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DLN: 93493133016214

Form **990**

Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

Open to Public

Department of the Treasury

A Forti	ne 2012 d	alendar year, or tax year beginni	ng 07-01-2012 , 2012, and end	ing 06-30)-2013				
_	ıf applıcab	e C Name of organization SAINT FRANCIS MEDICAL CENTER				D Emplo	yer ider	ntification number	
Addres	s change	Doing Business As				47-0	376601	•	
Name -	change	boiling business As							
Initial r	eturn		mail is not delivered to street address)	Room/suit	te	E Teleph	one num	ber	
Termin	ated	2620 W Faidley					398-5		
_ Amend	ed return	City or town, state or country, and	I ZIP + 4			(308)	390-3	407	
— Applica	tion pendii	Grand Island, NE 68803				G Gross	eceipts \$	172,280,003	
		F Name and address of pr	incipal officer		H(a) Ist	his a group	return	for	
		DAN MCELLIGOTT 2620 W Faidley				iates?		┌ Yes 🗸 No	
		Grand Island, NE 68803			H(b) ^ **	all affiliate	بيامميم	ded?	
								(see instructions)	
[Tax-ex	xempt stat	us 🔽 501(c)(3) 🗌 501(c)() 🖪	(insert no)	27					
J Webs	site: ► V	VWW SAINTFRANCISGI ORG			H(c) Gro	oup exempt	ion nur	nber ► 0928	
V Form of	f organizat	on 🔽 Corporation 🗀 Trust 🗀 Associat	uan □ Othor ►		L Voor of	formation 18	97 M	State of legal domicile NE	
Part	_	mmary	ion i Other F		L fear or	ioimation 16	567 M	state of legal dofficile. NE	
		describe the organization's miss	ion or most significant activities	,					
'		CUTE CARE HOSPITAL PROVID			EDICALTE	REATMENT	SERV	ICES TO CENTRAL	
.,	NEBR.	ASKA HONORING OUR CATHO	LIC TRADITION, WE CARE FO	RALLIN	NEED, RE	GARDLES	SOFA	BILITY TO PAY	
Governance									
<u> </u>									
<u> </u>	2 Check	this box 🖛 if the organization (discontinued its operations or dis	sposed o	f more than	25% of its	net as	sets	
<u> </u>		,							
Activities &		er of voting members of the gover					3	16	
₽ 4		er of independent voting members					4	14	
를 '		number of individuals employed in					5	1,272	
-		number of volunteers (estimate if		6	461				
		inrelated business revenue from					7a	98,371	
_	b Net ur	related business taxable income	nom Form 990-1, line 34 .	<u> </u>	· · ·	· ·	7b	-39,550	
١.	9 Con	tributions and grants (Part VIII,	lina 1 h)		Pri	ior Year	692	Current Year	
		gram service revenue (Part VIII,	•			1,546,682		1,865,020	
Havenue 10		estment income (Part VIII, colun				4,937,		10,496,008	
Æ 1		er revenue (Part VIII, column (A				2,202,		2,162,996	
12		il revenue—add lines 8 through 1				2,202,	307	2,102,330	
		<u> </u>				166,412,	596	172,062,048	
13		nts and similar amounts paid (Pa				10,490,	921	334,866	
14		efits paid to or for members (Part					0	0	
φ 15	5 Sala 5-1	ries, other compensation, emplo	yee benefits (Part IX, column (A), lines		53,218,	164	52,600,969	
Expenses 10		essional fundraising fees (Part I)	(, column (A), line 11e)			/ /	0	0	
<u>⊕</u> ^`		fundraising expenses (Part IX, column (
<u>ت</u> 17		er expenses (Part IX, column (A)	•			83,630,	587	99,824,388	
18		ıl expenses Add lines 13–17 (m				147,339,		152,760,223	
19		enue less expenses Subtract line		-		19,072,		19,301,825	
	.,-•	,				ng of Curre			
စ္တိုင္တို့					_	Year		End of Year	
Not Assets or Fund Balances 70) Tota	al assets (Part X, line 16)				307,478,		331,558,806	
물 21		al liabilities (Part X, line 26) .				13,066,		12,350,474	
		assets or fund balances Subtrac	t line 21 from line 20			294,412,	438	319,208,332	
Part 1		Jnature Block							
		of perjury, I declare that I have e d belief, it is true, correct, and co							
		knowledge	implete Declaration of preparer	(other th	an onicer) is	s based on	all lillo	illiation of which	
						2014-05-15			
Sign	Si	gnature of officer				Date			
Here		ANETTE WOJTALEWICZ CHI NE CFO							
	 Ty	pe or print name and title			 		T		
		Print/Type preparer's name Pamela Krohn	Preparer's signature	Da	I .	neck if	PTIN P01210	500	
Paid		Firm's name CATHOLIC HEALTH II	NITIATIVES	1		m's EIN 🟲 4			
Prepa									
Use C)nlv	Firm's address 🟲 198 INVERNESS DRIN	'E WEST		Ph	none no (303	3) 298-91	.00	

ENGLEWOOD, CO 80112

May the IRS discuss this return with the preparer shown above? (see instructions)

✓ Yes ☐ No

Form	990 (2012)					Page 2
Par		nt of Program Serv				
1		ne organization's mission	• •			
THE AND	ORGANIZATION'S VIABILITY IN THE	MISSION IS TO NUR	TURE THE HEA	GOSPEL URGES US TO	HE CHURCH BY BRINGING IT D EMPHASIZE HUMAN DIGNI	
2				ervices during the year	which were not listed on	┌ Yes ┌ No
	If "Yes," describe t	these new services on S	Schedule O			
3	services?			nt changes in how it con		┌ Yes ┌ No
4	Describe the organ	nızatıon's program serv	ice accomplishn (4) organization:	s are required to report	ee largest program services, as the amount of grants and alloca	
4a	(Code SEE SCHEDULE H) (Expenses \$	121,467,326	including grants of \$	334,866) (Revenue \$	157,493,910)
	SEE SCHEDULE II					
4b	(Code) (Expenses \$		including grants of \$) (Revenue \$)
						_
	-					
4 c	(Code) (Expenses \$		ıncludıng grants of \$) (Revenue \$)
		,_				
4d	Other program se (Expenses \$	rvices (Describe in Sc in	hedule O) cluding grants o	f\$) (Revenue \$)
4e	Total program sei	rvice expenses 🗠	121,467,326			

Part TV	Chec	klist of	Required	Schedules

	•			
	To the constraint described in cashing FO4/2/20 on 40.47/2/40 / albertal and according to 2.77 mg/s.		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	<u> </u>
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		
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			
а	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
	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
е	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	Yes	
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
	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20h	Vac	

Par	t 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		Νo
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		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If</i> "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	Yes	
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)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	,		
		28a		No_
D	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
С	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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		Νo
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	Schedule N, Part II	32		Νο
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? <i>If</i> "Yes," complete Schedule R, Part I	33		No
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?	38	Yes	

	Check if Schedule O contains a response to any question in this Part V	•	Yes	N
3	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable 1a 5		1 63	14
	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable 1b 0	-		
	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable	1		
	gaming (gambling) winnings to prize winners?	1 c	Yes	
a	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			
	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	
	Did the organization have unrelated business gross income of \$1,000 or more during the year?	За	Yes	
	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
	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		N
)	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			
_	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		
	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			
		5b		
:	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
a	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		١
)	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
	Organizations that may receive deductible contributions under section 170(c).			
	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		١
	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
:	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		N
I	If "Yes," indicate the number of Forms 8282 filed during the year			•
•	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		N
!	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		N
	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
1	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
	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		
	Sponsoring organizations maintaining donor advised funds.			
	Did the organization make any taxable distributions under section 4966?	9a		
)	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
	Section 501(c)(7) organizations. Enter Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
	Section 501(c)(12) organizations. Enter			
	Gross income from members or shareholders			
	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			
	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	124		
	Section 501(c)(29) qualified nonprofit health insurance issuers.	1		
	Is the organization licensed to issue qualified health plans in more than one state?	1.		
	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			
_	in which the organization is need to issue qualified health plans	1		
]] 44-	 	
	Did the organization receive any payments for indoor tanning services during the tax year?	14a 14b		

Se	ection 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			
	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			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Did the organization have members or stockholders?	6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
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			
а	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
Se	ection B. Policies (This Section B requests information about policies not required by the Internal R	evenu	ıe Cod	e.)
Se		evenu	<i>ie Cod</i> Yes	e.) No
		evenu 10a		
10a	ection B. Policies (This Section B requests information about policies not required by the Internal R			No
10a b	Did the organization have local chapters, branches, or affiliates?	10a		No
10a b 11a	Did the organization have local chapters, branches, or affiliates?	10a 10b	Yes	No
10a b 11a b	Did the organization have local chapters, branches, or affiliates?	10a 10b	Yes	No
10a b 11a b 12a	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a	Yes	No
10a b 11a b 12a b	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a 12a	Yes Yes	No
10a b 11a b 12a b	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a 12a 12b	Yes Yes Yes	No
10a b 11a b 12a b	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a 12a 12b	Yes Yes Yes Yes	No
10a b 11a b 12a b	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a 12a 12b 12c 13	Yes Yes Yes Yes Yes Yes	No
10a b 11a b 12a b c 13 14	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a 12a 12b 12c 13	Yes Yes Yes Yes Yes Yes	No
10a b 11a b 12a b c	Did the organization have local chapters, branches, or affiliates?	10a 10b 11a 12a 12b 12c 13 14	Yes Yes Yes Yes Yes Yes	No No
10a b 11a b 12a b c	Did the organization have local chapters, branches, or affiliates? 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? 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? The organization's CEO, Executive Director, or top management official	10a 10b 11a 12a 12b 12c 13 14	Yes Yes Yes Yes Yes Yes Yes	No No
10a b 11a b 12a b c 13 14 15	Did the organization have local chapters, branches, or affiliates? 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written whistleblower policy? 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? The organization's CEO, Executive Director, or top management official	10a 10b 11a 12a 12b 12c 13 14	Yes Yes Yes Yes Yes Yes Yes	No No
10a b 11a b 12a b c 13 14 15 a b	Did the organization have local chapters, branches, or affiliates? 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? 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? The organization's CEO, Executive Director, or top management official Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a	10a 10b 11a 12a 12b 12c 13 14 15a 15b	Yes Yes Yes Yes Yes Yes Yes	No No

- 17 List the States with which a copy of this Form 990 is required to be filed►NE
- 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 Vpon 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 ►Jeanette Wojtalewicz 12809 West Dodge Road Omaha, NE (402) 343-4671

Form	990	(2012)	
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Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

	1									
(A) Name and Title	(B) A verage hours per week (list any hours for related	more t perso and	han o	one l both ector	box, an o	officer stee)		(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
	organizations below dotted line)	Individual trustae or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			organization and related organizations
See Additional Data Table										
	•	•	•							Form 990 (2012)

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

									Г		T			
	(A) Name and Title	Name and Title A verage hours per week (list any hours A verage hours per week (list any hours A verage hours per week (list any hours and a director/trustee) A verage hour hour hours and a director/trustee) A verage hour hour hour hour hour hour hour hour									. '	(F) Estimated amount of other compensation from the organization and		
		organizations below dotted line)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	2/1099	-M15C)	2/1099-M1SC)		relate organiza	ed │
							_					+		
												+		
												T		
												1		
1b	Sub-Total							 						
c	Total from continuation sheet	•		٩.		•	•	!						
d	Total (add lines 1b and 1c) .				•			- \	<u> </u>	2,315,361		15		686,210
2	Total number of individuals (inc \$100,000 of reportable compe						a abov	e) w	no receive	a more tr	ıan			
													Yes	No
3	Did the organization list any fo	•						yee,	or highes	t compen	sated employee			
_	on line 1a? If "Yes," complete S							•				3	Yes	
4	For any individual listed on line organization and related organi													
_	ındıvıdual				•	•		•				4	Yes	
5	Did any person listed on line 1 services rendered to the organ			•					_	anization	or individual for	5		No
	ction B. Independent Co	ntractors												
1	Complete this table for your fiv	e highest comp												
	compensation from the organiz	ation Report co	ompens	atıon	for	the c	alenda	arye	ar ending	with or wi	thin the organizati (B)	on's	tax year (C	
Name and business address Description of services THE PHYSICIAN NETWORK 2000 O CEDET CHIEF FOR INJUGINAL COPICS EE HEALTH/REV GUARANTEE/MED								Comper						
	HYSICIAN NETWORK 2000 Q STREET S				NID VI	E 600	0.2			DIR FEE	·	\dashv		,505,696
CENTRAL NEBRASKA REHABILITATION SVCS 3004 W FAIDLEY AVE GRAND ISLAND NE 68802 PHYSICAL THERAPY SERVICES GRAND ISLAND IMAGING CENTER PO BOX 1962 GRAND ISLAND NE 688021962 IMAGING SERVICES									+	3,171,407 1,667,111				
	SON CONTROLS 5757 N GREEN BAY AV									CONSTRUC		止		901,661
	OUT STAFFING INC 1000 SAWGRASS (AGENCY LA				553,256
2	Fotal number of independent cor	ntractors (inclu	dına but	not	lımıt	ed to	o those	e list	ed above)	who rece	ived more than			

\$100,000 of compensation from the organization \$23

Part V		Statement o	ule O contains a respor	se 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
2 £	1a	Federated cam	paigns 1a					
Contributions, Gifts, Grants and Other Similar Amounts	b	Membership du	es 1b					
ا ڇُڙي	c	Fundraising ev	ents 1c					
ar /	d	Related organiz	zations 1d	1,506,899				
s, G ∭ ∭	e	Government grant	s (contributions) 1e	308,978				
ië is I	f		ons, gifts, grants, and 1f	49,143				
를 를	g	sımılar amounts no Noncash contributi	ons included above		i			
1 d 1	_	1a-1f \$			4 065 020			
<u>5 </u>	h	Total. Add line:	s 1a-1f		1,865,020			
<u>e</u>	2-	DATIENT CEDUCCE	_	Business Code				
Program Serwce Revenue	2a b	PATIENT SERVICES	OF UNCONSOLIDATED	900099	150,842,082	150,842,082	44.114	
22	U	ORGS	OF UNCONSOLIDATED	900099	6,085,865	6,041,751	44,114	
ўм.	c	RENTAL INCOME		900099	610,077	610,077		
33	d				0			
<u>.</u>	e f	All other progra	am service revenue		0	0	0	0
<u>Š</u>	•				0	9	0	0
_			s 2a-2f		157,538,024			
	,	and other sımıl	ome (including dividendar amounts)	•	4,357,696		-1,055	4,358,751
	4		stment of tax-exempt bond	proceeds 🕨	0			
	5	Royalties .	(ı) Real	(II) Personal	0			
	6a	Gross rents	31,875	(II) F elsolidi				
	b	Less rental expenses	27,564					
	c	Rental income	4,311	0				
	d	or (loss) Net rental inco	me or (loss)		4,311			4,311
			(ı) Securities	(II) O ther				
	7a	Gross amount from sales of assets other than inventory	6,045,930	101,268				
	b	Less cost or other basis and		8,886				
	c	sales expenses Gaın or (loss)	6,045,930	92,382				
	d	Net gain or (los	s)		6,138,312			6,138,312
en e	8a	Gross income f						
Other Revenue		of contributions See Part IV, lir						
<u>i</u>	ь	Less direct ex	penses b					
ਰ	c		(loss) from fundraising	events 🛌	0			
	9a	Gross income f See Part IV, lir	rom gaming activities ne 19 a					
	b c		penses b (loss) from gaming acti	vities	0			
	10a	Gross sales of returns and allo		172,416				
	ь	Less costofa	oods sold b	181,505				
			(loss) from sales of inve	,	-9,089			-9,089
Ţ		Miscellaneou	s Revenue	Business Code				
	11a	CAFETERIA		722100	858,271			858,271
	b	SERVICES SO		900099	415,416		55,312	360,104
	C	FINANCIAL SE		541200	334,572 559,515	0	0	334,572 559,515
	d e	All other reven Total. Add lines		🕨	515,855	U	U	529,515
					2,167,774			
	12	lotal revenue.	See Instructions .		172,062,048	157,493,910	98,371	12,604,747

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 (D) (B) (C) Do not include amounts reported on lines 6b, (A) Program service Management and Fund raising 7b. 8b. 9b. and 10b of Part VIII. Total expenses expenses general expenses expenses Grants and other assistance to governments and organizations in the United States See Part IV, line 21 334,866 334,866 Grants and other assistance to individuals in the United States See Part IV, line 22 0 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16 0 Benefits paid to or for members 0 Compensation of current officers, directors, trustees, and 1,503,114 1,503,114 key employees Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . 3,368,894 Other salaries and wages 38,115,480 34,746,586 Pension plan accruals and contributions (include section 401(k) 2,322,359 2,036,772 285,587 and 403(b) employer contributions) 7,830,107 6,867,217 962,890 Other employee benefits 10 2,829,909 2,471,417 358,492 11 Fees for services (non-employees) O Management 282,672 282,672 Legal Accounting 0 0 0 Professional fundraising services See Part IV, line 17 Investment management fees 0 Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on 21,725,471 16,711,686 5,013,785 Schedule O) Advertising and promotion . . 320,060 320,060 12 13 Office expenses 4,085,318 3,332,259 753,059 8,494,080 6,005,695 2,488,385 14 Information technology . . 15 0 Royalties . 2,127,597 297,163 16 Occupancy 1,830,434 **17** 225,683 147,909 77,774 Travel 18 Payments of travel or entertainment expenses for any federal, state, or local public officials 0 19 Conferences, conventions, and meetings . 26,129 10,425 15,704 20 Payments to affiliates 12,723,768 21 12,723,768 1,553,425 22 Depreciation, depletion, and amortization . 8,626,318 7,072,893 23 700,576 700,576 24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O) a MEDICAL SUPPLIES 36,440 30,164,353 30,127,913 BAD DEBT 5,491,040 5,491,029 11 REPAIR & MAINTENANCE 2,843,202 2,482,805 360,397 d RECRUITMENT 217,783 217,783 1,770,338 1,096,844 673,494 e All other expenses 0 Total functional expenses. Add lines 1 through 24e 25 152,760,223 121,467,326 31,292,897 0 Joint costs. Complete this line only if the organization 26 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

