(385 949)	521 535 606
Operating Income (Loss)	28 648 193		634 872	-	140 111	(451 655)	(200 988)	28 770 533
Other Income (Expenses)								
Interest and dividend income from investments	5 461 527		-	-	-	-	-	5 461 527
Net gain on sale of investments	10 807 134		-	-	-	-	-	10 807 134
Change in net unrealized gains and losses on trading securities	16 714 294		-	-	-	-	-	16 714 294
Change in fair value of derivative instruments	828 001		-	-	-	-	-	828 001
Net gain on disposal of property and equipment	22 416		-	-	-	-	-	22 416
Other	(1 043 208)		-	-	(146)	-	(573 849)	(1 617 203)
Total other income (expense)	32 790 164	Ⓐ	-	-	(146)	-	(573 849)	32 216 169
Excess of Revenues Over (Under) Expenses	61 438 357	Ⓑ	634 872	-	139 965	(451 655)	(774 837)	60 986 702
Net asset transfers	(6 819 835)		(446 072)	9 835	(255 000)	-	701 072	(6 810 000)
Donated equipment	87 210		-	-	-	-	-	87 210
Deconsolidation of affiliates	(1 048 134)		-	-	-	-	-	(1 048 134)
Change in fair value of cash flow hedging derivatives	4 024 668		-	-	-	-	-	4 024 668
Change in defined benefit pension plan gain	14 479 052		-	-	-	-	-	14 479 052
Increase (Decrease) in Unrestricted Net Assets	$ 72 161 318		$ 188 800	$ 9 835	$ (115 035)	$ (451 655)	$ (73 765)	$ 71 719 498



Live Life Healthy

2012-2013 Community Health Needs Assessment

Heartland Health

Heartland Regional Medical Center

Executive Summary

The IRS has set new requirements for non-profit (Section 501(c) (3)) hospitals that include completing a Community Health Needs Assessment (CHNA). Heartland Regional Medical Center (HRMC) is conducting this assessment not only due to the IRS requirement, but also because it is the right thing to do. The CHNA is vital to our mission of improving the health of individuals and communities in our region. This assessment will ensure that our efforts are directed toward the health issues that are of the most importance to the people we serve. HRMC will conduct a CHNA every three years and adopt an implementation strategy to meet the community health needs identified through the assessment.

Following best practice as specified by Missouri Hospital Association, we gathered information for the Community Health Needs Assessment from a variety of sources:

Community Survey

A community survey was conducted to determine the health need priorities, according to the opinion of individuals in HRMC's service area. The survey was administered by American Viewpoint, one of the most widely-respected public opinion research and strategic message consulting firms in the United States.

Focus Groups

To complete the qualitative aspect of the data gathering associated with community health needs, the query was introduced to six focus groups comprised of community members, including those with broad interests and those with special knowledge of the subject. HRMC recruited all participants and LAN Resources, LLC, moderated each group.

Analysis of Existing Data

Several groups have survey data concerning health issues. A scorecard was developed from the existing data to factor in when determining the primary community health needs. To monitor our success in improving the health of the community, we have been gathering our own population health data for more than 25 years. The health scorecard represents the newer data, from July of 2012, more than three years newer than data available from national sources.

We analyzed a wide variety of data in each of these areas. Below is a list of data sources used.

- Agency for Healthcare Research and Quality (AHRQ) PQI (prevention quality indicators)
- Missouri Department of Health
- Local Behavioral Risk Factor Surveillance System (BRFSS) (stjoehealthinfo.org)
- State BRFSS
- Missouri Hospital Association (MHA) report: Assessing the Health of Our Communities
- County Health Rankings
- University of Wisconsin Population Health Institute
- St. Joseph Health Department.
- American Community Survey (ACS)
- Missouri Economic Research and Information Center (MERIC)
- Success by Six/United Way
- Head Start

The Primary Health Issues

By combining the data from the community survey, external data sources and the community focus groups, the top three community health needs were determined:

- Mental Health services
- Adult and childhood obesity
- Education on health and health resources

HRMC Current Response to These Issues

Mental Health

HRMC has an overarching mental health strategy. The plan has three phases:

Phase I – HRMC's initiatives and services

Phase II – Community-based initiatives

Phase III – A new delivery system

Adult and Childhood Obesity

HRMC has a dual approach to managing obesity in our population; a clinical method and community programming.