Pai	rt 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
	1	Cash—non-interest-bearing	70,673	1	61,364
	2	Savings and temporary cash investments	8,731,016	2	6,921,367
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	21,252,390	4	18,763,312
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			
Assets	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		50,881
				6	0
	7	Notes and loans receivable, net	132,622	7	84,734
	8	Inventories for sale or use	1,175,114	8	1,457,931
	9	Prepaid expenses and deferred charges	1,528,447	9	2,201,364
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D 194,449,634			
	Ь	Less accumulated depreciation 10b 107,385,640	93,335,145	10c	87,063,994
	11	Investments—publicly traded securities		11	
	12	Investments—other securities See Part IV, line 11	170,455,273	12	203,898,063
	13	Investments—program-related See Part IV, line 11	0	13	0
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	10,797,787	15	11,055,796
	16	Total assets. Add lines 1 through 15 (must equal line 34)	307,478,467	16	331,558,806
	17	Accounts payable and accrued expenses	11,214,063	17	9,240,586
	18	Grants payable		18	
	19	Deferred revenue	7,455	19	7,206
	20	Tax-exempt bond liabilities		20	
<u>\$</u>	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
Liabilitie	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified			
je		persons Complete Part II of Schedule L		22	0
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule	4 044 544	<u>.</u>	2.402.002
	26	D	1,844,511 13,066,029	25	3,102,682
	26	Total liabilities. Add lines 17 through 25	13,000,029	26	12,330,474
ņč	2.7	lines 27 through 29, and lines 33 and 34.	293,391,107	,,	240 450 200
<u>ದ</u>	27	Unrestricted net assets	1,021,331	27	318,159,229 1,049,103
<u>~</u>	28	Temporarily restricted net assets	1,021,331	28	1,049,103
Fund Balance	29	Permanently restricted net assets		29	
重		Organizations that do not follow SFAS 117 (ASC 958), check here ► ☐ and complete lines 30 through 34.			
0	30	Capital stock or trust principal, or current funds		30	
Assets	31	Paid-in or capital surplus, or land, building or equipment fund		31	
\$ S &	32	Retained earnings, endowment, accumulated income, or other funds		32	
Net /	33	Total net assets or fund balances	294,412,438	33	319,208,332
Ź	34	Total liabilities and net assets/fund balances	307,478,467	34	331,558,806
	1		1 55.,476,467	<i>_</i>	

Par	Reconcilliation of Net Assets Check if Schedule O contains a response to any question in this Part XI				৮
1	Total revenue (must equal Part VIII, column (A), line 12)	1		172,0	062,048
2	Total expenses (must equal Part IX, column (A), line 25)	2		152,7	760,223
3	Revenue less expenses Subtract line 2 from line 1	3		19,3	301,825
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		294,4	112,438
5	Net unrealized gains (losses) on investments	5		7,4	145,261
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		-1,9	951,192
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10		319,2	208,332
Par	t XII Financial Statements and Reporting				
	Check if Schedule O contains a response to any question in this Part XII				. Г
				Yes	No
1	Accounting method used to prepare the Form 990				
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 review a separate basis, consolidated basis, or both	ed on			
	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 separa basis, consolidated basis, or both	ite			
	☐ Separate 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 audit, review, or compilation of its financial statements and selection of an independent accountant?	of the	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?		За		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the re-	quired	3b		

Software ID: 12000266 **Software Version:** v2012.1.0

EIN: 47-0376601

Name: SAINT FRANCIS MEDICAL CENTER

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

Form 990, Part VII - Compensation of Compensated Employees, and Independent				ıste	es,	кеу	/ EN	npioyees, Highe '	ST	1
(A) Name and Title	(B) Average hours per week (list any	dıre	than	not one on is r and trust	box s bot d a ee)	, th	T_	(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
	hours for related organizations below dotted line)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			organizations
DANIEL MCELLIGOTT PRESIDENT/CEO	40 00 1 00	х		Х				0	480,269	78,255
DANIEL NARANJO VICE CHAIRPERSON	1 00	X		х				0	0	0
JENNIFER BROWN MD EX-OFFICIO	1 00	x		х				9,077	0	0
SUSAN KOENIG CHAIRPERSON	1 00	х		х				0	0	0
TERRY PFEIFER TREASURER	1 00	х		х				0	0	0
CATHY ALLEN Board Member	1 00	х						0	0	0
DOUGLAS BOON MD BOARD MEMBER	1 00	х						0	0	0
ELLEN HORNADY Board Member	1 00	х						0	0	0
FATHER MICHAEL MCDERMOTT BOARD MEMBER	1 00	х						1,300	0	0
KAREN RATHKE BOARD MEMBER	1 00	х						0	0	0
ROBERT LANIK Board member/SERMC-PRESIDENT/CEO	1 00 59 00	х						0	1,024,255	47,149
SCOTT FRANKFORTER BOARD MEMBER	1 00	х						3,250	0	0
SISTER NADINE HEIMANN Board Member	1 00	х						0	0	0
STEVE SCHNEIDER BOARD MEMBER	1 00	х						800	0	0
TIM WOJCIK BOARD MEMBER	1 00	х						0	0	0
VINCENT HERNANDEZ BOARD MEMBER	1 00	х						0	0	0
GERALDINE ZRUST SECRETARY	40 00 0			х				54,233	0	17,960
LISA THAVENET-WEBB VP of FINANCE/CFO	40 00 1 00			х				254,864	0	43,878
DALE HARTWIG VP of ANCILLARY SVCS	40 00 0				х			255,125	0	34,389
DONNA SANDERS VP of Mission and Community Outreach	0 00 40 00				х			0	158,928	26,695
FRANCINE SPARBY VP of PATIENT CARE SERVICES	40 00 0				х			235,644	0	28,428
MICHAEL S HEIN VP OF MEDICAL AFFAIRS	40 00 0				х			344,134	0	37,983
STEPHEN LEURCK INTERIM VP MEDICAL AFFAIRS	40 00 0 00				х			311,127	22,549	0
BETH A BARTLETT QUALITY & RISK MANAGMENT DIRECTOR	40 00 0					х		126,767	0	36,111
DAVID A CROSS PHARMACIST	40 00 0					х		208,073	0	35,161

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		than	not one son i er an	box s bo d a	,		(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
	any hours for related organizations below dotted line)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			related organizations
DOUGLAS W RICHLING Director-Pharmacy	40 00 0					х		126,259	0	30,184
GREGORY S BALFANY LEAN/SIX SIGMA PEF IMPRV DIR	40 00 0					х		146,137	0	35,273
ROBERT M NORVELL DIRECTOR, ONCOLOGY SERVICES	40 00 0					х		129,978	0	34,600
CRAIG VINCENT PHYSICIAN-ANESTHESIA	0 00 40 00						х	0	389,881	41,138
JOSHUA GORTEMAKER PHYSICIAN - ANESTHESIA	0 40 00						х	0	385,229	40,398
MEHMET COPUR PHYSICIAN DIRECTOR-ONCOLOGY	0 00 60 00						х	0	701,729	34,944
MICHAEL HORN VP OF MEDICAL AFFAIRS	0 00						х	108,593	0	6,741
RYAN RAMAEKERS PHYSICIAN - ONCOLOGY	0 00 40 00						х	0	470,947	39,172
TRACI RAUCH MED DIRECTOR-ANES	0 00 60 00						х	0	454,698	37,750

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493133016214

Employer identification number

OMB No 1545-0047

SCHEDULE A

Name of the organization

SAINT FRANCIS MEDICAL CENTER

(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.

2012

Open to Public Inspection

Da	rt I	Peac	on for Du	blic Charity Sta	tue (All or	nanizatione	s must com	nlata this i	147-03760		nc		
				te foundation becaus						isti uctic	7113.		
1				ion of churches, or a									
2				in section 170(b)(1					-/(-/(-/(-/				
3	<u>.</u>			perative hospital se				n 170(b)(1	(A)(iii).				
4	Ė			h organization opera						1)(A)(iii). Ente	r the	
-	•	hospita	al's name, ci	ity, and state									
5	Γ	Anorg	anızatıon op	erated for the benefi	t of a college	or universi	ty owned or o	perated by	a governmen	tal unıt d	escribe	ed in	
		sect ior	170(b)(1)((A)(iv). (Complete P	art II)								
6	\sqcap	A fede	ral, state, or	· local government o	government	tal unit desc	rıbed ın sect i	on 170(b)(L)(A)(v).				
7	Г	_		at normally receives			support from	a governme	ental unit or f	rom the g	jeneral	public	:
8	Г			on 170(b)(1)(A)(vi). : described in sectio r			mplete Part II	I)					
9	\sqcap			at normally receives					outions, mem	bership f	ees, ar	nd gros	s
		receipt	s from activ	rities related to its e	xempt functi	ons—subjec	t to certain e	xceptions,	and (2) no mo	re than 3	3 1/3%	of	
		ıts sup	port from gr	oss investment inco	me and unre	lated busine	ess taxable ın	come (less	section 511	tax) from	busin	esses	
		acquire	ed by the org	ganızatıon after June	30,1975 S	ee section	509(a)(2). (C	omplete Pa	rt III)				
10	Γ	An org	anızatıon or	ganized and operated	dexclusively	to test for	public safety	See sectio	n 509(a)(4).				
11	'	one or the box	more public that descr	ganized and operated ly supported organiz ibes the type of supp b Type II c	ations descr orting organ	ibed in sect ization and	ion 509(a)(1 complete line) or section s 11e throu	509(a)(2) S gh 11h	ee sectio	n 509(a)(3).	Check
e	Γ	other t	-	ox, I certify that the ion managers and ot	_		•		, ,			•	
f		If the c		received a written d	etermination	from the IR	S that it is a	Туре I, Тур	e II, or Type	III supp	orting	organı	zation,
g		Since A		2006, has the organ	zation accep	oted any gift	or contributi	on from any	of the				,
		(i) A p	erson who d	irectly or indirectly o	ontrols, eith	er alone or	together with	persons de	scribed in (ii)	_		Yes	No
		and (111) below, the	governing body of th	e supported	organizatio	n?				11g(i)		
		(ii) A f	amıly memb	er of a person descr	bed ın (ı) ab	ove?				1	L1g(ii)		
		(iii) A	35% contro	lled entity of a perso	n described	ın (ı) or (ıı)	above?			1	.1g(iii)		
h		Provide	e the followi	ng information about	the support	ed organızat	cion(s)						
:	i) Nan suppo rganiz	rted	(ii) EIN	(iii) Type of organization (described on	(iv) Is organızatı col (i) lıs	ion in ted in	(v) Did you the organi in col (i) o	zatıon of your	(vi) Is organizat col (i) org	ion in anized	(1	vii) An mone sup	
				Innes 1 - 9 above or IRC section (see instructions))	your gove docume		suppor	t?	in the U	S?			
				instructions))	Yes	No	Yes	No	Yes	No			
										<u> </u>			
Tota	ı												

Sch	edule A (Form 990 or 990-EZ) 2012							Page 2
Pa	(Complete only if you o	hecked the bo	x on line 5, 7,	or 8 of Part I o	r if the organiza	ation faile	ed to q	
	Part III. If the organiza ection A. Public Support	tion fails to qu	alify under the	tests listed bel	ow, please com	iplete Pa	rt III.)	
	endar year (or fiscal year beginning					1		
	in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2	312	(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							
6	(f) Public support. Subtract line 5 from							
	line 4							
S	ection B. Total Support							
Cal	endar year (or fiscal year beginning	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 20)12	(f) Total
_	in) ► A mounts from line 4		. ,		. ,	, ,		. ,
7 8	Gross income from interest,							
0	dividends, payments received on							
	securities loans, rents, royalties							
	and income from similar							
9	sources Net income from unrelated							
9	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							
4.0	10)		<u> </u>					
12	Gross receipts from related activitie					12		
13	First five years. If the Form 990 is this box and stop here							ization, check
	ection C. Computation of Pub				<u> </u>	<u> </u>		
14	Public support percentage for 2012			11, column (f))		14		
15	Public support percentage for 2011			, , , , , , ,		15		
	33 1/3% support test—2012. If the o	· ·	•	on line 13 and l	ine 14 is 33 1/20%		chack ti	nie hov
104	and stop here. The organization qua				me 1 1 13 33 1/3/0	or more,	JIICCK CI	► □
b	33 1/3% support test—2011. If the				and line 15 is 33	3 1/3% or n	nore, ch	eck this
	box and stop here. The organization						. 4 4	▶□
1/a	10%-facts-and-circumstances test- is 10% or more, and if the organizat							•
	in Part IV how the organization mee							
	organization				4	r	,rF3	▶ □
b	10%-facts-and-circumstances test-							
	15 is 10% or more, and if the organ Explain in Part IV how the organizat							lv
	supported organization	ion meets the T	acts-ana-cncum:	stances test III	ic organization qu	uiiiiE5 45 i	a public	·y ▶□
18	Private foundation. If the organizat	on did not check	c a box on line 13	, 16a, 16b, 17a,	or 17b, check thi	s box and	see	·
	instructions							▶ ┌

Schedule A (Form 990 or 990-EZ) 2012 Page 3 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 (a) 2008 **(b)** 2009 (c) 2010 (d) 2011 (e) 2012 (f) Total in) 🟲 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") 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						
3	furnished by a governmental unit to						
	the organization without charge						
6	Total. Add lines 1 through 5						
	Amounts included on lines 1, 2,						
<i>7</i> a	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						
С	Add lines 7a and 7b						
8	Public support (Subtract line 7c						
	from line 6)						
_Se	ction B. Total Support						
Cale	ndar year (or fiscal year beginning	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
	in) ►	(u) 2000	(6) 2003	(6) 2010	(4) 2011	(6) 2012	(1) 10tai
9	A mounts from line 6						
10a	Gross income from interest,						
	dividends, payments received on						
	securities loans, rents, royalties						
	and income from similar						
	sources						
Ь	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						
11	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)			Librari Corretto con	6.01	E04(-)(2)	
14	First five years. If the Form 990 is for	or the organization	on's first, second	i, thira, fourth, or	ππη tax year as a	1 501(c)(3) org	anization, ►
	check this box and stop here	a Cunnaut Da					<u> </u>
	ction C. Computation of Public			1.2		T I	
15	Public support percentage for 2012			13, column (T))		15	
16	Public support percentage from 2011	L Schedule A, Pa	art III, line 15			16	
Se	ction D. Computation of Inve	stment Inco	me Percenta	ge			
17	Investment income percentage for 20				nn (f))	17	
					. , ,	 	
18	Investment income percentage from					18	
19a	33 1/3% support tests—2012. If the o						ıd lıne 17 ıs not ▶□

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

Schedule A (Form 990 or 990-EZ) 2012

DLN: 93493133016214

OMB No 1545-0047

Inspection

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

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.

Political Campaign and Lobbying Activities

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** SAINT FRANCIS MEDICAL CENTER 47-0376601 Complete if the organization is exempt under section 501(c) or is a section 527 organization. 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). 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 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes 3 Was a correction made? ☐ Yes □ No If "Yes," describe in Part IV Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3). Enter the amount directly expended by the filing organization for section 527 exempt function activities 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 Did the filing organization file Form 1120-POL for this year? 4 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 **(c)** EIN (e) A mount of political (a) Name (b) Address (d) A mount paid from contributions received filing organization's and promptly and funds If none, enter -0directly delivered to a separate political organization If none, enter-0-

e Grassroots ceiling amount (150% of line 2d, column (e))

f Grassroots lobbying expenditures

Sch	nedule C (Form 990 or 990-EZ) 2012					Page 2
Pa	art II-A Complete if the organization	is exempt under	section 501(c)(3) and fil	ed Form 5768	(election
_	under section 501(h)). Check ► if the filing organization belongs to a	an affiliated group (and	lict in Part IV os	ach affiliated are	un mambar's nam	o addross EIN
	expenses, and share of excess lobb	ying expenditures)		_	up member s nam	e, address, LTN
<u>B</u>	Check Frifthe filing organization checked box	x A and "limited contro	ıl" provisions apı	oly		
	Limits on Lobbying E (The term "expenditures" means an		l .)		(a) Filing organization's totals	(b) Affiliated group totals
1a	Total lobbying expenditures to influence public o	pınıon (grass roots lob	bying)			
b	Total lobbying expenditures to influence a legisla	ative body (direct lobb	yıng)			
c	Total lobbying expenditures (add lines 1a and 1b	o)				
d	O ther exempt purpose expenditures					
e	Total exempt purpose expenditures (add lines 1c	c and 1d)				
f	Lobbying nontaxable amount Enter the amount fo	rom the following table	ın both			
	If the amount on line 1e, column (a) or (b) is:	The lobbying nontax	able amount is:			
	Not over \$500,000	20% of the amount on li	ne 1e			
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,0	000		
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$1,000	0,000		
	Over \$1,500,000 but not over \$17,000,000					
	Over \$17,000,000					
	Grassroots nontaxable amount (enter 25% of lin	e 1f)				
_	Subtract line 1g from line 1a If zero or less, ente	•		-		
i	Subtract line 1f from line 1c If zero or less, ente			-		
_	If there is an amount other than zero on either lin		organization file	Form 4720 rep	ortina	1
-	section 4911 tax for this year?					┌ Yes ┌ No
_	4-Voor Av	veraging Period U	Inder Section	F01/b)		
	(Some organizations that made a scolumns below. See the	section 501(h) el	ection do not	have to cor		ne five
	Lobbying Expe	enditures During	4-Year Avera	ging Period		1
	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 nontavable amount					

Sche	dule C (Form 990 or 990-EZ) 20	12					Ρa	ige 3
Pa		rganization is exempt under election under section 501(section 501(c)(3) and has h)).	NOT				
For e	ach "Yes" response to lines 1a throu	igh 1ı below, provide in Part IV a detail	ed description of the lobbying	(a)		(b)	
activ		gn 11 below, provide in raic 1v a decan	ed description of the lobbying	Yes	No	Aı	moun	t
1	legislation, including any attemp through the use of	ganization attempt to influence foreig ot to influence public opinion on a leg			1			
a	Volunteers?			.,	No			
b		de compensation in expenses reporte	ed on lines 1c through 11)?	Yes	NI -			
C	Media advertisements?	owtho muhlip?	•		No			
d	Mailings to members, legislators		·		No			
e f	Publications, or published or bro Grants to other organizations for		•	Yes	No			4,334
			Jogislativa body?	1 65	No		1.	4,334
g		heir staffs, government officials, or a rs, conventions, speeches, lectures,	- · · · · · · · · · · · · · · · · · · ·	Yes	1110			1 212
h i	Other activities?	is, conventions, speeches, lectures,	of any similar means?	165	No			1,312
i	Total Add lines 1c through 1i		•		110		1	5,646
2a	<u>=</u>	the organization to be not described	1 in section 501(c)(3)2		No			3,040
za b		the organization to be not described to the transfer to the total terms of the transfer to the	in section 501(c)(5).		1110			
c		y tax incurred by organization manag	ers under section 4912					
d		l a section 4912 tax, did it file Form			I			
		*	section 501(c)(4), section	501(c)(5) c	r se	ctio	
	501(c)(6).	gamzation is exempt under		001(0	,,,,,	. 50		•
	. /, /						Yes	No
1	Were substantially all (90% or n	nore) dues received nondeductible b	y members?			1		
2	Did the organization make only i	n-house lobbying expenditures of \$2	,000 or less?			2		
3	Did the organization agree to cai	rry over lobbying and political expen	ditures from the prior year?			3		
Par		either (a) BOTH Part III-A, li	section 501(c)(4), section nes 1 and 2, are answered "					
1	Dues, assessments and similar	amounts from members		1				
2	Section 162(e) nondeductible lo expenses for which the section !	bbying and political expenditures (de 527(f) tax was paid).	o not include amounts of political					
а	Current year			2a				
b	Carryover from last year			2b				
С	Total			2c				
3		ection 6033(e)(1)(A) notices of nonc		3				
4		ount on line 2c exceeds the amount of arryover to the reasonable estimate		4				
5	·	political expenditures (see instruction	ons)	5				
_	rt IV Supplemental Inf		,		<u> </u>			
Со	nplete this part to provide the des		. , Part I-B, line 4 , Part I-C , line 5 , Pa ditional information	art II-A	(affiliat	ed gro	oup lis	st),
	Identifier	Return Reference	Explana	ation				
L Des	ription of the activities reported		THE PORTION OF ORGANZIATI		ESTHA	TAR	Ε	

on Lines 1a through 1i	RELATED TO LOBBYING ARE AS FOLLOWS NEBRASKA
	HOSPITAL ASSOCIATION - \$4,861, GRAND ISLAND AREA
	CHAMBER OF COMMERCE - \$106, MORE GOOD JOBS FOR
	GRAND ISLAND - \$5,000, NE CPA - \$18, NABHO - \$1,225,
	AONE - \$22, TRAUMA CENTER ASSOC OF AMERICA - \$580,
	AHA - \$1,818, AND CHA - \$705 TRAVEL EXPENSES FOR
	CFO TO ATTEND AHA CONGRESSIONAL VISITS - \$1,312

DLN: 93493133016214

OMB No 1545-0047

Open to Public Inspection

Supplemental Financial Statements

Department of the Treasury Internal Revenue Service

SCHEDULE D (Form 990)

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

Name of the organization **Employer identification number** SAINT FRANCIS MEDICAL CENTER 47-0376601 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 Total number at end of year 1 Aggregate contributions to (during year) 3 Aggregate grants from (during year) Aggregate value at end of year 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? 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? Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7. 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 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 Total number of conservation easements 2a Total acreage restricted by conservation easements 2b Number of conservation easements on a certified historic structure included in (a) 2c Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register 2d Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during 3 the tax year 🟲 Number of states where property subject to conservation easement is located ▶___ Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year 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)? 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.

- 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
- 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
- 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
- Revenues included in Form 990, Part VIII, line 1
- Assets included in Form 990, Part X

Part	•••• Organizations Maintaining Co	<u>llections of Art</u>	<u>, His</u>	stori	<u>cal Tı</u>	<u>reasures, or</u>	<u>r Othe</u>	<u>r Similar Ass</u>	ets (co	<u>ntınued)</u>
3	Using the organization's acquisition, accessicollection items (check all that apply)	on, and other recor	ds, cl	heck	any of	the following th	at are a	significant use o	ofits	
а	Public exhibition		d	Γ	Loan	or exchange pr	ograms			
b	Scholarly research		e	Γ	Othe	r				
c	Preservation for future generations									
4	Provide a description of the organization's co Part XIII	ollections and expla	ın ho	w the	y furthe	er the organizat	ion's ex	empt purpose in		
5	During the year, did the organization solicit of assets to be sold to raise funds rather than t								Yes	┌ No
Par	Escrow and Custodial Arrang Part IV, line 9, or reported an an						ered "Y	es" to Form 99	0,	
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	ıan or other ınterme	ediary	for o	ontribi	itions or other	assets i		Yes	┌ No
b	If "Yes," explain the arrangement in Part XII	I and complete the	follo	wing	able					
								Amo	unt	
С	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 Fo	orm 990, Part X, lin	e 21?)				Γ	Yes	┌ No
b	If "Yes," explain the arrangement in Part XII	I Check here if the	expla	anatı	on has	been provided	ın Part)	KIII		Γ
Pa	rt V Endowment Funds. Complete									
ā		(a)Current year	(b)Prior	year	b (c)Two years	oack (d)	Three years back (e) Four y	ears back
1a	Beginning of year balance									
b	Contributions									
С	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 curr	ent year end balan	ce (lır	ne 1g	, colum	ın (a)) held as				
а	Board designated or quasi-endowment ►									
b	Permanent endowment ►									
c	Temporarily restricted endowment ► The percentages in lines 2a, 2b, and 2c show	ıld equal 100%								
3a	Are there endowment funds not in the posses organization by	ssion of the organiz	atıon	that	are hel	d and administe	ered for	the	Yes	No
	(i) unrelated organizations		•					3a(i)	_	
	(ii) related organizations							3a(ii))	<u> </u>
ь 4	If "Yes" to 3a(II), are the related organization Describe in Part XIII the intended uses of the	•						3b		<u> </u>
	t VI Land, Buildings, and Equipme					10				
	Description of property	and Sec Form 33	0,10	(a)	Cost or s (invest	other (b)Cost		(c) Accumulated depreciation	(d) Bo	ok value
						1	,321,624			1,321,624
	Buildings						,505,486	43,275,196		0,230,290
	_easehold improvements						, -,	1=,=. 5,250	<u> </u>	0
	Equipment					105	,454,780	61,267,389	4	4,187,391
	Other						,167,744			1,324,689
	I. Add lines 1a through 1e <i>(Column (d) must e</i>	qual Form 990, Part	X, colu	ımn (B), line			· · · · · · · · · · · · · · · · · · ·		7,063,994

Part VIII Investments—Other Securities. See F	form 990, Part X, line 12.	
(a) Description of security or category	(b) Book value	(c) Method of valuation
(including name of security)		Cost or end-of-year market value
)Financial derivatives	0	
)Closely-held equity interests	0	
)O ther		
A) CHI OIP - FIXED INCOME	100,679,125	
3) CHI OIP - EQUITY SECURITIES	103,218,938	
tal. (Column (b) must equal Form 990, Part X, col (B) line 12)	203,898,063	
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
otal. (Column (b) must equal Form 990, Part X, col (B) line 13)		
Part IX Other Assets. See Form 990, Part X, line	e 15.	
(a) Descript	ion	(b) Book value
otal. (Column (b) must equal Form 990, Part X, col.(B) line 15.		
Part X Other Liabilities. See Form 990, Part X,	line 25.	
(a) Description of liability	(b) Book value	
ederal income taxes	0	
NTERCOMPANY PAYABLES	2,867,230	
NVIRONMENTAL REMEDIATION LIABILITY	158,236	
THER	41,755	
NCLAIMED PROPERTY	34,089	
NREDEEMED GIFT CERTIFICATE		
MANUFER OF THE STATE OF THE STA	1,372	
+		
otal. (Column (b) must equal Form 990, Part X, col (B) line 25)	3.102 682	
tal. (Column (b) must equal Form 990, Part X, col (B) line 25)	3,102,682	stion's financial statements that reports the

	t XI Reconciliation of Revenue per Audited Financial Statements With Revenue p	er Re	eturn
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		
а	Net unrealized gains on investments		
b	Donated services and use of facilities	1	
c	Recoveries of prior year grants	1	
d	Other (Describe in Part XIII) 2d 0	1	
e	Add lines 2a through 2d	2e	O
3	Subtract line 2e from line 1	3	0
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
b	Other (Describe in Part XIII) 4b 0	1	
c	Add lines 4a and 4b	4c	o
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	0
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		
а	Donated services and use of facilities		
b	Prior year adjustments		
c	Other losses		
d	Other (Describe in Part XIII)		
e	Add lines 2a through 2d	2e	0
			0
3	Subtract line 2e from line 1	3	1
3 4	Subtract line 2e from line 1	3	
		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
4 a	Amounts included on Form 990, Part IX, line 25, but not on line 1: Investment expenses not included on Form 990, Part VIII, line 7b 4a		0

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

I dentifier	Return Reference	Explanation
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	SAINT FRANCIS MEDICAL CENTER'S FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION CHI'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2013 READS AS FOLLOWS "CHI IS A TAX-EXEMPT COLORADO CORPORATION AND HAS BEEN GRANTED AN EXEMPTION FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE CHI OWNS CERTAIN TAXABLE SUBSIDIARIES AND ENGAGES IN CERTAIN ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AND THEREFORE SUBJECT TO INCOME TAX MANAGEMENT REVIEWS ITS TAX POSITIONS ANNUALLY AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS "

OMB No 1545-0047

Open to Public Inspection

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization SAINT FRANCIS MEDICAL CENTER

Employer identification number

47-0376601

Pa	rt I Financial Assi	stance an	d Certain	Other Community	Benefits at Cost				
								Yes	No
1a	Did the organization have	a financial as	ssistance po	licy during the tax year?	' If "No," skıp to questı	on 6a	1a	Yes	
ь	If "Yes," was it a written p	policy?					1b	Yes	
2	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 a Generally tailored to i				mly to most hospital fac	ilities			
3	Answer the following base organization's patients du			nce eligibility criteria th	at applied to the larges	t number of the			
а	Did the organization use f If "Yes," indicate which o					providing <i>free</i> care?	3a		No
	┌ _{100%} ┌ _{150%} ┌	200% ┌ 0	200% Other%						
b	b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care								No
	□ 200%								
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	4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year								
5a	provide for free or discounted care to the "medically indigent"?							Yes	
L	the tax year? If "Yes," did the organiza	tion's financia		evpenses evceed the h	udgeted amount?		5a 	Yes	
	If "Yes" to line 5b, as a re						5b		No
	care to a patient who was	_		, -	· · · · · ·		5c		
6a	Did the organization prepared	are a commur	nity benefit re	eport during the tax year	·?		6a	Yes	
b	If "Yes," did the organiza	tion make it a	vailable to th	ne public?			6b	Yes	
	Complete the following ta worksheets with the Sche	_	worksheets ¡	provided in the Schedule	e H instructions Do not	submit these			
7				munity Benefits at Co	st				
	ancial Assistance and Means-Tested overnment Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community ben expense		f) Perce otal exp	
a	Financial Assistance at cost (from Worksheet 1)		2,629	3,557,214		3,557,	214	2.4	20 %
b	Medicaid (from Worksheet 3, column a)		15,445	12,377,082	8,734,983	3,642,			70 %
С	Costs of other means-tested government programs (from Worksheet 3, column b)						0		0 %
d	Total Financial Assistance and Means-Tested Government Programs .	0	18,074	15,934,296	8,734,983	7,199,	313	4 8	90 %
	Other Benefits								
е	Community health improvement services and community benefit operations	20	9 442	995 765	71 260	014	207	0.5	EO 0/
f	(from Worksheet 4) Health professions education	29	8,443	885,765	71,368	814,			50 %
g	(from Worksheet 5) Subsidized health services	4	2,909	932,992	202,057	730,		0 5	00 %
h	(from Worksheet 6) Research (from Worksheet 7)	2	135	816 1,142,694	136,263	1,006,	816 431	0.6	0 % 80 %
1	Cash and in-kind contributions for community		10 740		150,203				00 %
]	benefit (from Worksheet 8) Total. Other Benefits	8	19,740 31,227	300,651 3,262,918	409,688	300, 2,853,	_		30 %
k	Total. Add lines 7d and 7j .	44	49,301	19,197,214	9,144,671	10,052,	_		20 %

	rt II Community Building activities during the of the communities i	tax year, an									
		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense		rect off revenue		(e) Net communit building expense		(f) Pero total ex	
1	Physical improvements and housing								0		0 %
2	Economic development								0		0 %
3	Community support	1		121,018				121,	,018	0	080 %
4	Environmental improvements	1		5,400				5,	,400		0 %
5	Leadership development and training for community members								0		0 %
6	Coalition building	1		65,036			2,242	62,	,794	0	040 %
7	Community health improvement advocacy								0		0 %
8	Workforce development	3	10	411,458				411,	,458	0	260 %
9	Other								0		0 %
.0	Total	6 - 9 Callan	10	602,912			2,242	600,	,670	0	390 %
	t IIII Bad Debt, Medicar ion A. Bad Debt Expense	e, & Collec	tion Practic	es						Yes	No
1	Did the organization report bac Statement No. 15?	d debt expense	e ın accordance	with Heathcare Fina	ancial M	anage	ment As	ssociation	1	Yes	140
2	Enter the amount of the organi methodology used by the orga		•	-		2		5,491,040			
3	Enter the estimated amount of				to			3,431,040			
	patients eligible under the org the methodology used by the c any, for including this portion o	anızatıon's fina organızatıon to	ancial assistan estimate this	ce policy Explain in amount and the ratio	Part VI	2					
4	Provide in Part VI the text of to the page number on which t	he footnote to	the organization	on's financial stateme			rıbes ba	id debt expense			
ect	ion B. Medicare	ins loothote is	contained in th	re accaemed infancial	Stateme	21165					
5	Enter total revenue received fi	rom Medicare ((including DSH	and IME)		5		42,625,418			
6	Enter Medicare allowable cost	s of care relati	ing to payment:	s on line 5		6		52,075,711			
7	Subtract line 6 from line 5 Th	ıs ıs the surplu	ıs (or shortfall)			7		-9,450,293			
8	Describe in Part VI the extent Also describe in Part VI the c Check the box that describes	osting method	ology or source								
	Cost accounting system	r c∘	st to charge ra	tio $ar{\Gamma}$	Other						
ect	ion C. Collection Practices										
9a	Did the organization have a wr	itten debt colle	ection policy di	uring the tax year?					9a	Yes	
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part V	ection practice	s to be followe	d for patients who are	e known	to qua	alify for	financial	9b	Yes	
Pa	rt IV Management Comp									•	tions)
	(a) Name of entity	(b	D) Description of pi activity of entit		c) Organiz orofit % or ownershi	r stock	e) Officers, directors, trustees, or key mployees' profit % stock ownership %	pr	e) Physicofit % or ownersh	stock
L GF	RAND ISLAND SURGICAL CENTER LLC	SURGERY				50 °	%	0 %			50 %
2											
3											
4											
5											
5											
7											
B											
9											
10									1		
11											
12							_		_		
13		1							1		

Part V	Facility Information										
Section	n A. Hospital Facilities	Lice	General	СЫЫ	Теас	Critical	Rese	ER-2	ER-other		
smalles How ma organiza 	order of size from largest to t—see instructions) any hospital facilities did the ation operate during the tax year? address, and primary website address	Licensed hospital	eral medical & surgical	Children's hospital	Teaching hospital	cal access hospital	Research facility	ER-24 hours	other	O ther (Describe)	Facility reporting group
1	SAINT FRANCIS MEDICAL CENTER 2620 W FAIDLEY GRAND ISLAND, NE 68803 WWW SAINTFRANCISGI ORG	х	х					х			
-											

Schedule H (Form 990) 2012

Part V Facility Information (continued) Section B. Facility Policies and Practices

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

SAINT FRANCIS MEDICAL CENTER

Name of hospital facility or facility reporting group	

	single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)	_		
. 0.	ingle racincy friers only. The Namber of Flospicar Facility (From Schedule 11, Fare V, Section A)	-	Yes	No
Con	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining 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	
а	A definition of the community served by the hospital facility			
h	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			
е	▼ 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		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		Νo
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)			
а	Hospital facility's website			
b	Available upon request from the hospital facility			
	Other (describe in Part VI)			
	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			
С	Participation in the development of a community-wide plan			
d	Participation in the execution of a community-wide plan			
е	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			N -
h	required by section $501(r)(3)^2$	8a 8b	\vdash	Νo
	If "Yes" to line 8a, did the organization file Form 4/20 to report the section 4959 excise tax?	BD		

Pá	art V Facility Information (continued)			
	ancial 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		Νo
	If "Yes," indicate the FPG family income limit for eligibility for free care%			
11	If "No," explain in Part VI the criteria the hospital facility used			N.
-11	Used FPG to determine eligibility for providing <i>discounted</i> care?	11		No
	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)			
а	▼ Income level			
b	▼ Asset level			
c	Medical indigency			
d	▼ Insurance status			
е	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)			
а	The policy was posted on the hospital facility's website			
b	The policy was attached to billing invoices			
C				
d	The policy was posted in the hospital facility's admissions offices			
е	The policy was provided, in writing, to patients on admission to the hospital facility			
f	The policy was available upon request			
<u>g</u>				
	ling and Collections		l	
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			
	Reporting to credit agency			
b	Lawsuits			
С	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			
а	Reporting to credit agency			
b	<u>-</u>			
C	Liens on residences			
d	Body attachments			
	C Other similar actions (describe in Part VI)	1	ı	i

chedule H	(Form 990)	2012

Page

Pa	art 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)			
а	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)			
Po	olicy 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?	10	Yes	
	If "No," indicate why	1	1 03	
а				
b				
_				
С				
d	, and the second of the second			
	arges 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			
а				
_	can be charged			
b	, , , , , , , , , , , , , , , , , , , ,			
	maximum amounts that can be charged			
С	The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	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		l _{No}
	If "Yes," explain in Part VI			1,,0
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		Νo
	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)