Education on Health and Health Resources

HRMC offers nearly 50 educational programs throughout the year to help maintain a healthy lifestyle. These are well-advertised and most of them are free of charge.

Prior Community Benefit Reporting

In FY11, HRMC made a total community investment of $47,536,594. In addition, HRMC annually donates standby ambulance and first aid services to support community events. In 2012, HRMC donated 195 hours of ambulance time costing the organization $54,150.00.

Based on the specified primary community health needs identified in this assessment, HRMC's community benefit giving strategy will be realigned to address community efforts dedicated to meeting these needs.

CHNA Action Plan

To fully meet the needs specified by the CHNA research results, HRMC will implement a three-year action plan.

Specific steps in the action plan include:

Mental Health Services

- Community opinion is that HRMC should take the lead in this initiative, but encourages HRMC to work with community partners. HRMC is willing to assume this role and collaborate when possible, but will address the need whether or not a partnership is possible.
- Review and update Communities of Hope community readiness, needs and resource assessment report
- Offer telemedicine to other sites

Adult and Childhood Obesity

- Continue and expand Pound Plunge and 4th Grade Challenge
- Compile a comprehensive web-based information area with calendar of all activity-based events in our area, for easy reference and planning
- Increase access to healthy food and health experts in underserved areas

Health and Health Resource Education

- Compile a comprehensive web-based information area with calendar of all health education opportunities in our area, for easy reference and planning
- Earned media stories
- Encourage HRMC caregivers to participate in education events in the community, focusing on their area of expertise
- Incorporate into primary care physician visits

Table of Contents

About the Community Health Needs Assessment

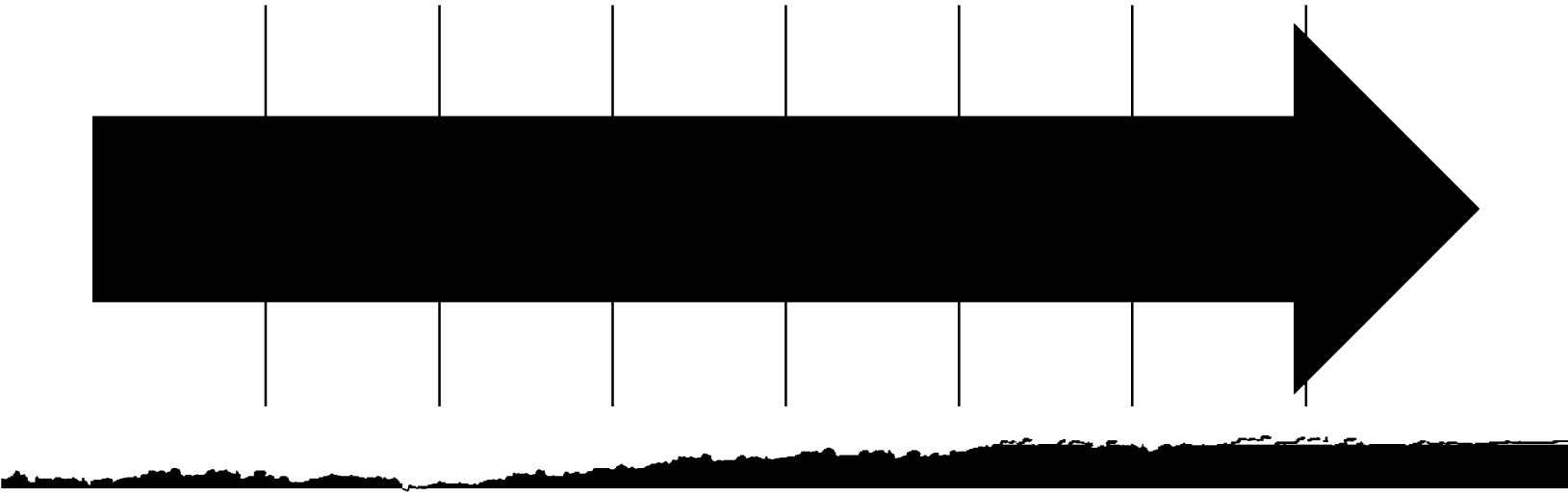
The IRS has set new requirements for non-profit (Section 501(c) (3)) hospitals that include completing a Community Health Needs Assessment (CHNA). HRMC is conducting this assessment not only due to the IRS requirement, but also because it is the right thing to do. The CHNA is vital to our mission of improving the health of individuals and communities in our region. This assessment will ensure that our efforts are directed toward the health issues that are of the most importance to the people we serve. HRMC will conduct a CHNA every three years and adopt an implementation strategy to meet the community health needs identified through the assessment.