Name and address	Type of Facility (describe)
1 SFMC SKILLED NURSING FACILITY	SKILLED NURSING FACILITY
2116 W FAIDLEY	
GRANDISLAND, NE 68803	
SAINT FRANCIS MEDICAL CENTER ADTC	OUTPATIENT SUBSTANCE ABUSE
2116 W FAIDLEY	
GRAND ISLAND, NE 68803	
SAINT FRANCIS MEDICAL CENTER ADTC	OUTPATIENT SUBSTANCE ABUSE
1755 PRARIE VIEW PLACE	
KEARNEY,NE 68847	
SAINT FRANCIS MEDICAL CENTER ADTC	OUTPATIENT SUBSTANCE ABUSE
314 S 14TH	
ORD,NE 68862	
SAINT FRANCIS MEDICAL CENTER ADTC	OUTPATIENT SUBSTANCE ABUSE
315 S 8TH ST	
BROKEN BOW, NE 68822	
.0	

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 III, 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
- **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.)
- **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
- **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 1₁, 3, 4, 5c, 6₁, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
PREPARED COMMUNITY BENEFIT	SCHEDULE H, PART I, LINE 6A	WHEN CATHOLIC HEALTH INITIATIVES (THE ULTIMATE PARENT ORGANIZATION TO SAINT FRANCIS MEDICAL CENTER) ESTABLISHED ITS FINANCIAL ASSISTANCE POLICY IT WAS DETERMINED THAT ESTABLISHING A HOUSEHOLD INCOME SCALE BASED ON THE HUD VERY LOW INCOME GUIDELINES MORE ACCURATELY REFLECTS THE SOCIOECONOMIC DISPERSIONS AMONG THE 69 URBAN AND RURAL COMMUNITIES IN 17 STATES SERVED BY CHI HOSPITALS AND HEALTH CARE FACILITIES IN COMPARING HUD GUIDELINES TO THE FEDERAL POVERTY GUIDELINES ("FPG"), WE FIND THAT ON AVERAGE HUD GUIDELINES COMPUTE TO APPROXIMATELY 200% TO 250% (AND SOMETIMES 300%) OF FPG SAINT FRANCIS MEDICAL CENTER BASES ITS FINANCIAL ASSISTANCE ELIGIBILITY ON HUD'S 130% OF VERY LOW INCOME GUIDELINES BASED ON GEOGRAPHY, AND AFFORDS THE UNINSURED AND UNDERINSURED THE ABILITY TO OBTAIN FINANCIAL ASSISTANCE WRITE-OFFS, BASED ON A SLIDING SCALE, RANGING FROM 25%-100% OF CHARGES AN INDIVIDUAL'S INCOME UNDER THE HUD GUIDELINES IS A SIGNIFICANT FACTOR IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE HOWEVER, IN DETERMINING WHETHER TO EXTEND DISCOUNTED OR FREE CARE TO A PATIENT, THE PATIENT'S ASSETS MAY ALSO BE TAKEN INTO CONSIDERATION FOR EXAMPLE, A PATIENT SUFFERING A CATASTROPHIC ILLNESS MAY HAVE A REASONABLE LEVEL OF INCOME, BUT A LOW LEVEL OF LIQUID ASSETS SUCH THAT THE PAYMENT OF MEDICAL BILLS WOULD BE SERIOUSLY DETRIMENTAL TO THE PATIENT'S BASIC FINANCIAL (AND ULTIMATELY PHYSICAL) WELL-BEING AND SURVIVAL SUCH A PATIENT MAY BE EXTENDED DISCOUNTED OR FREE CARE BASED UPON THE FACTS AND CIRCUMSTANCES
		COMMUNITY BENEFIT REPORT IS NOT CONTAINED IN THAT OF A RELATED ORGANIZATION

Identifier	ReturnReference	Explanation
osting Methodology used to alculate financial assistance	Schedule H, Part I, Line 7	A COST ACCOUNTING SYSTEM WAS NOT USED TO COMPUTE AMOUNTS IN THE TABLE, RATHER COSTS IN THE TABLE WERE COMPUTED USING WORKSHEET 2 TO COMPUTE THE COST-TO-CHARGE RATIO COVERS ALL PATIENT SEGMENTS WORKSHEET 2 WAS UTILIZED TO COMPUTE THE COST-TO-CHARGE RATIO FOR THE YEAR ENDED 6/30/13 USING THE FOLLOWING FORMULA OPERATING EXPENSE (LESS NON-PATIENT CARE ACTIVITIES, MEDICARE PROVIDER TAXES, COMMUNITY BENEFIT EXPENSE AND COMMUNITY BUILDING EXPENSE) DIVIDED BY GROSS PATIENT REVENUE (LESS GROSS CHARGES FOR COMMUNITY BENEFIT PROGRAMS) BASED ON THAT FORMULA, \$129,642,531/\$303,351,960 RESULTS IN A 42 79% COST-TO-CHARGE RATIO
ad Debt Expense excluded from nancial assistance calculation	Schedule H, Part I, Line 7, column(f)	5,491,040

Identifier	ReturnReference	Explanation
Bad debt expense - methodology used to estimate amount	Schedule H, Part III, Line 2	BAD DEBT IS ESTIMATED BASED ON THE REVIEW OF ACTUAL BAD DEBT WRITEOFFS, NET OF RECOVERIES, AS A PERCENTAGE OF GROSS REVENUE ALL DISCOUNTS AND PAYMENTS ON THE PATIENT ACCOUNT PRIOR TO THE NETTED AGAINST THE PATIENT ACCOUNT PRIOR TO THE ACCOUNT GOING TO COLLECTIONS ACCOUNTS ARE HELD BY A COLLECTION AGENCY FOR 150 DAYS AND RETURNED UNLESS A PAYMENT PLAN IS IN PLACE OR THE ACCOUNT WAS TURNED OVER TO LEGAL FOR PROCESSING ONCE THE ACCOUNTS ARE RETURNED FROM COLLECTIONS, THE REMAINING BALANCE IS WRITTEN OFF TO BAD DEBT
Bad debt expense - methodology used to estimate amount as community benefit	Schedule H, Part III, Line 3	BAD DEBT ESTIMATES ARE NOT INCLUDED IN COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	COSTING METHODOLOGY FOR AMOUNTS REPORTED ON LINE 2 IS DETERMINED USING THE ORGANIZATION'S
		COST/CHARGE RATIO OF [42 79]% WHEN DISCOUNTS ARE EXTENDED TO SELF-PAY PATIENTS, THESE PATIENT
		ACCOUNT DISCOUNTS ARE RECORDED AS A REDUCTION IN REVENUE, NOT AS BAD DEBT EXPENSE SAINT FRANCIS
		MEDICAL CENTER DOES NOT BELIEVE THAT ANY PORTION OF BAD DEBT EXPENSE COULD REASONABLY BE
		ATTRIBUTED TO PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE SINCE AMOUNTS DUE FROM THOSE INDIVIDUALS' ACCOUNTS WILL BE RECLASSIFIED FROM
		BAD DEBT EXPENSE TO CHARITY CARE WITHIN 30 DAYS FOLLOWING THE DATE THAT THE PATIENT IS
		DETERMINED TO QUALIFY FOR CHARITY CARE SAINT FRANCIS MEDICAL CENTER DOES NOT ISSUE SEPARATE
		COMPANY AUDITED FINANCIAL STATEMENTS HOWEVER, THE ORGANIZATION IS INCLUDED IN THE
		CONSOLIDATED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES THE CONSOLIDATED FOOTNOTE READS AS FOLLOWS "THE PROVISION FOR BAD DEBTS IS
		BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, TAKING
		INTO CONSIDERATION HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE
		COVERAGE AND OTHER COLLECTION INDICATORS MANAGEMENT ROUTINELY ASSESSES THE ADEQUACY OF
		THE ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THESE REVIEWS ARE
		USED TO MODIFY, AS NECESSARY, THE PROVISION FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE
		ALLOWANCES FOR UNCOLLECTIBLE NET PATIENT ACCOUNTS RECEIVABLE AFTER SATISFACTION OF
		AMOUNTS DUE FROM INSURANCE, CHI FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN
		PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY EACH
		FACILITY IN ACCORDANCE WITH ACCOUNTING STANDARDS UPDATE (ASU) NO 2011-07, PRESENTATION
		AND DISCLOSURE OF PATIENT SERVICES REVENUE, PROVISION FOR BAD DEBTS, AND ALLOWANCES FOR
		DOUBTFUL ACCOUNTS FOR CERTAIN HEALTH ENTITIES, THE PROVISION FOR BAD DEBTS IS PRESENTED ON THE CONSOLIDATED STATEMENT OF OPERATIONS AS A
		DEDUCTION FROM PATIENT SERVICES REVENUES (NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS) SINCE
		CHI ACCEPTS AND TREATS ALL PATIENTS WITHOUT REGARD TO THE ABILITY TO PAY "
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	TO FIGURE MEDICARE COSTS THE MEDICARE GROSS REVENUE (FROM THE FINANCIALS) IS MULTIPLIED BY COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2
		THIS IS THEN SUBTRACTED FROM THE NET MEDICARE REVENUE (ALSO, FROM THE FINANCIALS) TO COME UP
		WITH THE SHORTFALL ALTHOUGH NOT PRESENTED ON THE MEDICARE COST REPORT, IN ORDER TO FACILITATE
		A MORE ACCURATE UNDERSTANDING OF THE "TRUE" COST OF SERVICES (FOR "SHORTFALL" PURPOSES) THE
		CHI WORKBOOK ALLOWS A HEALTH CARE FACILITY NOT TO OFFSET COSTS THAT MEDICARE CONSIDERS TO BE NON-ALLOWABLE, BUT FOR WHICH THE FACILITY CAN
		LEGITIMATELY ARGUE ARE RELATED TO THE CARE OF THE FACILITY'S PATIENTS IN ADDITION, ALTHOUGH
		NOT REPORTABLE ON THE MEDICARE COST REPORT, THE CHI WORKBOOK INCLUDES THE COST OF SERVICES THAT
		ARE PAID VIA A SET FEE-SCHEDULE RATHER THAN BEING REIMBURSED BASED ON COSTS (E.G. OUTPATIENT CLINICAL LABORATORY) FINALLY, THE CHI WORKBOOK
		ALLOWS A FACILITY TO INCLUDE OTHER HEALTH CARE SERVICES PERFORMED BY A SEPARATE FACILITY (SUCH
		AS A PHYSICIAN PRACTICE) THAT ARE MAINTAINED ON SEPARATE BOOKS AND RECORDS (AS OPPOSED TO THE
		MAIN FACILITY'S BOOKS AND RECORDS WHICH HAS ITS COSTS OF SERVICE INCLUDED WITHIN A COST REPORT) TRUE COSTS OF MEDICARE COMPUTED USING THIS
		METHODOLOGY TOTAL MEDICARE REVENUE \$42,625,418 TOTAL MEDICARE COSTS \$52,075,711
		SURPLUS OR SHORTFALL \$(9,450,293) SAINT FRANCIS MEDICAL CENTER BELIEVES THAT EXCLUDING MEDICARE
		LOSSES FROM COMMUNITY BENEFIT MAKES THE OVERALL COMMUNITY BENEFIT REPORT MORE CREDIBLE FOR
		THESE REASONS UNLIKE SUBSIDIZED AREAS SUCH AS BURN UNITS OR BEHAVIORAL-HEALTH SERVICES, MEDICARE IS NOT A DIFFERENTIATING FEATURE OF TAX-
		EXEMPT HEALTH CARE ORGANIZATIONS IN FACT, FOR- PROFIT HOSPITALS FOCUS ON ATTRACTING PATIENTS
		WITH MEDICARE COVERAGE, ESPECIALLY IN THE CASE OF WELL-PAID SERVICES THAT INCLUDE CARDIAC AND
		ORTHOPEDICS SIGNIFICANT EFFORT AND RESOURCES ARE DEVOTED TO ENSURING THAT HOSPITALS ARE REIMBURSED APPROPRIATELY BY THE MEDICARE
		PROGRAM THE MEDICARE PAYMENT ADVISORY COMMISSION (MEDPAC), AN INDEPENDENT
		CONGRESSIONAL AGENCY, CAREFULLY STUDIES MEDICARE PAYMENT AND THE ACCESS TO CARE THAT
		MEDICARE BENEFICIARIES RECEIVE THE COMMISSION RECOMMENDS PAYMENT ADJUSTMENTS TO CONGRESS ACCORDINGLY THOUGH MEDICARE LOSSES ARE NOT
		INCLUDED BY CATHOLIC HOSPITALS AS COMMUNITY BENEFIT, THE CATHOLIC HEALTH ASSOCIATION
		GUIDELINES ALLOW HOSPITALS TO COUNT AS COMMUNITY BENEFIT SOME PROGRAMS THAT
		SPECIFICALLY SERVE THE MEDICARE POPULATION FOR INSTANCE, IF HOSPITALS OPERATE PROGRAMS FOR
		PATIENTS WITH MEDICARE BENEFITS THAT RESPOND TO IDENTIFIED COMMUNITY NEEDS, GENERATE LOSSES FOR THE HOSPITAL, AND MEET OTHER CRITERIA, THESE
		PROGRAMS CAN BE INCLUDED IN THE CHA FRAMEWORK IN CATEGORY C AS "SUBSIDIZED HEALTH SERVICES"
		MEDICARE LOSSES ARE DIFFERENT FROM MEDICAID LOSSES, WHICH ARE COUNTED IN THE CHA COMMUNITY
		BENEFIT FRAMEWORK, BECAUSE MEDICAID REIMBURSEMENTS GENERALLY DO NOT RECEIVE THE
		LEVEL OF ATTENTION PAID TO MEDICARE REIMBURSEMENT MEDICAID PAYMENT IS LARGELY DRIVEN BY WHAT STATES CAN AFFORD TO PAY, AND IS
		TYPICALLY SUBSTANTIALLY LESS THAN WHAT MEDICARE PAYS

Identifier ReturnReference	Explanation
Collection practices for Schedule H, Part III, Line patients eligible for financial assistance	SAINT FRANCIS MEDICAL CENTER, ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES "CHI" CHI HAS A
	WRITTEN POLICY (STEWARDSHIP POLICY NO 16) GOVERNING THE PROCEDURES FOR COLLECTIONS OF PAST DUE ACCOUNTS ALL HOSPITAL FACILITIES INCLUDED IN
	THE FILING ORGANIZATION HAVE ADOPTED THIS POLICY AND FOLLOW THESE PRACTICES WITH REGARDS TO COLLECTIONS PROCEDURES CHI ENTITIES WILL FOLLOW
	STANDARD PROCEDURES IN COLLECTING SELF-PAY BALANCES AS FOLLOWS PERMISSIBLE COLLECTIONS
	ACTIVITY EACH FACILITY MUST ADHERE TO THE FOLLOWING REQUIREMENTS IN RELATION TO THE PURSUIT OF SELF-PAY BALANCES * FAIR PURSUIT EACH FACILITY
	SHALL ENSURE THAT ALL PATIENT AND PATIENT GUARANTOR ACCOUNTS ARE PURSUED FAIRLY * ETHICS AND INTEGRITY EACH FACILITY SHALL ENSURE THAT ALL
	COLLECTION ACTIVITIES CONSISTENTLY REFLECT THE HIGHEST STANDARDS OF ETHICS AND INTEGRITY * REASONABLE PAYMENT TERMS EACH FACILITY SHALL
	OFFER REASONABLE PAYMENT SCHEDULES AND TERMS TO EACH PATIENT AND PATIENT GUARANTOR WITH SELF-PAY BALANCES ALL COLLECTION ACTIVITIES CONDUCTED BY
	THE FACILITY OR ITS THIRD-PARTY COLLECTION AGENTS WILL BE IN CONFORMANCE WITH ALL FEDERAL AND STATE LAWS GOVERNING DEBT COLLECTION PRACTICES
	COLLECTION ACTIVITY MAY BE IN THE FORM OF LETTERS, EMAILS, PHONE CALLS, AND/OR CREDIT REPORTING AND MAY ALSO INCLUDE WAGE GARNISHMENTS, PLACING OF
	LIENS ON BUILDINGS OR RESIDENCES OTHER THAN PERSONAL RESIDENCES, INITIATION OF LAWSUIT, AND/OR
	OTHER ACTIONS AS REQUIRED, EXCEPT AS PROHIBITED BY IMPERMISSIBLE COLLECTIONS ACTIONS BELOW PRE- COLLECTIONS ACTIVITY * TIMING GENERALLY,
	ACCOUNTS WILL NOT BE REFERRED TO COLLECTIONS UNTIL THEY ARE 120 DAYS OLD HOWEVER, IN CIRCUMSTANCES WHERE INVOICES TO NON-MEDICARE
	PATIENTS ARE RETURNED UNDELIVERED WITH NO KNOWN ADDRESS, THOSE SELF-PAY BALANCES MAY BE REFERRED TO COLLECTIONS PRIOR TO EXPIRATION OF 120 DAYS *
	LIMITATIONS - FINANCIAL ASSISTANCE ELIGIBILITY THE FACILITY SHALL PERFORM A REASONABLE REVIEW OF EACH PATIENT ACCOUNT PRIOR TO TURNING AN
	ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON- PAYMENT (INCLUDING, BUT NOT LIMITED TO, REPORTING
	THE ACCOUNT TO A COLLECTION AGENCY) TO ENSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (E G ,
	MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH THE FACILITY'S FINANCIAL ASSISTANCE POLICY THAT REASONABLE REVIEW WILL INCLUDE ONE OR
	MORE OF THE FOLLOWING * NOTIFICATION TO PATIENT OF THE AVAILABILITY OF FINANCIAL ASSISTANCE ON ADMISSION, PRIOR TO DISCHARGE, AND/OR IN THE
	BILLING PROCESS, * REVIEW OF FINANCIAL ASSISTANCE APPLICATION SUBMITTED BY OR ON BEHALF OF THE PATIENT, OR * REVIEW OF THE PATIENT'S ELIGIBILITY
	USING PATIENT ACCOUNT STATISTICAL SCORING SOFTWARE * COOPERATING EFFORTS NO FACILITY SHALL SEND ANY UNPAID SELF-PAY ACCOUNT TO A THIRD-PARTY
	COLLECTION AGENT AS LONG AS THE PATIENT AND PATIENT GUARANTOR ARE COOPERATING WITH THE FACILITY IN EFFORTS TO SETTLE THE ACCOUNT BALANCE
	WITHIN A REASONABLE TIME FRAME (GENERALLY 18 MONTHS) * SUBSEQUENT ASSESSMENT AFTER HAVING
	BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY ACCOUNT THAT SUBSEQUENTLY IS DETERMINED TO QUALIFY FOR FINANCIAL ASSISTANCE
	SHALL BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT TO THE FACILITY FOR APPROPRIATE FOLLOW-UP CHI SHALL DIRECT ITS STAFF AND THIRD-
	PARTY COLLECTION AGENTS TO CONTINUALLY ASSESS EACH PATIENT AND PATIENT GUARANTOR'S ABILITY TO PAY OR TO BE DETERMINED ELIGIBLE FOR FINANCIAL
	ASSISTANCE COLLECTIONS THE FACILITY MAY USE A THIRD-PARTY COLLECTION AGENT AS A REPRESENTATIVE, ACTING IN THE NAME OF THE FACILITY AND ENGAGED ON
	A CONTRACTUAL BASIS, FOR THE EXPRESS PURPOSES OF FOLLOWING-UP ON AND POTENTIALLY COLLECTING ANY PATIENT ACCOUNTS RECEIVABLE BALANCES THE
	FACILITY SHALL CONTRACTUALLY DEFINE THE STANDARDS AND SCOPE OF PRACTICES TO BE USED BY THIRD-PARTY COLLECTION AGENTS THOSE STANDARDS
	AND SCOPE OF PRACTICES SHALL BE CONSISTENT WITH THIS POLICY AND SHALL, AT A MINIMUM, INCLUDE THE FOLLOWING * STATEMENT MESSAGE THE FACILITY SHALL
	REQUIRE ITS THIRD-PARTY COLLECTION AGENTS TO INCLUDE A MESSAGE ON ALL STATEMENTS INDICATING THAT IF A PATIENT OR PATIENT GUARANTOR MEETS
	CERTAIN STIPULATED INCOME REQUIREMENTS, THE PATIENT OR PATIENT GUARANTOR MAY BE ELIGIBLE FOR FACILITY OR OTHER FINANCIAL ASSISTANCE PROGRAMS
	* ADVANCE SETTLEMENT APPROVALS THE FACILITY SHALL INSTRUCT ITS THIRD-PARTY COLLECTION AGENTS TO SEEK APPROVAL FROM THE AUTHORIZED AND
	DESIGNATED FACILITY STAFF MEMBER BEFORE ANY SETTLEMENT, AS A RESULT OF BANKRUPTCY PROCEEDINGS, SHALL BE ACCEPTED * STANDARDS OF
	CONDUCT THE FACILITY SHALL REQUIRE THAT THE THIRD-PARTY COLLECTION AGENTS CONDUCT
	THEMSELVES IN COMPLIANCE WITH THE HIGHEST STANDARDS OF BUSINESS ETHICS AND INTEGRITY AND APPLICABLE LEGAL REQUIREMENTS, AS REFLECTED IN THE
	CHI STANDARDS OF CONDUCT, AS MAY BE AMENDED BY CHI, AVAILABLE AT THE FOLLOWING WEBSITE HTTP://WWW.CATHOLICHEALTHINITIATIVES.ORG/CORPORATERESPONSIBILITY
	* PROHIBITED COLLECTIONS ACTIONS THE FACILITY SHALL PROHIBIT THE THIRD-PARTY COLLECTION AGENTS FROM ENGAGING IN PROHIBITED COLLECTIONS ACTIONS
	AS DEFINED IN IMPERMISSIBLE COLLECTIONS ACTIONS BELOW * ANNUAL ADHERENCE AUDIT THE FACILITY OR ITS DESIGNEE SHALL BE PERMITTED TO AUDIT ITS THIRD-
	PARTY COLLECTION AGENTS AT LEAST ANNUALLY FOR ADHERENCE TO THESE STANDARDS IMPERMISSIBLE COLLECTIONS ACTIONS CHI ENTITIES SHALL DIRECT
	THEIR STAFF AND THIRD-PARTY COLLECTION AGENTS THAT THE FOLLOWING ACTIONS ARE ALWAYS PROHIBITED IN RELATION TO THE PURSUIT OF SELF-PAY BALANCES *
	UNEMPLOYED WITHOUT SIGNIFICANT INCOME/ASSETS NO FACILITY SHALL PURSUE ANY LEGAL ACTION FOR NON- PAYMENT OF ANY BILLS AGAINST ANY PATIENT OR
	PATIENT GUARANTOR WHO IS KNOWN TO BE UNEMPLOYED AND WHO HAS BEEN DETERMINED IN ACCORDANCE WITH CHI STEWARDSHIP POLICY NO 15, HOSPITAL FINANCIAL
	ASSISTANCE, ON THE BASIS OF A COMPLETED FINANCIAL ASSISTANCE APPLICATION, TO BE WITHOUT SIGNIFICANT INCOME OR ASSETS * PRINCIPAL RESIDENCE NO
	FACILITY SHALL PURSUE ANY LEGAL ACTION AGAINST ANY PATIENT OR PATIENT GUARANTOR BY SEEKING A REMEDY THAT WOULD INVOLVE FORECLOSING UPON THE
	PRINCIPLE RESIDENCE OF A PATIENT OR PATIENT GUARANTOR, PLACING A LIEN ON THE PRINCIPAL RESIDENCE, TAKING ANY OTHER ACTION THAT COULD
	RESULT IN THE INVOLUNTARY SALE OR TRANSFER OF SUCH RESIDENCE, OR INFORMING ANY PATIENT OR PATIENT
	GUARANTOR THAT HE/SHE MAY BE SUBJECT TO ANY SUCH ACTION OTHER IMPERMISSIBLE COLLECTION TACTICS * NO FACILITY SHALL CHARGE INTEREST ON OUTSTANDING
	BALANCES, * NO FACILITY SHALL REQUIRE PATIENTS OR PATIENT GUARANTORS TO INCUR DEBT OR LOANS WITH RECOURSE TO THE PATIENT'S OR GUARANTOR'S
	PERSONAL OR REAL PROPERTY ASSETS ("RECOURSE INDEBTEDNESS"), AND * NO FACILITY SHALL INVOKE SO- CALLED "BODY ATTACHMENTS" (I E , THE ARREST OR
	JAILING OF PATIENTS IN DEFAULT ON THEIR ACCOUNTS, SUCH AS FOR MISSED COURT APPEARANCES) IN ADDITION TO THE WRITTEN POLICY ALL OF CATHOLIC
	HEALTH INITIATIVES' HOSPITALS' CONTRACTS WITH THIRD PARTY COLLECTION AGENCIES INCLUDE THE FOLLOWING STANDARDS * NEITHER CHI HOSPITALS NOR
	THEIR COLLECTION AGENCIES WILL REQUEST BENCH OR ARREST WARRANTS AS A RESULT OF NON-PAYMENT, * NEITHER CHI HOSPITALS NOR THEIR COLLECTION
	AGENCIES WILL SEEK LIENS THAT WOULD REQUIRE THE SALE OR FORECLOSURE OF A PRIMARY RESIDENCE, AND * NO CATHOLIC HEALTH INITIATIVES' COLLECTION AGENCY
	MAY SEEK COURT ACTION WITHOUT HOSPITAL APPROVAL FINALLY, COLLECTION AGENCIES ARE TRAINED ON THE
	CATHOLIC HEALTH INITIATIVES MISSION, CORE VALUES AND STANDARD OF CONDUCT TO MAKE SURE ALL PATIENTS ARE TREATED WITH DIGNITY AND RESPECT
Needs Assessment Schedule H, Part V Section B, Line 3	(1) SAINT FRANCIS MEDICAL CENTER - TOWN HALL FORUMS,

Identifier	ReturnReference	Explanation
(FPG) to determine eligibility	10	(1) SAINT FRANCIS MEDICAL CENTER - US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) VERY LOW-INCOME GUIDELINES ARE USED ,
Used FPG to determine eligibility for providing discounted care criteria	111	(1) SAINT FRANCIS MEDICAL CENTER - US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) VERY LOW-INCOME GUIDELINES ARE USED ,

Identifier	ReturnReference	Explanation
Means used to determine amounts billed	Schedule H, Part V Section B, Line 20d	(1) SAINT FRANCIS MEDICAL CENTER - A PROMPT PAY DISCOUNT IS OFFERED TO ALL PATIENTS WHO ARE CONSIDERED 100% SELF-PAY AND FAIL TO QUALIFY FOR
		ANY FEDERAL, STATE OR LOCAL ASSISTANCE PROGRAMS PAYMENTS ON THE SELF-PAY ACCOUNTS MUST MEET THE AGREED UPON DATE IN ORDER TO RECEIVE THE DISCOUNT,
NEEDS ASSESSMENT AND COMMUNITY INFORMATION	SCHEDULE H, PART VI	ORGANIZATION'S MISSION, VISION, AND TAX-EXEMPT PURPOSE SAINT FRANCIS MEDICAL CENTER WAS FOUNDED BY THE SISTERS OF SAINT FRANCIS OF
		COLORADO SPRINGS WITH THE ASSISTANCE FROM A LOCAL CITIZEN'S COMMITTEE IN 1883 IN AN EFFORT TO ADDRESS THE LACK OF MEDICAL FACILITIES IN CENTRAL
		NEBRASKA FOLLOWING LOCAL FUNDRAISING EFFORTS, THE DOORS OPENED IN 1887, AND 216 PATIENTS WERE TREATED THE FIRST YEAR EARLY HOSPITAL RECORDS SHOW SAINT FRANCIS CARING FOR A DIVERSE
		COMMUNITY OF IMMIGRANTS GERMAN, NORWEGIAN, SWEDISH AND FRENCH, OFFERING HOPE AND HEALING TO ALL, ESPECIALLY THE POOR TODAY, SAINT FRANCIS
		MEDICAL CENTER HAS GROWN INTO A REGIONAL HEALTHCARE FACILITY PROVIDING SPECIALTY MEDICAL SERVICES AND HIGH-TECH HEALTH TREATMENT AT THE SAME TIME, SAINT FRANCIS MEDICAL CENTER IS
		FAITHFULLY COMMITTED TO ITS MISSION OF CARING FOR ALL PEOPLE IN NEED, AND WORKING TO IMPROVE THE HEALTH OF THE PEOPLE IT SERVES AND THE
		COMMUNITY IT CALLS HOME THE ORGANIZATION IS A PART OF CATHOLIC HEALTH INITIATIVES, A NATIONAL NONPROFIT HEALTH SYSTEM WITH HEADQUARTERS IN
		ENGLEWOOD, COLO THE FAITH-BASED SYSTEM OPERATES IN 17 STATES AND INCLUDES 87 HOSPITALS, 40 LONG-TERM CARE, ASSISTED- AND RESIDENTIAL- LIVING FACILITIES, TWO ACADEMIC MEDICAL CENTERS,
		TWO COMMUNITY HEALTH-SERVICES ORGANIZATIONS, TWO ACCREDITED NURSING COLLEGES, AND HOME HEALTH AGENCIES TO ENSURE THE ORGANIZATION
		CONTINUES TO MEET THE NEEDS OF OUR COMMUNITY, SAINT FRANCIS MEDICAL CENTER HAS A COMMUNITY COUNCIL WHICH CONSISTS OF KEY STAKEHOLDERS IN THE COMMUNITY THIS COMMITTEE MEETS BIMONTHLY
		AND IS INFORMED OF KEY METRICS IN QUALITY OF CARE AND PATIENT SATISFACTION THIS COMMITTEE IS EDUCATED ON GENERAL HOSPITAL OPERATIONS AND
		PROVIDES ESSENTIAL INPUT INTO SAINT FRANCIS' COMMUNITY NEEDS ASSESSMENT AND DETERMINING THE PRIORITIES FOR COMMUNITY BENEFIT FUNDING
		SAINT FRANCIS MEDICAL CENTER OPERATES A 24-HOUR EMERGENCY ROOM, 365 DAYS A YEAR SAINT FRANCIS MEDICAL CENTER PARTICIPATES IN MEDICARE AND MEDICAID, AND HAS AN ACTIVE CHARITY CARE
		PROGRAM SAINT FRANCIS PROUDLY CARRIES ON A TRADITION OF SERVING OUR COMMUNITY EACH YEAR, OUR ORGANIZATION COMMITS FUNDING AND THE TIME
		AND TALENT OF OUR WORKFORCE TO DEVELOPING AND SUPPORTING INNOVATIVE SOLUTIONS THAT BUILD A HEALTHIER COMMUNITY THE PROGRAMS AND SERVICES DESCRIBED THROUGHOUT THIS REPORT HAVE A DIRECT
		BENEFIT TO THE INDIVIDUALS SERVED AS WELL AS BENEFITTING THE LARGER SOCIETY BY REDUCING THE BURDENS ON GOVERNMENT RESOURCES FOR EXAMPLE,
		IF SAINT FRANCIS MEDICAL CENTER DID NOT SERVE ALL PEOPLE IN NEED AND PROVIDE CHARITY CARE, THE BURDEN WOULD LIKELY FALL ON TAX SUPPORTED INSTITUTIONS SAINT FRANCIS MEDICAL CENTER IS
		INSTITUTIONS SAINT FRANCIS MEDICAL CENTER IS INCLUDED IN THE OFFICIAL CATHOLIC DIRECTORY AS A TAX-EXEMPT HOSPITAL COMMUNITY BENEFIT APPROACH SAINT FRANCIS MEDICAL CENTER SERVES A
		25-COUNTY AREA IN CENTRAL NEBRASKA AND IS LOCATED IN GRAND ISLAND, A COMMUNITY OF 48,520 HOME TO A SIGNIFICANT MINORITY POPULATION DUE
		TO THE LOCAL MEAT PACKING INDUSTRY, GRAND ISLAND'S POPULATION IS 32% MINORITY RESIDENTS MINORITY STUDENTS MAKE UP MORE THAN HALF OF THE PUBLIC SCHOOL ENROLLMENT SEVERAL OF THESE
		COUNTIES, INCLUDING HALL COUNTY (12 5%), HAVE POVERTY LEVELS THAT ARE ABOVE THE STATE AVERAGE OF 10 8% THE PRIMARY AREA SERVED BY SAINT
		FRANCIS MEDICAL CENTER IS DEFINED AS HALL, HOWARD, HAMILTON AND MERRICK COUNTIES AGRI- BUSINESS IS THE PRIMARY INDUSTRY AND GRAND ISLAND (IN HALL COUNTY) SERVES AS A LARGE RETAIL
		AND EMPLOYMENT IN A RURAL AREA AS IS TYPICAL IN RURAL COMMUNITIES, THE POPULATION GROWTH FOR THIS SERVICE AREA IS PRIMARILY IN THE 65+ GROUP
		THAT INCLUDES AGING BABY BOOMERS HOWEVER THE IMMIGRATION OF YOUNGER, MINORITY FAMILIES INTO GRAND ISLAND HAS LOWERED ITS MEDIAN AGE SLIGHTLY
		BELOW THAT OF NEARBY COUNTIES THE SAINT FRANCIS SERVICE AREA OF HALL, HAMILTON, HOWARD AND MERRICK COUNTIES HAS BEEN A EUROPEAN-BASED COMMUNITY THROUGHOUT MUCH OF ITS HISTORY
		HOWEVER IN THE PAST TWO DECADES, THE LATINO ETHNIC GROUP IN HALL COUNTY HAS GROWN TO BECOME THE SECOND LARGEST ETHNIC GROUP, AS
		LISTED IN THE 2010 CENSUS (24% LATINO COMPARED TO 71% WHITE - NON-HISPANIC) FROM 2000 TO 2010, THE LATINO POPULATION IN THE STATE OF NEBRASKA GREW BY ALMOST 50 PERCENT AS RESULT OF BOTH
		IMMIGRATION AND THE LATINO BIRTH RATE (5 5% TO 9 2%) EMPLOYMENT IS THE NUMBER ONE FACTOR INFLUENCING THE GROWTH OF LATINO AND OTHER
		MINORITY POPULATIONS SAINT FRANCIS MEDICAL CENTER'S COMMUNITY BENEFIT PLAN IS BASED ON OUR UNDERSTANDING OF UNIQUE COMMUNITY NEEDS DERIVED FROM COLLABORATIVE NEEDS ASSESSMENTS.
		FOCUS GROUPS, AND SURVEYS CONDUCTED WITH OUR COMMUNITY PARTNERS REPRESENTATIVES FROM SAINT FRANCIS WORK COLLABORATIVELY ON SEVERAL
		COMMUNITY-BASED ORGANIZATIONS TO SUPPORT LOCAL INITIATIVES AND PARTNERSHIPS WHILE REDUCING DUPLICATION AND MAKING THE BEST USE OF LIMITED RESOURCES ADDITIONALLY, SAINT FRANCIS
		DEFINES HEALTH IN THE BROADEST SENSE AND BELIEVES THAT EVERYONE, FROM GOVERNMENT, BUSINESS AND INDUSTRY TO SCHOOLS, CHURCHES AND
		COMMUNITY ORGANIZATIONS HAVE A ROLE TO PLAY IN IMPROVING COMMUNITY HEALTH WE BELIEVE THAT WHEN EVERYONE WORKS TOGETHER, EVERYONE
		BENEFITS FROM A HEALTHY COMMUNITY PROCESS SAINT FRANCIS MEDICAL CENTER HAS COMPILED RESULTS OF TWO STUDIES CONDUCTED IN THE COMMUNITY WITHIN THE PAST THREE YEARS 1) TOWN
		HALL MEETING SUMMARY REPORT (FEB , 2011), A HEALTH NEEDS ASSESSMENT CONDUCTED BY SAINT FRANCIS MEDICAL CENTER DURING SIX TOWN HALL MEETINGS
		AND 2) ENVISIONING THE FUTURE OF PUBLIC HEALTH, (2010), A HEALTH ASSESSMENT STUDY CONDUCTED BY THE CENTRAL DISTRICT HEALTH DEPARTMENT THE STAFF USED A MATRIX FROM THE TOWN HALL MEETING
		SUMMARY REPORT AND CROSS-REFERENCED PRIORITIES FROM THE TOWN HALL MEETINGS WITH TOP PRIORITIES FROM THE ENVISIONING THE FUTURE OF PUBLIC HEALTH
		STUDY IN ADDITION, THE STAFF FACTORED DATA AND INFORMATION FROM FOUR ADDITIONAL STUDIES 1) THE COUNTY HEALTH RANKINGS & ROADMAPS PROJECT, (2012), 2) CHILD WELL BEING INDICATORS, BASELINE
		AND COMPARISON DATA (2012), 3) THE NEBRASKA STATE DISPROPORTIONATE MINORITY CONTACT (DMC) ASSESSMENT HALL COUNTY DATA (2012), AND 4)
		UNDERSTANDING THE NEW DEMOGRAPHICS (2012) THE FOUR COMMUNITY NEEDS, LISTED IN ORDER OF IMPORTANCE TO THE COMMUNITY, ARE 1 ACCESS TO HEALTHCARE 2 GANG VIOLENCE 3 OBESITY 4 TEEN
		PREGNANCY THE STAFF THEN NARROWED THE FOCUS OF EACH COMMUNITY NEED INTO A PRIORITY HEALTH NEED, AN ISSUE THAT COULD BE ADDRESSED AND RESTATED
		AS A STRATEGY AND MEASURED IN AN IMPLEMENTATION PLAN THESE STRATEGIES ARE 1 SCREENINGS FOR LOW-INCOME AND MINORITY FAMILIES 2 THE REDUCTION OF
		RISK FACTORS AND INCREASE IN PROTECTIVE FACTORS FOR ALL ELEMENTARY STUDENTS AND THE INTERVENTION FOR MIDDLE SCHOOL STUDENTS AT MOST RISK FOR JOINING GANGS 3 NUTRITION AND
		FITNESS EDUCATION FOR LOWINCOME AND MINORITY FAMILIES 4 PARENTING EDUCATION, HIGH SCHOOL GRADUATION AND SELF-DEPENDENCE FOR PARENTING
		TEENS AND ABSTINENCE EDUCATION FOR YOUNGER TEENS SAINT FRANCIS HAS PRODUCED A COMMUNITY HEALTH NEEDS ASSESSMENT WHICH ANNOUNCES THE FINDINGS AND PRIORITIES IT HAS ALSO ENGAGED WITH
		COMMUNITY PARTNERS TO DEVELOP AN IMPLEMENTATION PLANS WITH STRATEGIES FOR ADDRESSING THE SPECIFIC AREAS OF EMPHASIS IN
		ADDITION, THE COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION PLAN HAVE BEEN SHARED WITHIN SAINT FRANCIS WITH THE BOARD OF
		DIRECTORS, THE CONTINUING MEDICAL EDUCATION COMMITTEE OF THE SAINT FRANCIS MEDICAL STAFF, AND THE SAINT FRANCIS MANAGEMENT TEAM FOR USE IN DEVELOPING GOALS AND OBJECTIVES IN THE
		ORGANIZATION'S STRATEGIC PLANNING PROCESS QUANTITATIVE DESCRIPTION OF COMMUNITY BENEFIT UNCOMPENSATED CARE FOR THE POOR TRUE TO OUR
		MISSION, MUCH OF OUR COMMUNITY BENEFIT DOLLARS FUND FREE MEDICAL CARE TO INDIVIDUALS WHO CANNOT AFFORD IT IN FY2013 CHARITY CARE WAS
		PROVIDED TO MORE THAN 2,600 PATIENTS AND THE COST TO THE ORGANIZATION WAS \$3,557,214 SAINT FRANCIS ALSO SERVED 15,445 PATIENTS ON MEDICAID AND INCURRED \$3,642,099 IN UNREIMBURSED COSTS
		FOR SERVICES PROVIDED TO MEDICAID PATIENTS FREQUENTLY, THE COST OF PROVIDING SERVICES TO MEDICAID PATIENTS IS GREATER THAN THE PAYMENTS
		SAINT FRANCIS MEDICAL CENTER RECEIVES FROM THE MEDICAID PROGRAM