New requirements for Section 501(c) (3) Status a. Community Health Needs Assessment

- The organization must conduct a "community health needs assessment" (CHNA) not less frequently than every three years and adopt an implementation strategy to meet the community health needs identified through the assessment.
- A CHNA must include input from persons "representing the broad interests of the community served by the hospital facility," including those "with special knowledge of or expertise in public health."
- The assessment must be made widely available to the public.
- Under Section 501(r), a hospital organization is required to conduct a CHNA for each of its hospital facilities once every three taxable years.
- The CHNA requirements are effective for taxable years beginning after March 23, 2012.

Process and Methodology

This diagram shows the steps followed in the Community Health Needs Assessment.



Community Survey

A community survey was conducted to determine the health need priorities, according to the opinion of individuals in HRMC's service area. We sincerely thank all of the respondents to the survey for their valuable input. The survey was administered by American Viewpoint, one of the most widely-respected public opinion research and strategic message consulting firms in the United States. Founded in 1985 by Linda DiVall, the company has established a national reputation for outstanding quantitative and qualitative research in politics, corporate affairs, public policy and government relations. Interviews were conducted August 27-29, 2012 with 500 residents across the service area. Approximately 25 percent of interviews conducted with cell phone only households. The margin of error for the full sample (n=500) is +/- 4.4 percent at the 95 percent confidence level.

The sample included men and women between from the ages of 18 to more than 65, with household incomes ranging from below $20K to above $50K. Among the respondents were those who had lived in St. Joseph for less than five years to those who had lived in the community all their lives.

The respondents were asked to respond to this question: **What do you think is the biggest and 2nd biggest health challenge in the community?**

They were given a list of ten health issues to choose from:

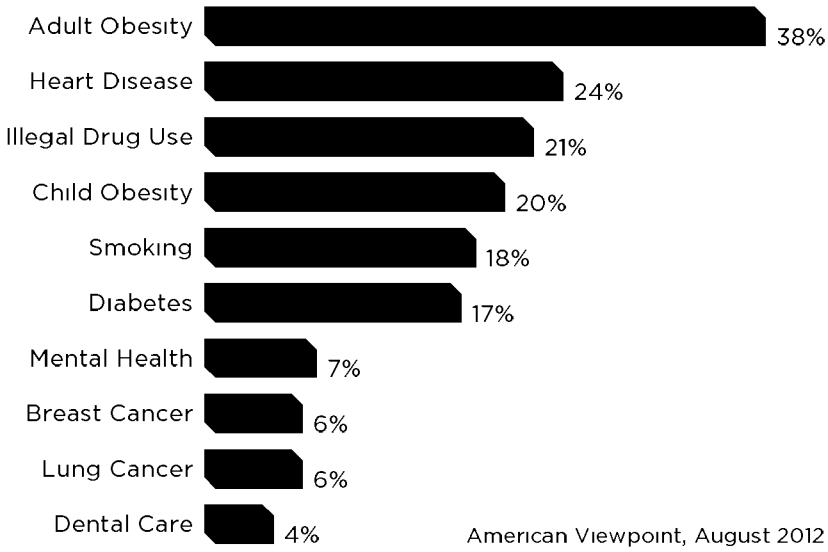
- Adult Obesity
- Childhood Obesity
- Breast Cancer
- Dental Care
- Lung Cancer
- Mental Health
- Illegal Drug Use
- Heart Disease
- Diabetes
- Smoking

Of the respondents, 38 percent considered adult obesity to be the biggest health issue facing our community. When combined with 20 percent ranking of childhood obesity, the issue of weight and the inherent health risk factors involved dominated the response. Heart disease followed at 24 percent and the third issue ranked was illegal drug use at 21 percent. However, when considering the interconnectivity of the issue of illegal drug use and mental health, theoretically, these combined represent 28 percent of responses, which elevates these issues combined to the second most pressing need.