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION	SCHEDULE H, PART VI	(CONTINUED) QUALITATIVE DESCRIPTION OF COMMUNITY BENEFIT COMMUNITY HEALTH SERVICES A MAJORITY OF COMMUNITY HEALTH SERVICES DOLLARS FUND COMMUNITY HEALTH EDUCATION AS A PART OF THE CENTRAL NEBRASKA COMMUNITY, SAINT FRANCIS IS COMMITTED TO PROVIDING HEALTH INFORMATION TO THE PUBLIC SAINT FRANCIS PROVIDES A VARIETY OF EDUCATIONAL EVENTS, INCLUDING BABY CARE BASICS AND BREASTFEEDING SUPPORT GROUPS FOR NEW PARENTS SUPPORT GROUPS FOR CANCER PATIENTS AND THEIR FAMILIES AND COMMUNITY EDUCATION PROGRAMS ON DIABETES, STROKE AND HEART DISEASE A SPEAKER'S BUREAU IS AVAILABLE AS WELL AS PRESENTATIONS BY PHYSICIANS AND OTHER HEALTH CARE PROVIDERS ON A VARIETY OF TIMELY HEALTH TOPICS INCLUDING HEART DISEASE, WEIGHT LOSS, STRESS MANAGEMENT, DIABETES MANAGEMENT, BREAST CANCER, ALCOHOL AND DRUG TREATMENT AND MUCH MORE IN FISCAL YEAR 2013, SAINT FRANCIS CONTRIBUTED \$724,610 TO COMMUNITY HEALTH SERVICES HEALTH PROFESSIONS EDUCATION FOR PHYSICIANS, NURSES AND ALIED HEALTH PROFESSIONALS IN FISCAL YEAR 2013, SAINT FRANCIS MEDICAL CENTER IS COMMITTED TO ENSURING THAT CENTRAL NEBRASKANS HAVE ACCESS TO EXCELLENCE HEALTH PROFESSIONS EDUCATION FOR PHYSICIANS, NURSES AND ALLIED HEALTH PROFESSIONALS IN FISCAL YEAR 2013, SAINT FRANCIS ASSISTED IN THE EDUCATION OF THE FOLLOWING HEALTH PROFESSIONALS FAMILY PRACTICE RESIDENTS, MEDICAL STUDENTS, NURSING STUDENTS AND MEDICAL TECHNOLOGISTS SAINT FRANCIS CONTINUES TO COLLABORATE WITH CENTRAL COMMUNITY COLLEGE AT THEIR NEW HEALTH SCIENCES CENTER TO TRAIN NURSES AND OTHER MEDICAL PROFESSIONALS SUBSIDIZED HEALTH PROFESSIONALS FAMILY PRACTICE RESIDENTS, MEDICAL STUDENTS, AND THANCIS CONTINUES TO COLLABORATE WITH CENTRAL COMMUNITY COLLEGE AT THEIR NEW HEALTH SCIENCES CENTER TO TRAIN NURSES AND OTHER FINANCIAL RESOURCES, FOR EXAMPLE THERE PROFESSIONALS SUBSIDIZED HEALTH PROFESSION HEA
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	NOTICES ARE POSTED (IN ENGLISH & SPANISH) AT ALL REGISTRATION AREAS STATING THAT A COMMUNITY ASSISTANCE PROGRAM ("CAP") IS AVAILABLE 1 WHEN A PATIENT PRESENTS FOR SERVICES AT SAINT FRANCIS, AND THE INSURANCE LISTED ON THE ACCOUNT IS SELF-PAY (SP) A CAP APPLICATION AUTOMATICALLY PRINTS WITH THE PATIENT'S PAPERWORK 1A IF THE PATIENT IS RECEIVING A SERVICE THAT IS BILLABLE BY SAINT FRANCIS, THEY WILL BE GIVEN THIS CAP APPLICATION AND HAVE EXPLAINED TO THEM WHAT THE APPLICATION IS FOR, HOW TO COMPLETE IT AND WHOM TO CONTACT IF THEY HAVE FURTHER QUESTIONS ABOUT WHAT IS REQUIRED TO COMPLETE THE APPLICATION 2 WHEN A PATIENT PRESENTS FOR A SERVICE/S THAT IS BILLABLE BY SAINT FRANCIS, HAS INSURANCE COVERAGE AND IN ANY WAY EXPRESSES A CONCERN ON HOW THEY'RE GOING TO PAY THEIR CO-PAY/DEDUCTIBLE/NON COVERED EXPENSES ETC A CAP APPLICATION WILL BE PRINTED OFF AND EXPLAINED TO THEM WHAT THE APPLICATION IS FOR, HOW TO COMPLETE IT AND WHOM TO CONTACT IF THEY HAVE FURTHER QUESTIONS ABOUT WHAT IS REQUIRED TO COMPLETE THE APPLICATION 3 A CAP APPLICATION CAN BE PRINTED AT ANY TIME IF SOMEONE REQUESTS AN APPLICATION, STAFF MAY PRINT ONE FROM THE SYSTEM, OR USE A PRE-PRINTED BLANK APPLICATION

Affiliated health care system Schedule H, Part VI, Line 6 SAINT FRANCIS MEDICAL CENTER, ALONG WITH ITS AFFILIATED OUTPEINF FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES (CATHOLIC HEALTH INITIATIVES CATHOLIC HEALTH AND HEALTH AGENCIES TOGETHER, THESE FACILITIES PROVIDED A FASE MILLION IN CARLITY CARE AND COMMUNITY HEALTH-SERVICES ORGANIZATIONS, TWO ACCREDITED NURSING COLLEGES, AND HOME HEALTH AGENCIES TOGETHER, THESE FACILITIES PROVIDED A FASE MILLION IN CARRITY CARE AND COMMUNITY HEALTH AGENCIES TOGETHER, THESE FACILITIES PROVIDED A FASE MILLION IN CARRITY CARE AND COMMUNITY HEALTH AGENCIES FOR THE POOR, PREE CLINICS, EDUCATION AND RESEARCH CHI PROVIDES STRATEGIC PLANNING AND MANAGEMENT SERVICES AS WELL AS CENTRALIZED THAN AND HEALTH AGENCIES FOR THE MEON THE PROVISION OF CENTRALIZED MANAGEMENT AND SHARED SERVICES INCLUDING A REAS SUCH AS ACCOUNTING, HUMAN RESOURCES, PAYROLL AND SUPPLY CHAIN PROVIDES ECONOMIES OF SCALE AND PURCHASING POWER TO THE MBOS THE COST SAVINGS ACHIEVED THROUGH CHI'S CENTRALIZATION RABLE MOSO TO DEDICATE ADDITIONAL RESOURCES TO HIGH-QUALITY HEALTH CARE AND COMMUNITY OUTREACH SERVICES TO THE MOST VULBERABLE MEMBERS OF OUR SOCIETY SAINT FRANCIS MEDICAL CENTER PROUNDAIT ON, TO SERVE THE HEALTH CARE AND COMMUNITY OUTREACH SERVICES TO THE MOST VULBERABLE MEMBERS OF OUR SOCIETY SAINT FRANCIS MEDICAL CENTER POUNDAIT ON, TO SERVE THE HEALTH CARE	Identifier	ReturnReference	Explanation
Chata filing of community bonofit	Affiliated health care system	Schedule H, Part VI, Line 6	AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES CATHOLIC HEALTH INITIATIVES CATHOLIC HEALTH INITIATIVES (CHI) IS A NATIONAL FAITH-BASED NONPROFIT HEALTH CARE ORGANIZATION WITH HEADQUARTERS IN ENGLEWOOD, COLORADO CHI'S EXEMPT PURPOSE IS TO SERVE AS AN INTEGRAL PART OF ITS NATIONAL SYSTEM OF HOSPITALS AND OTHER CHARITABLE ENTITIES, WHICH ARE DESCRIBED AS MARKET-BASED ORGANIZATIONS, OR MBOS AN MBO IS A DIRECT PROVIDER OF CARE OR SERVICES WITHIN A DEFINED MARKET AREA THAT MAY BE AN INTEGRATED HEALTH SYSTEM AND/OR A STAND-ALONE HOSPITAL OR OTHER FACILITY OR SERVICE PROVIDER CHI SERVES AS THE PARENT CORPORATION OF ITS MBOS WHICH ARE COMPRISED OF 73 HOSPITALS, 40 LONG-TERM CARE, ASSISTED- AND RESIDENTIAL-LIVING FACILITIES, TWO COMMUNITY HEALTH-SERVICES ORGANIZATIONS, TWO ACCREDITED NURSING COLLEGES, AND HOME HEALTH AGENCIES TOGETHER, THESE FACILITIES PROVIDED \$762 MILLION IN CHARITY CARE AND COMMUNITY BENEFIT IN THE 2013 FISCAL YEAR, INCLUDING SERVICES FOR THE POOR, FREE CLINICS, EDUCATION AND RESEARCH CHI PROVIDES STRATEGIC PLANNING AND MANAGEMENT SERVICES AS WELL AS CENTRALIZED "SHARED SERVICES" FOR THE MBOS THE PROVISION OF CENTRALIZED MANAGEMENT AND SHARED SERVICES - INCLUDING AREAS SUCH AS ACCOUNTING, HUMAN RESOURCES, PAYROLL AND SUPPLY CHAIN PROVIDES ECONOMIES OF SCALE AND PURCHASING POWER TO THE MBOS THE COST SAVINGS ACHIEVED THROUGH CHI'S CENTRALIZATION ENABLE MBOS TO DEDICATE ADDITIONAL RESOURCES TO HIGH-QUALITY HEALTH CARE AND COMMUNITY OUTREACH SERVICES TO THE MOST VULNERABLE MEMBERS OF OUR SOCIETY SAINT FRANCIS MEDICAL CENTER OPERATES WITH ITS WHOLLY OWNED AFFILIATES AND COMMUNITY PARTNERS, ALONG WITH ITS FUNDRAISING ARM, THE SAINT FRANCIS MEDICAL CENTER FOUNDATION, TO SERVE THE HEALTH CARE NEEDS OF THE GRAND ISLAND, NE AND SURROUNDING COMMUNITIES
report Schedule H, Part VI, Line 7	State filing of community benefit	Schedule H, Part VI, Line 7	NE

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Schedule I (Form 990)

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

OMB No 1545-0047

2012

DLN: 93493133016214

ZUIZ

Department of the Treasury Internal Revenue Service Name of the organization Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

Attach to Form 990

Inspection
Employer identification number

SAINT FRANCIS MEDICAL CEN	NTER					47-0376601	
Part I General Inform	ation on Grants	s and Assistance				1,7 00,70002	
Does the organization main the selection criteria used	ntain records to sub to award the grants	stantiate the amount of to	he grants or assistance	e, the grantees' eligibilit	y for the grants or a	assistance, and	✓ Yes 🗀
2 Describe in Part IV the org	janization's procedi	ires for monitoring the us	e of grant funds in the l	Jnited States			
		o Governments and recipient that receive					d "Yes" to
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount 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) SAINT FRANCIS MEDICAL CENTER FOUNDATION 2620 W FAIDLEY GRAND ISLAND,NE 68803	47-0630267	501(C)(3)		41,322 F	MV	EMPLOYEE BENEFITS	PROGRAM SUPPORT
(2) CENTRAL CATHOLIC DEVELOPMENT FOUNDATION 1200 RUBY AVENUE GRAND ISLAND,NE 68803	47-0619982	501(C)(3)	103,550				CAPITAL CAMPAIGN
(3) GRAND ISLAND EDUCATION FOUNDATION PO BOX 4904 GRAND ISLAND,NE 68802	47-0735201	501(C)(3)	100,000				CAREER DEVELOPMENT CENTER
(4) GRAND ISLAND COMMUNITY FOUNDATION PO BOX 430 GRAND ISLAND,NE 68802	47-6032570	501(C)(3)	16,100	ı		1	STATE FAIR
2 Enter total number of secti 3 Enter total number of other				e			4 0

1001	Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, In	ine 22.
	Part III can be duplicated if additional space is needed.	

(a)Type of grant or assistance	(b) Number of recipients	(c) A mount of cash grant	(d)A mount 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 use of grant funds		GRANTS INCLUDED IN PART II ARE TO COMPANIES AND COMMUNITY ORGANIZATIONS WHO ENGAGE IN ACTIVITIES THAT BENEFIT THE COMMUNITY AT LARGE NO CONSIDERATION IS RECEIVED IN EXCHANGE FOR THESE CONTRIBUTIONS, AS THEY ARE CONSIDERED TO BE A GIFT TO BE USED BY THE RECIPIENT IN ACCORDANCE WITH THEIR CHARITABLE PURPOSE AS SUCH, USE OF THE FUNDS GIVEN TO THE GRANTEE IS NOT MONITORED BEYOND THE DISTRIBUTION SAINT FRANCIS MEDICAL CENTER RELIES ON THOSE ORGANIZATIONS TO USE THE GRANTS IN ACCORDANCE WITH EACH ORGANIZATION'S EXEMPT PURPOSE

DLN: 93493133016214

OMB No 1545-0047

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest **Compensated Employees** ► Complete if the organization answered "Yes" to Form 990,

Compensation Information

Part IV, question 23.

► Attach to Form 990. ► See separate instructions.

Open to Public Inspection

Name of the organization	
SAINT FRANCIS MEDICAL CENTER	

Employer identification number

47-0376601

Pa	rt I Questions Regarding Compensation			
			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	First-class or charter travel Housing allowance or residence for personal use			
	▼ Travel for companions			
	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			
	☐ 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			
а	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	
С	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			
а	The organization?	5a		No
ь	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			
а	The organization?	6a		No
b	Any related organization?	6b		Νo
	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	Yes	
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)(1)-(111) 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	(D) Nontaxable	(E) Total of	(F) Compensation
	(i) Base compensation	(ii) Bonus & ıncentıve compensatıon	(iii) Other reportable compensation	other deferred compensation	benefits	columns (B)(ı)-(D)	reported as deferred in prior Form 990
See Additional Data Table							

Schedule J (Form 990) 2012

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 th	his part for any	v addıtıonal ınformatıon
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Also complete this part for any additional statement of the second statement o	Return Reference	Explanation
		·
Travel for companions	Schedule J, Part I, Line 1a	SAINT FRANCIS MEDICAL CENTER PROVIDES COMPANION TRAVEL FOR ITS BOARD MEMBERS WHEN DEEMED APPROPRIATE THE AMOUNTS PAID TO BOARD MEMBERS BY THE ORGANIZATION FOR COMPANION TRAVEL ARE GROSSED UP AND INCLUDED AS INCOME ON THE BOARD MEMBER'S FORM 1099 OR W-2 AS APPLICABLE
Arrangement used to establish the top management official's compensation	Schedule J, Part I, Line 3	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL WAS ESTABLISHED AND PAID BY CATHOLIC HEALTH INITIATIVES ("CHI"), A RELATED ORGANIZATION CHI USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION (1) COMPENSATION COMMITTEE, (2) INDEPENDENT COMPENSATION CONSULTANT, (3)WRITTEN EMPLOYMENT CONTRACTS, (4) COMPENSATION SURVEY OR STUDY, (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
Severance or change-of-control payment	Schedule J, Part I, Line 4a	POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES ("CHI") AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING THE MBO CEOS THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM CATHOLIC HEALTH INITIATIVES (A RELATED ORGANIZATION) DURING THE 2012 CALENDAR YEAR, AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J MICHAEL HORN -\$110,319
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	DURING THE 2012 CALENDAR YEAR CATHOLIC HEALTH INITIATIVES ("CHI"), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR MBO CEOS AND OTHER CHI EMPLOYEES AT THE LEVEL OF SENIOR VICE PRESIDENT AND ABOVE THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN ROBERT LANIK AND DANIEL MCELLIGOTT DURING 2012 THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN DANIEL MCELLIGOTT - \$28,561 DURING 2012 THE FOLLOWING DISTRIBUTIONS WERE MADE BY CHI FROM THE DEFERRED COMPENSATION PLAN ROBERT LANIK - \$152,674, DANIEL MCELLIGOTT - \$25,811 DUE TO THE "SUPPER" VESTING RULES UNDER THE CHI DEFERRED COMPENSATION PLAN, PARTICIPANTS WHO HAVE MET CERTAIN REQUIREMENTS SUCH AS TERMINATION, AGE, OR YEARS OF SERVICE ARE ELIGIBLE TO RECEIVE THEIR 2012 CONTRIBUTIONS IN CASH THESE CASH PAYOUTS ARE INCLUDED IN THE PARTICIPANT'S REPORTABLE COMPENSATION IN COLUMN (III) OTHER REPORTABLE COMPENSATION ON SCHEDULE J PART II DURING 2012, THE FOLLOWING CONTRIBUTIONS THAT WOULD HAVE BEEN MADE BY CHI TO THE DEFERRED COMPENSATION PLAN WERE PAID IN CASH ROBERT LANIK - \$66,797 DURING THE CALENDAR YEAR 2012 ST FRANCIS MEDICAL CENTER PARTICIPATED IN A CALL PAY PLAN THE PLAN IS A DEFINED CONTRIBUTION, NONQUALIFIED DEFERRED COMPENSATION PLAN THAT PROVIDES FOR CONTRIBUTIONS TO A PARTICIPANT'S ACCOUNT, BUT DOES NOT PROMISE ANY PARTICULAR ULTIMATE BENEFIT TO PARTICIPANTS THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THE PLAN DOUG BOON, JENNIFER BROWN, TIMOTHY KNUDSEN, AND STEVE SCHNEIDER DURING THE CALENDAR YEAR 2012 THE FOLLOWING CONTRIBUTIONS WERE MADE TO THE CALL PAY PLAN, DOUG BOON, \$12,121, JENNIFER BROWN \$7,837, TIMOTHY KNUDSEN, \$7,293, STEVEN SCHNEIDER, \$45,721
Non-fixed payments	Schedule J, Part I, Line 7	SAINT FRANCIS MEDICAL CENTER PROVIDES VICE PRESIDENTS AND DIRECTORS WITH A BONUS PROGRAM THAT IS BASED ON A COMBINATION OF PERFORMANCE FACTORS, SUCH AS MEETING THE OPERATING MARGIN AT THE NATIONAL, MBO AND MINISTRY LEVELS AS WELL AS ESTABLISHED METRICS FOR PRODUCTIVITY AND PATIENT SATISFACTION SCORES AT THE MBO LEVEL

Software ID: 12000266

Software Version: v2012.1.0

EIN: 47-0376601

Name: SAINT FRANCIS MEDICAL CENTER

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

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees								
(A) Name			of W-2 and/or 1099-MIS		(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation reported in prior Form
		(i) Base Compensation	(ii) Bonus & Incentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	990 or Form 990-EZ
BETH A BARTLETT	(I) (II)	0	10,308	461 0	15,439 0	20,672	162,878 0 0	0
CRAIG VINCENT	(I) (II)	0 387,624	0	0 2,257	0 20,596	0 5 20,542	0 2 431,019	0
DALE HARTWIG	(I) (II)		31,023	9,998	33,005 0	1,384 0 0	289,514 0 0	0
DANIEL MCELLIGOTT	(I) (II)		0 121,950	0 48,842	0 56,657	0 7 21,598	0 3 558,524	0 25,811
DAVID A CROSS	(I) (II)	198,371 0	3,913			3 14,103 0 0	243,234	0
DONNA SANDERS	(I) (II)		0 24,617	0 1,917	0 19,548	0 3 7,147	0 0 185,623	0
DOUGLAS W RICHLING	(I) (II)		3,055	5 252 0	11,213 0			0
FRANCINE SPARBY	(I) (II)		28,371	9,848	20,684 0	7,744	264,072	0
GREGORY S BALFANY	(I) (II)		13,513	511	14,101 0	21,172	181,410	0 0
JOSHUA GORTEMAKER	(I) (II)	0 383,716	0	0 1,513	0 20,596	0 5 19,802	0 2 425,627	0
LISA THAVENET- WEBB	(I) (II)	215,150 0	30,755	8,959 0	28,096 0	5 15,782 0 0	2 298,742	0
MEHMET COPUR	(1) (11)	0 697,720	0	0 4,009	0 28,096	0 6,848	0 3 736,673	0
MICHAEL HORN	(I) (II)		0	108,593	0	6,741 0	1 115,334	0
MICHAEL S HEIN	(I) (II)	0	29,046	32,494	20,596 0	17,387 0 0	7 382,117 0 0	0
ROBERT LANIK	(I) (II)	584,152		0 251,569	0 33,096	0 5 14,053	0 3 1,071,404	0 152,674
ROBERT M NORVELL	(I) (II)			1	1	20,964	.	0 0
RYAN RAMAEKERS	(I) (II)	0 409,379	0 41,500	0 20,068	0 20,596	0 5 18,576	0 5 510,119	0
STEPHEN LEURCK	(I) (II)	0	0	311,127 22,549		O C	311,127 22,549	
TRACI RAUCH	(I) (II)	0 426,106	0 26,000	0 2,592	0 23,096	0 5 14,654	0 4 492,448	0 0

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DLN: 93493133016214

OMB No 1545-0047

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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.

Name of the organization SAINT ERANCIS MEDICAL CENTER **Employer identification number**

SAINT TRANCI	5 MEDICAL CENTER						47	-0376	5601			
		Transactions (janiza	tions	only).			
		anization answered										
1 (a) Name of disqualified person				hıp between dıs and organızatı	•	(c) Descrip	otion of	trans	saction		(d) Corre	
			person	and organizati	-						Yes	No
		ncurred by organiza					yearu	nders	section			
								•	- \$			
3 Enterth	ie amount of tax,	ıf any, on line 2, ab	ove, re	imbursed by th	e organization			•	\$			
Part II	Loans to and	or From Inter	estec	Persons.								
	Complete if the o	rganization answere rted an amount on l	ed "Yes	s" on Form 990		ne 38a, or Foi	rm 990), Par	t IV, lın	e 26, o	r ıf the	
) Name of	(b) Relationship			Loan to	(e)Original	(f)Balance	(g)	In	(h)	(i)Wri	tten
nterested	with	loan		om the	principal	due	defa		Appro	ved	agreen	nent?
person	organization		orgar	nization?	amount				by boa			
			To	From	\dashv		Yes	No	Yes	No	Yes	No
DR	KEY	RECRUITMENT		X	85,000	50,881		No	Yes		Yes	1
CHAEL	EMPLOYEE											
IN												
			+									
											_	
											_	
											_	
tal			<u> </u>			50,881						
		istance Benefit										
		organization ans									-	
		(b) Relationship bet nterested person ar		(c) A mount o	r assistance	(d) Type of	assis	tance	(e)	Purpos	e of assi	stance
		organization										

Part IV Business Transactions I Complete if the organizatio			ne 28a, 28b, or 28c.		
(a) Name of Interested person	(b) Relationship between interested person and the organization	(c) A mount of transaction	(d) Description of transaction	(e) Sha of organiz revent	: zation's
				Yes	No
(1) PATHOLOGY SPECIALISTS - SCOTT FRANKFORTER	25% OWNERSHIP	192,000	PATHOLOGY SERVICES		No
(2) EAKES OFFICE PLUS - MARK MILLER	20% OWNERSHIP	294,326	OFFICE SUPPLIES/FURNITURE		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

Schedule L (Form 990 or 990-EZ) 2012

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DLN: 93493133016214

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.

2012

Open to Public Inspection

Name of the organization SAINT FRANCIS MEDICAL CENTER

Employer identification number

47-0376601

ldentifier	Return Reference	Explanation
EXECUTIVE COMMITTEE COMPOSITION AND AUTHORITY	FORM 990, PART VI, LINE 1A	PURSUANT TO SECTION 8 6 OF THE BY LAWS OF SAINT FRANCIS MEDICAL CENTER, THE EXECUTIVE COMMITTEE IS COMPOSED OF THE BOARD CHAIR, THE BOARD VICE CHAIR, THE PRESIDENT, CEO AND FOUR VOTING MEMBERS APPOINTED BY THE BOARD PURSUANT TO SECTION 8 1 OF THE CORPORATION'S BY LAWS, COMMITTEES, SUCH AS THE EXECUTIVE COMMITTEE, THAT ARE GRANTED THE AUTHORITY TO ACT ON BEHALF OF THE BOARD OF DIRECTORS MAY INCLUDE ONLY DIRECTORS OF THE CORPORATION FURTHER, PURSUANT TO SECTION 8 6 OF THE CORPORATION'S BY LAWS, THE EXECUTIVE COMMITTEE HAS AND MAY EXERCISE SUCH POWERS AS MAY BE DELEGATED TO IT BY THE BOARD OF DIRECTORS THE EXECUTIVE COMMITTEE ALSO POSSESSES THE POWER TO TRANSACT ROUTINE BUSINESS OF THE CORPORATION IN THE INTERIM PERIOD BETWEEN REGULARLY SCHEDULED MEETINGS OF THE BOARD OF DIRECTORS

ldentifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	THE ORGANIZATION'S SOLE CORPORATE MEMBER IS CHI NEBRASKA, A NEBRASKA NONPROFIT CORPORATION

ldentifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	IN ACCORDANCE WITH THE ORGANIZATION'S CORPORATION BY LAWS, THE SOLE CORPORATE MEMBER MAY UNILATERALLY APPOINT ONE OR MORE INDIVIDUALS TO THE ORGANIZATION'S BOARD OF DIRECTORS

ldentifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	THE ORGANIZATION'S CORPORATE MEMBER IS CHI NEBRASKA PURSUANT TO SECTION 5 4 1 OF THE ORGANIZATION'S BY LAWS, CHI NEBRASKA, AND CATHOLIC HEALTH INITITIAVES (CHI NEBRASKA'S SOLE CORPORATE MEMBER) ("CHI") HAVE THE SPECIFIC RIGHTS SET FORTH IN THE GOVERNANCE MATRIX PURSUANT TO THE GOVERNANCE MATRIX THE FOLLOWING RIGHTS ARE RESERVED TO THE CHI NEBRASKA BOARD DIRECTLY OR THROUGH POWERS DELEGATED TO THE CHI NEBRASKA CHIEF EXECUTIVE OFFICER - SUBSTANTIAL CHANGE IN THE MISSION OR PHILOSOPHY OF SAINT FRANCIS MEDICAL CENTER -AMENDMENT OF THE CORPORATE DOCUMENTS OF SAINT FRANCIS MEDICAL CENTER -APPROVE MEMBERS OF SAINT FRANCIS MEDICAL CENTER -APPROVE MEMBERS OF SAINT FRANCIS MEDICAL CENTER -APPROVAL OF A MEMBER OF THE GOVERNING BODY OF SAINT FRANCIS MEDICAL CENTER -APPROVAL OF PROVAL OF PARTICIPATION OF SAINT FRANCIS MEDICAL CENTER IN A JOINT VENTURE -APPROVAL OF FORMATION OF A NEW CORPORATION BY SAINT FRANCIS MEDICAL CENTER -APPROVAL OF A MERGER INVOLVING SAINT FRANCIS MEDICAL CENTER -APPROVAL OF THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF SAINT FRANCIS MEDICAL CENTER -TO REQUIRE THE TRANSFER OF ASSETS BY THE SAINT FRANCIS MEDICAL CENTER TO CHI TO ACCOMPLISH CHI'S GOALS AND OBJECTIVES, AND TO SATISFY CHI DEBTS ADOPTION OF LONG RANGE AND STRATEGIC PLANS FOR SAINT FRANCIS MEDICAL CENTER PURSUANT TO SECTION 5 5 2 OF THE ORGANIZATION'S BY LAWS, CHI MAY, IN EXERCISE OF ITS APPROVAL POWERS, GRANT OR WITHHOLD APPROVAL IN WHOLE OR IN PART, OR MAY, IN ITS COMPLETE DISCRETION, AFTER CONSULTATION WITH THE BOARD AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION, RECOMMEND SUCH OTHER OR DIFFERENT ACTIONS AS IT DEEMS APPROPRIATE

ldentifier	Return Reference	Explanation
Review of form 990 by governing body		CHI NEBRASKA'S (THE ORGANIZATION'S CORPORATE MEMBER) CFO IS RESPONSIBLE FOR REVIEWING THE FINAL TAX RETURN PREPARED BY THE CHI TAX DEPARTMENT FOR ANY POTENTIAL ERRORS, OMISSIONS, OR CLARIFICATIONS NEEDED FOR PROPER PRESENTATION AFTER THE FINAL CHANGES ARE MADE TO THE FORM 990, THE RETURNS ARE POSTED TO A SECURED BOARD COLLABORATION SITE FOR REVIEW BY THE BOARD MEMBERS SUBSEQUENT TO DISTRIBUTION TO THE BOARD, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AND STATE AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING ANY SUCH CHANGES ARE NOT RE-SUBMITTED TO THE BOARD

	T	
ldentifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	ALL BOARD MEMBERS, OFFICERS, DRECTORS AND OTHER MEMBERS OF MANAGEMENT OF SAINT FRANCIS ME DICAL CENTER WILL COMPLETE THE "CAREEMENT TO DISCOSE CONFLICT OF NITERSTA AND MAINTAIN CONFORMATION." FORM UPON ASSUMING OFFICE OR EMPLOYMENT, AND ANNUALLY THEREA PROFINED OF THE PART AND MAINTAIN OF THE PART AND