What do you think is the biggest/2nd biggest health challenge in the community?

(1st and 2nd choices combined)

Adult obesity is seen as the biggest health challenge facing the area and is of even greater concern when combined with child obesity. Clearly promoting the Pound Plunge will be important to show the active role HRMC is taking in tackling the most important health challenges facing the area.



American Viewpoint, August 2012

Focus Groups

To complete the qualitative aspect of the data gathering associated with community health needs, the query was introduced to six focus groups on November 8 and 9, 2012, comprised of community members, including those with broad interests and those with special knowledge of the subject. Thank you to all of the participants who gave their time and expertise in this endeavor. HRMC recruited all participants and LAN Resources, LLC, moderated each group. At the beginning of each session, the focus group participants were given a blank sheet of paper and were asked to write down the first word or short phrase that came to mind when asked the question, "What is the number one health concern of our community?" The papers were collected and the group discussed each of the responses to ensure they knew what resources are currently in place through HRMC and to verify that the need was seen as important by the majority of the group.

The groups represented:

- Physicians (2 focus groups)
- Community members
- Clinical staff - registered nurses and care managers
- Hospital leadership
- Community health leaders

The results from the focus groups were surprisingly similar for all. In all groups, 100 percent expressed the opinion that mental health issues are not being adequately addressed in our community. Resources in our area are not sufficient to meet the ever-growing need for both inpatient and outpatient mental health treatment. The wait time for an appointment with a psychiatric provider is generally four to six weeks. The agencies dedicated to providing mental health services operate in silos and there is no coordinated effort. A community mental health steering committee formerly met on a regular basis to discuss issues and provide direction, but this committee is not currently active. This void has brought about more fragmentation of time, effort and resources. A designated leader or organizer needs to emerge to take control of this health issue in our area. A community member expressed his frustration with this issue, "Huge deficit in the community with mental health. Nearly impossible to find help for those people, especially inpatient needs or those that need overnight services. It is probably one of the worst crises in health care." A psychiatrist from HRMC also paints a grim picture of the situation, "It takes about two months to see a doctor. Getting an appointment is a huge issue. Within our larger area, especially North Central, there are no mental health providers available. We get a lot of referrals from that area. Finding long-term care is difficult. Those services are limited to nursing homes, which require a Level 2 screening and being nonviolent to get care. This causes a problem discharging patients since they have no place to go."

Additionally, 100 percent agreed obesity and weight management in both children and adults is a major issue. The majority indicated that tools exist to address this problem, but that more education is needed to enable adults to manage their weight and help prevent weight issues in children. One community health leader commented, "People are living off limited resources and can't afford healthy food. People lack the knowledge of basic nutrition to use their money wisely. How can we partner better with Second Harvest Community Food Bank to provide more healthy food to the needy?" A physician also stated, "The problem with obesity is that dieting is really difficult. The one way to combat that is to promote more activity. There are so many activities available to do, but we never advertise, so no one knows."

The third most pressing problem as determined by focus group participants (80 percent) is lack of education on health and health resources. Again, almost all agreed that the tools and resources exist for people to better manage their own health; the problem seems to lie with education and making the information readily accessible. A nurse commented, "We


Eating Hints
Before, During, and After Cancer Treatment
National Cancer

don't know what the resources are, so we can't communicate what's available. I've been in the community for more than 20 years, employed with HRMC for 10 years. The biggest thing we lack is being 'consistent with our message.' We have the tools and the info, but we need to do a better job teaching [patients] about their health issues and how to manage them." A community member suggested an information clearinghouse: "It is not a hospital's role/job for preventative health, but there needs to be a good place for one to find information on preventative health. HRMC can be the leader in this. We look to the hospital as the avenue for health education. It would be nice to have a compiled list of activities, trail information (what is the best time to use them), etc. and where to exercise. A website could bring all of this together."

Core Competency	Measure	U.S.	MO	Buchanan County	Buchanan County Compared to ... U.S.	MO

HRMC's role is much more than a hospital. We are a fully engaged community partner in addressing the health and social issues in our region. St. Joseph and the area present unique health and social challenges. We recognize that the major health problems of our community are based in human behaviors, which in turn have their root in basic human conditions. Our efforts address all levels of what we call the health pyramid, the actual physical conditions forming only the tip.

We have programs in place to address a wide variety of human behaviors that influence health. Community outreach health improvement initiatives help those in our community change the human behaviors that put their health at risk. To reach the root causes, HRMC seeks to address the human conditions that affect health, to chip away the foundation of the health pyramid. HRMC's long term goal is to "flip the triangle" or spend more time and resources on the human condition, health promotion and illness prevention so that less is needed for acute care for illness and disease due to improved community and individual health.

To monitor our success in improving the health of the community, we have been gathering our own population health data for more than 25 years. The health scorecard shown to the left represents the newer data, from July of 2012, more than three years newer than data available from national sources. The category best and safest represents data collected that impacts the top of the pyramid; delivering the best and safest care to our patients. Individual health improvement involves the community outreach programs we provide to improve the health of those in our service area. Community health improvement represents our efforts to modify the root causes of the risky behaviors that affect physical health.

We analyze a wide variety of data in each of these areas. Below is a list of the analyzed measures in each competency and the data sources used.

Core Competency:
Delivering Best and Safest

The measures in this area are preventable hospitalizations, smoking-attributable deaths and access to affordable health care.

The data sources used:

- Agency for Healthcare Research and Quality (AHRQ) PQI (prevention quality indicators)
- Missouri Hospital Association (MHA)
- Missouri Department of Health
- Local Behavioral Risk Factor Surveillance System (BRFSS) (Stjoehealthinfo.org)
- State BRFSS

Core Competency:
Individual Health Improvement

The measures in this area are current smoking rate, physical activity, obesity, substance abuse and mental health.

The data sources used:

- Missouri Hospital Association (MHA) report: Assessing the Health of Our Communities
- County Health Rankings
- University of Wisconsin Population Health Institute
- St. Joseph Health Department.

Core Competency:
Community Health Improvement

The measures in this area are income/poverty, education, employment, early life experience, housing and community.

The data sources used:

- American Community Survey (ACS)
- Missouri Economic Research and Information Center (MERIC)
- Success by Six/United Way,
- Head Start

The Primary Health Issues

By combining the data from the community survey, external data sources and community focus groups, the top three community health needs were determined:

- Mental Health services
- Adult and childhood obesity
- Education on health and health resources

HRMC current response to these issues:

Mental Health

HRMC has an overarching mental health strategy. The plan has three phases:

Phase I – HRMC's initiatives and services

Phase II – Community-based initiatives

Phase III – A new delivery system

Phase I – HRMC

To address the growing need for Mental Health services, HRMC has an inpatient Mental Health Unit. This consists of a 24-bed acute care, inpatient, adult psychiatric unit, serving persons age 18 years and older, including the geriatric population. Through contractual agreement with the Missouri Department of Mental Health, the unit provides services for a 19-county region in northwest Missouri. We also serve the HRMC region which includes northwest Missouri and adjacent counties in Kansas, Iowa and Nebraska. The unit provides care to an average 23 patients per day with an average stay of six days.

As part of a mental health services plan, an 8-bed medical-behavioral unit was opened on a patient floor to address the need for more psychiatric inpatient services. This unit averages six to seven patients per day with an average stay of five days.

Many psychiatric patients enter the medical center through the Emergency Department (ED). To better serve them, a mental health team was formed to strategize the care and streamline the placement of mental health patients. A Psychiatric Evaluation Service was formed within the ED, providing three secure treatment areas, with one-on-one observation coverage, staffed 12 hours a day by psychiatric trained clinicians, who remain in-house and on-call for the other 12 hours.

To meet the increasing need for outpatient mental health services, in August 2011 HRMC opened HRMC Psychiatric Clinic. We offer individual outpatient mental health services for adult and adolescent patients who need to be assessed and treated for a variety of psychiatric conditions. Outpatient services include:

- Psychiatric evaluations
- Individual evaluations conducted by psychiatric nurse specialists and social workers
- Mental health diagnostic assessment and evaluation
- Medication management

- Individual therapy
- Family therapy
- Couple therapy
- Substance abuse counseling

The five providers at the clinic (two part time psychiatrists, two part time nurse practitioners and one full time licensed certified social worker) see 550-600 patients per month.

In November of 2012 HRMC introduced The Intensive Outpatient Program (IOP). This is a group program for patients needing alternatives to safely cope with substance abuse issues, who require more structure and support than available through individual outpatient therapy and those with a mental health diagnosis. The IOP Program is conveniently scheduled during evening hours. It offers structured, group therapy sessions by trained professionals.

Programs available include:

- Mental Health
- Relapse prevention
- Cognitive behavioral therapy
- Family therapy
- Educational sessions regarding addiction and dependency
- Educational sessions regarding dual diagnosis of mental health and substance abuse diagnosis

HRMC has also recently begun providing electroconvulsive therapy (ECT), a medical treatment most commonly used in patients with major depression or bipolar disorder that have not responded to other treatments. ECT is the gold standard therapy for severe depression. It is pain-free, very safe and works more quickly and in most cases more effectively than most medications, with fewer side effects.

Phase II – Community-based Initiatives

To better serve the needs of mental health patients outside the inpatient setting, HRMC has developed an outreach plan. One of the completed steps was bringing a Mental Health Community Services Team Leader on board to oversee Phase II. Expanding and enhancing outpatient services are also planned. These efforts include a partial hospitalization program in downtown St. Joseph, a location closer to a concentration of those seeking mental health services, expanding care management to all outpatient services and increasing outpatient clinic hours to meet increased volume. Phase II also involves collaborating with correctional facilities, primary care physicians, HRMC's Pain Center and Northwest Health Services federally qualified health center.

Phase III – A New Delivery System

This new system involves integration with all local and regional mental health providers. The goals of this phase are to provide community-based assessment, triage, care management and measurement of outcomes. Phase III may also involve expanding the continuum of care, including residential care facilities. In an ideal system, the partners in Phase III would collaborate on financing, governance, and filling the gaps in care.

Adult and Childhood Obesity

HRMC has a dual approach to managing obesity in our population; a clinical method and community programming.

In Heartland Clinic, when a patient sees their primary care physician, automated text from our electronic medical record is pulled into the patient's record and prints with depart instructions based on the patient's documented age, height, weight and body mass index (BMI). Providers also have the ability to select educational information on other topics regarding diet and exercise.

For example, the following is automatically included for all patients age two and above, regardless of BMI:

[redacted]

HRMC also offers bariatric surgery right here in our community. HRMC Weight Management Center has been designated as a Bariatric Surgery Center of Excellence (BSCOE) by the American Society for Metabolic and Bariatric Surgery (ASMBS). HRMC Bariatric Center is unique by offering two bariatric surgeons, a program manager, dietitian, psychologist, physical therapist and a bariatric nurse practitioner for a multi-disciplinary team approach.

Children's Mercy Hospital has provided monthly outreach clinics at HRMC's Lakeside Pediatrics for many years. This partnership has expanded to a larger and more kid-friendly outreach clinic — Children's Mercy Kansas City–Heartland Specialty Clinics, here at HRMC. The new location is now home to Children's Mercy Cardiology and Endocrine/Diabetes clinics. The expansion enables the clinics to add additional specialties in the future, such as child/adolescent-weight loss, to help address childhood obesity. Children's Mercy consistently ranks among the leading children's hospitals in the nation and was the first hospital in Missouri and Kansas to earn the prestigious Magnet designation for excellence in patient care from the American Nurses Credentialing Center.

To address adult obesity in our community and to promote the adoption of healthier lifestyles, HRMC developed Pound Plunge. The event began as a community partnership between HRMC and radio station K-JO 105.5. The two collaborated to develop a fun event that would bring the community together and promote healthy lifestyles. This 12-week weight-loss competition challenges teams of four, individuals or corporate teams to adopt a healthy lifestyle and lose weight in the process. Teams and individuals register online; attend a Kick-Off event, weekly weigh-ins and Fitness sessions while competing for great prizes. At the beginning of its seventh year, in the past six years, more than 12,000 people have taken the Pound Plunge, losing more than 80,000 pounds. During 2012, Robert C. Betts, Jr., participated and won the grand prize of the Pound Plunge. "I had some health issues I really needed to address, and I needed a healthy regimen. The Pound Plunge was the best thing for me," says Robert. Robert considers the experience "life changing" and he is hoping it has the same impact on his friend. Robert will be participating in the 2013 Pound Plunge with a friend and his goal is already set — he hopes to lose another 50 pounds. "No one really realizes how your life improves after losing that kind of weight. I really recommend it to anybody that wants to lose weight, eat healthy and exercise. It's amazing how great you will feel."

To address the increasing issue of childhood obesity, HRMC introduced the 4th Grade Challenge, in a partnership with the St. Joseph School District. Childhood obesity is a problem within the St. Joseph school district, with 33 percent of grade school children meeting the CDC definition of obese and more than two-thirds considered overweight. The 4th Grade Challenge is a program created for children who are at the age when they can begin to make choices for themselves. The objective of the program is to improve these students' health by providing an eight week curriculum with fun, hands-on activities designed to encourage healthy eating habits, exercise and making wise lifestyle choices. The 4th Grade Challenge began its fifth year in September 2012. Originally implemented in four schools, it was expanded to included eight schools in 2009, and now includes all sixteen elementary schools in the St. Joseph School District. One fourth grade student commented, "The 4th Grade Challenge taught me that if you have a lot more weight on your body, you can't do half the things you used to do." Another said, "It taught me to look at labels and find foods that are good for me, and that I can't just eat a lot of junk food and to exercise more." HRMC has also engaged members of the St. Joseph Chamber of Commerce Health and Productivity Roundtable to help teach students the lifelong value of healthy choices.

Using adult volunteers from business achieves two goals, the adults provide valuable assistance with the program, and the adults themselves also learn the value and benefits of a healthy lifestyle, which makes them outstanding ambassadors for workplace wellness.

HRMC is a partner in the Social Innovation for Missouri grant. Through this grant, community gardens were created at two St. Joseph elementary schools and two more are planned. Children learn about the benefits of eating fruits and vegetables as part of the learning experience combined with the gardens. Healthy cooking classes are also offered in the schools.

Education on Health and Health Resources

HRMC offers many educational programs to help maintain a healthy lifestyle. Some events and seminars include:

- Diabetes Expo for patients and families
- Spirit of Women Day of Dance – health education for women and families
- Educational programs through Human Motion Institute:
  - Joint and Arthritis
  - Spine Health
  - Sports Injury and Prevention
  - Concussion Identification and Management
  - Stroke Education
  - Fall Prevention
- Diabetes Symposium for providers
- Colorectal Health Symposium – public health education on this disease
- Breast cancer awareness events
- Pound Plunge
- 4th Grade Challenge
- Men's Tune Up Prostate Screening – health education for men
- Heart Walk – heart health education
- Lung and Skin Cancer Screening Seminar
- Clinic Minute – monthly television spot featuring public health information
- Spiritual Health Services Education:
  - Advance care planning education
  - Grief and Loss education series
  - Kid's Palooza focused on assisting children with grief
- End-of-life care education to nursing care facilities and community groups provided by Hands of Hope Hospice
- Care Management, the Learning Center and the Call Center provide support for community health education.
  - Care management works with patients one-on-one to understand their health conditions and gain health literacy around how to access the system and best practices for optimum health.

- The care management team also provides content and expertise for Senior Health Club luncheons and performs a variety of ad hoc community outreach efforts such as going to the food kitchen to meet with community members.
- The call center provides both general health information to callers and a service to triage and direct callers to the most appropriate venue of care.
- The Learning Center provides centralized resources for chronic condition education such as diabetes, congestive heart failure, hypertension, etc.

• Heartland Counseling provides:

- Workshops or presentations on certain topics such as workplace stress, conflict resolution, etc. for area employers
- Career fairs for local schools
- Assistance with the "JUMP Program" a mentoring program for pregnant and parenting teens

- 5th Grade Challenge session on building healthy bones and another on bystander CPR
- Coffee Talk – health education presentation at local shopping mall open to the public
- Disaster Services:
  - Emergency Preparedness for St. Joseph School District nurses
  - Community Emergency Response Team (CERT) Program for all schools
  - Emergency Preparedness Coalition
  - Disaster preparedness
- Health education combined with community gardens at schools
- Healthy cooking classes at four schools this school year
- Blood pressure screenings and Home Health education public events
- Head Start screenings

These are well-advertised and most of them are free of charge.

FY10 FY11 FY12

[redacted]

HI

Health Improvement Event

Healthy people lower health-care costs for everyone. Heartland Health is actively engaged in improving lives