FROM ANSWERING PERTINENT QUESTIONS FROM BOARD MEMBERS, AS HIS OR HER KNOWLEDGE MAY BE OF SIGNIFICANT IMPORTANCE. THE DIRECTOR OR OFFICER SHALL BE EXCUSED FROM THE MEETING DURING DISCUSSION AND VOTE ON THE CONFLICT OF INTEREST RECORD OF PROCEEDINGS MINUTES OF THE BOARD OF DIRECTORS SHALL REFLECT THE FOLLOWING THE INDIVIDUAL MAKING THE DISCLOSURE, THE NATURE OF THE DISCLOSURE, DISCUSSION REGARDING ANY PROPOSED TRANSACTION, THE DECISION MADE BY THE BOARD, AND THAT THE INTERESTED DIRECTOR ABSTAINED FROM VOTING IMPLEMENTATION AND	Identifier	Return Reference	Explanation
INTERPRETATION QUESTIONS REGARDING THE IMPLEMENTATION AND INTERPRETATION OF THIS POLICY SHALL BE REFERRED TO A MEMBER OF THE CHI LEGAL RESOURCE GROUP POLICY VIOLATIONS IF THE BOARD REASONABLY BELIEVES THAT A DIRECTOR OR OFFICER HAS FAILED TO DISCLOSE EITHER AN A CTUAL OR POTENTIAL CONFLICT OF INTEREST, OR ALL MATERIAL FACTS SURROUNDING AN ACTUAL OR POSSIBLE CONFLICT AS REQUIRED BY THIS POLICY, THE DIRECTOR OR OFFICER WILL BE GIVEN AN OPPOR TUNITY TO EXPLAIN SUCH ALLEGED FAILURE TO DISCLOSE AFTER HEARING THE RESPONSE OF THE DIRECTOR OR OFFICER, THE BOARD WILL CONDUCT SUCH ADDITIONAL INVESTIGATION AS MAY BE APPROPRIATE IF THE BOARD DETERMINES THAT THE DIRECTOR OR OFFICER HAS IN FACT FAILED TO DISCLOSE AS REQUIRED BY THIS POLICY, THE BOARD SHALL TAKE APPROPRIATE DISCIPLINARY OR CORRECTIVE ACTIO N	ınterest	Part VI, Section B,	SURE BY INTERESTED DIRECTOR WHEN ANY CONFLICT OF INTEREST IS CONSIDERED BY THE BOARD, THE DIRECTOR OR OFFICER MUST DISCLOSE ALL OF THE MATERIAL FACTS TO THE BOARD. THE DIRECTOR SHALL NOT VOTE OR USE HIS OR HER PERSONAL INFLUENCE ON THE MATTER HOWEVER, IF REQUESTED, SUICH DIRECTOR OR OFFICER IS NOT PREVENTED FROM BRIEFLY STATING HIS OR HER POSITION IN THE MATTER, NOR FROM ANSWERING PERTINENT QUESTIONS FROM BOARD MEMBERS, AS HIS OR HER KNOWLEDGE MAY BE OF SIGNIFICANT IMPORTANCE. THE DIRECTOR OR OFFICER SHALL BE EXCUSED FROM THE MEETING DURING DISCUSSION AND VOTE ON THE CONFLICT OF INTEREST RECORD OF PROCEEDINGS. MINUTES OF THE BOARD OF DIRECTORS SHALL REFLECT THE FOLLOWING. THE INDIVIDUAL MAKING THE DISCLOSURE, THE NATURE OF THE DISCLOSURE, DISCUSSION REGARDING ANY PROPOSED TRANSACTION, THE DECISION MADE BY THE BOARD, AND THAT THE INTERESTED DIRECTOR ABSTAINED FROM VOTING. IMPLEMENTATION AND INTERPRETATION QUESTIONS REGARDING THE IMPLEMENTATION AND INTERPRETATION OF THIS POLICY SHALL BE REFERRED TO A MEMBER OF THE CHILEGAL RESOURCE GROUP POLICY VIOLATIONS. IF THE BOARD REASONABLY BELIEVES THAT A DIRECTOR OR OFFICER HAS FAILED TO DISCLOSE EITHER AN A CTUAL OR POTENTIAL CONFLICT OF INTEREST, OR ALL MATERIAL FACTS SURROUNDING AN ACTUAL OR PO SSIBLE CONFLICT AS REQUIRED BY THIS POLICY, THE DIRECTOR OR OFFICER WILL BE GIVEN AN OPPOR TUNITY TO EXPLAIN SUCH ALLEGED FAILURE TO DISCLOSE AFTER HEARING THE RESPONSE OF THE DIRECTOR OR OFFICER, THE BOARD WILL CONDUCT SUCH ADDITIONAL INVESTIGATION AS MAY BE APPROPRIATE. IF THE BOARD DETERMINES THAT THE DIRECTOR OR OFFICER HAS IN FACT FAILED TO DISCLOSE AS REQUIRED BY

ldentifier	Return Reference	Explanation
PROCESS USED TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	FORM 990, PART VI, LINE 15A	THE ORGANIZATION'S CEO'S COMPENSATION IS PAID BY CHI CHI HAS A DEFINED COMPENSATION PHILOSOPHY BOTH THE EXECUTIVE AND NON-EXECUTIVE COMPENSATION STRUCTURES AND RANGES ARE REVIEWED ANNUALLY IN COMPARISON TO MARKET DATA CHI USES THE HAY GROUP AS THE INDEPENDENT THIRD PARTY TO ASSESS EXECUTIVE COMPENSATION PROGRAMS AND TO ENSURE THE REASONABLENESS OF ACTUAL SALARIES AND TOTAL COMPENSATION PACKAGES COMPENSATION OF THE SENIOR MOST EXECUTIVES IS REVIEWED ANNUALLY THE HAY GROUP REVIEWS BOTH CASH AND TOTAL COMPENSATION FOR OVERALL REASONABLENESS, FOR ADHERENCE TO CHI'S COMPENSATION PHILOSOPHY, AND FOR COMPARABILITY TO THE NOT-FOR-PROFIT HEALTHCARE MARKET THIS INDEPENDENT REVIEW IS DELIVERED BY HAY GROUP TO THE HR COMMITTEE OF THE CHI BOARD OF STEWARDSHIP TRUSTEES ANNUALLY AT THEIR SEPTEMBER MEETING AND MINUTES ARE SHARED WITH THE FULL BOARD AT THE DECEMBER MEETING. THE LAST REVIEW WAS SEPTEMBER 17, 2013 IN ADDITION, IN DECEMBER 2009, HAY GROUP COMPLETED A COMPREHENSIVE REVIEW OF ALL POSITIONS AT THE LEVEL OF VICE PRESIDENT AND ABOVE TO DETERMINE AND VALIDATE APPROPRIATE COMPENSATION LEVELS. THESE LEVELS HAVE BEEN REVIEWED ANNUALLY SINCE AND REVISED BASED ON MARKET DATA, WHERE APPLICABLE

ldentifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	HR ADVANTAGE HAS SERVED AS THE INDEPENDENT COMPENSATION CONSULTANT FOR THE NEBRASKA FACILITIES IN 2012 HR ADVANTAGE REVIEWED ALL NEBRASKA MINISTRIES' VP AND EXECUTIVE DIRECTORS COMPENSATION LEVELS AND PROVIDED A REPORT WITH COMPARABILITY DATA TO CHI NEBRASKA HR LEADERS TO REVIEW WITH LOCAL CEOS, CONFIRMING THE REASONABLENESS OF MBO EXECUTIVE'S COMPENSATION AND PHILOSOPHY COMPENSATION PACKAGE AND BONUS POTENTIAL FOR EXECUTIVE LEADERS ARE APPROVED BY THE LOCAL BOARDS OF EACH MINISTRY THE HIGHEST PAID EMPLOYEES ARE PHY SICIANS THEIR COMPENSATION WAS REVIEWED BY AN INDEPENDENT COMPENSATION CONSULTANT THERE IS A PHY SICIAN EMPLOY MENT AGREEMENT CONTRACT WITH EACH EMPLOYED PHY SICIAN (NOTE PHY SICIANS ARE PAID BY A RELATED ORGANIZATION) CONTRACTS INCLUDE A MAXIMUM COMPENSATION BASED UPON AN OVERALL PERCENTILE NATIONAL COMPENSATION PER SPECIALTY AS REPORTED IN THE MOST RECENT VERSION OF THE PHY SICIAN COMPENSATION AND PRODUCTION SURVEY AS PUBLISHED BY THE MGMA

ldentifier	Return Reference	Explanation
FORMAL POLICIES CONCERNING PARTICIPATION IN JOINT VENTURES	FORM 990, PART VI, LINE 16B	SAINT FRANCIS MEDICAL CENTER HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES HOWEVER CHI'S SYSTEM-WIDE JOINT VENTURE MODEL OPERATING AGREEMENT INCORPORATES CONTROLS OVER THE VENTURE SUFFICIENT TO ENSURE THAT (1) THE EXEMPT ORGANIZATION AT ALL TIMES RETAINS CONTROL OVER THE VENTURE SUFFICIENT TO ENSURE THAT THE PARTNERSHIP FURTHERS THE EXEMPT PURPOSE OF THE ORGANIZATION, (2) IN ANY PARTNERSHIP IN WHICH THE EXEMPT ORGANIZATION IS A PARTNER, ACHIEVEMENT OF EXEMPT PURPOSES IS PRIORITIZED OVER MAXIMIZATION OF PROFITS FOR THE PARTNERS, (3) THE PARTNERSHIP DOES NOT ENGAGE IN ANY ACTIVITIES THAT WOULD JEOPARDIZE THE EXEMPT ORGANIZATION'S EXEMPTION, (4) RETURNS OF CAPITAL, ALLOCATIONS, AND DISTRIBUTIONS MUST BE MADE IN PROPORTION TO THE PARTNERS' RESPECTIVE OWNERSHIP INTERESTS, AND (5) ALL CONTRACTS ENTERED INTO BY THE PARTNERSHIP WITH THE EXEMPT ORGANIZATION MUST BE AT ARM'S-LENGTH, WITH PRICES SET AT FAIR MARKET VALUE ANY JOINT VENTURE AGREEMENTS THAT DO NOT CONFORM TO THE MODEL AGREEMENT ARE GENERALLY REVIEWED BY COUNSEL

ldentifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	SAINT FRANCIS MEDICAL CENTER'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW CATHOLICHEATHINT ORG OR AT WWW DACBOND COM THE CONFLICT OF INTEREST POLICY IS AVAILABLE UPON REQUEST THE GOVERNING DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC

ldentifier	Return Reference	Explanation
Other Expenses	Form 990, Part IX, Line 11g	CONTRACT SERVICES - TOTAL EXPENSE 9416707, PROGRAM SERVICE EXPENSE 7243528, MANAGEMENT AND GENERAL EXPENSES 2173179, FUNDRAISING EXPENSES, CONTRACT LABOR - TOTAL EXPENSE 721160, PROGRAM SERVICE EXPENSE 554731, MANAGEMENT AND GENERAL EXPENSES 166429, FUNDRAISING EXPENSES, OTHER CONTRACT PROFESSIONALS - TOTAL EXPENSE 3520670, PROGRAM SERVICE EXPENSE 2708173, MANAGEMENT AND GENERAL EXPENSES 812497, FUNDRAISING EXPENSES, MEDICAL PROFESSIONALS - TOTAL EXPENSE 4004881, PROGRAM SERVICE EXPENSE 3080638, MANAGEMENT AND GENERAL EXPENSES 924243, FUNDRAISING EXPENSES, MISCELLANEOUS PURCHASED SERVICES - TOTAL EXPENSE 3386169, PROGRAM SERVICE EXPENSE 2604712, MANAGEMENT AND GENERAL EXPENSES 781457, FUNDRAISING EXPENSES, OTHER FEES FOR SERVICES - TOTAL EXPENSE 675884, PROGRAM SERVICE EXPENSE 519904, MANAGEMENT AND GENERAL EXPENSES 155980, FUNDRAISING EXPENSES,

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990 , Part XI, Line 9	GAAP ADJUSTMENT2027238, CHI CONNECT DEPRECIATION - 136674, TEMPORARILY RESTRICTED ASSETS60628,

SCHEDULE R Related Ord

(Form 990)

Department of the Treasury

Internal Revenue Service

Name of the organization

See Additional Data Table

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

Employer identification number

2012

DLN: 93493133016214

Open to Public Inspection

SAINT FRANCIS MEDICAL CENTER				47-037660	0 1	
Part I Identification of Disregarded Entities (Complete	ıf the organızatıon	answered "Yes" to	o 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 End	(e) I-of-year assets	(f) Direct controlling entity	
Part II Identification of Related Tax-Exempt Organization or more related tax-exempt organizations during the		the organization a	nswered "Yes" to	Form 990, Pa	art IV, line 34 because it	had one
(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 s (if section 501(d		(g) Section 512(b (13) controlle entity?

Yes

	Primary activit	y Legal domicile (state or foreign country)	entity	Predominant income (related, unrelated, excluded from tax under sections 512-514)	Share of total income		Disproprial allocate		Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)		iging ner?	Percenta ownersh
							Yes	No		Yes	No	
							swere	d "Ye	s" to Form	990,	Part	IV,
(b) Primary activity	(c) Legal domicile (state or foreign country)		(d) Direct controlli entity			otal Share e of	of end- year			Section (b) (conti	n 512 13) olled	
								_		Yes		No
-								1				
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	nore related organi	(b) (c) Primary activity Legal domicile (state or foreign	(b) (c) Primary activity Legal domicile (state or foreign	nore related organizations treated as a corporation or (b) (c) (d) (d) Direct controlli domicile (state or foreign	(b) Primary activity (c) Legal domicile (state or foreign) (d) (d) Direct controlling entity (C corp, S corp,	nore related organizations treated as a corporation or trust during the tax year (b) (c) (d) (e) (f) Primary activity Legal domicile (state or foreign entity (C corp, S corp,)	nore related organizations treated as a corporation or trust during the tax year.) (b) (c) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	nore related organizations treated as a corporation or trust during the tax year.) (b) (c) (d) (e) (f) Share of total of-year assets (C corp, S corp, (state or foreign)	rore related organizations treated as a corporation or trust during the tax year.) (b) (c) (d) (e) (f) (g) Share of total of entity (C corp, S income corp, entity (State or foreign)) (c) (d) (e) (f) (f) Share of total of end-of-year assets)	nore related organizations treated as a corporation or trust during the tax year.) (b) (c) (d) (e) (f) (g) (h) Primary activity Legal domicile domicile (state or foreign (state or foreign)) (c) (d) (e) (f) (g) (h) Type of entity (C corp, S income of-year assets)	rore related organizations treated as a corporation or trust during the tax year.) (b) (c) (d) (e) (f) (g) (h) (state or foreign country) (c) (Legal domicile (state or foreign country) (c) (d) (e) (f) (f) (g) (g) (h) (state or foreign or trust) (c) (c) (f) (g) (h) (state of total of-year assets) (c) (c) (c) (f) (g) (h) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	(b) (c) (d) (e) (f) (g) (h) (i) Primary activity Legal domicile (state or foreign (state or foreign)) (d) (e) (f) (f) (g) (h) (i) Type of entity (C corp, S corp, corp, corp, corp, corp, assets)

Pal	iransactions with Related Organizations (Complete if the organization a	inswered Yes to Fol	m 990, Part IV, iin	ie 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 Du	iring the tax year, did the orgranization engage in any of the following transactions with one or mo	re related organizations	listed in Parts II-IV?	•						
а	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)										
С	Gift, grant, or capital contribution from related organization(s)				1c	Yes				
d	Loans or loan guarantees to or for related organization(s)				1d		No			
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)				1 g		No			
h	Purchase of assets from related organization(s)				1h		No			
i	Exchange of assets with related organization(s)				1i		No			
j Lease of facilities, equipment, or other assets to related organization(s)										
k	Lease of facilities, equipment, or other assets from related organization(s)				1k		No			
l Performance of services or membership or fundraising solicitations for related organization(s)										
m	Performance of services or membership or fundraising solicitations by related organization(s)				1m	Yes				
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)				1n		No			
0	Sharing of paid employees with related organization(s)				10	Yes				
р	Reimbursement paid to related organization(s) for expenses				1p	Yes				
q	Reimbursement paid by related organization(s) for expenses				1 q	Yes				
r	Other transfer of cash or property to related organization(s)				1r	Yes				
s	Other transfer of cash or property from related organization(s)				1s	Yes				
	If the answer to any of the above is "Yes," see the instructions for information on who must comp	olete this line, including (covered relationships	and transaction th	ıresholds					
	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	Method of dete	(d) ermining amount	nvolved	<u> </u>			
(1) CE	NTRAL NEBRASKA REHABILITATION SERVICES LLC	L	3,190,802	FMV						
(2) SA	INT FRANCIS MEDICAL CENTER FOUNDATION	С	1,194,705	FMV			,			
(3) CE	NTRAL NEBRASKA REHABILITATION SERVICES LLC	A	49,625	FMV						
(4) CE	NTRAL NEBRASKA REHABILITATION SERVICES LLC	К	3,604	FMV						

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 re	garding exclu	sion for ce		nent	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)	org	(e) all partners section 501(c)(3) anizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtiona allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
			514)	Yes	No			Yes	No		Yes	No	
												1	

Software ID: 12000266 **Software Version:** v2012.1.0 **EIN:** 47-0376601

Name: SAINT FRANCIS MEDICAL CENTER

Schedule R (Form 990) 2012

Part VII Supplemental Information

Page **5**

	ental Inform		oformation for	rachancas to gu	estions on Schedule	P. (con instructions)					-
Identifier	is part to prov		Reference	responses to qu							
Form 990, Schedule R	Part III -		on of Relate	ed Organizat		Explanation a Partnership	1 1	<u> </u>	ı	1	
(a) Name, address, and EIN of related organization	(b) Primary act	(c) Legal Domicile (State or Foreign Country	Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections	(f) Share of total Income	(g) Share of end- of-year assets	(h) Disproprtionate allocations?	(i) Code V-UBI amount on Box 20 of K-1	(j Gen o Mana Parti	eral r agıng	(k) Percentage ownership
AUDUBON LAND COMPANY LLC	REAL ESTAT	E CO	СНІС	512-514) RELATED	34,991	8,665,388	Yes No	0	Yes	No No	50 1 %
5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 84-1513085											
AVANTAS LLC 11128 JOHN GALT BLVD SUITE 400 OMAHA, NE 68137 39-2045003	STAFFING O NURSES	F NE	AHBMHS	RELATED	-210,405	4,806,071	No	-439,536		No	95 %
BERYWOOD OFFICE PROPERTIES LLC	PHYS OFFICI	E TN	MHCS	RELATED	57,545	1,013,237	No	0	Yes		63 %
400 BERYWOOD TRAIL CLEVELAND, TN 37312 62-1875199											
BLUEGRASS REGIONAL IMAGING CENTER	DIAGNOSTIC	C KY	SJHS	RELATED	308,428	3,317,191	No	0		No	65 %
1218 SOUTH BROADWAY SUITE 310 LEXINGTON, KY 40504 61-1386736											
CENTRAL NEBRASKA HOME CARE SERVICES PO BOX 1146-4510	HEALTHCAR SRVC	E NE	NA	RELATED	228,435	675,251	No	0	Yes		100 %
SECOND AVENUE KEARNEY, NE 68848 47-0692112											
CENTRAL NEBRASKA REHAB SERVICES	PHYSICAL THERAPY	NE	SFMC	RELATED	1,710,199	2,712,656	No	0		No	51 %
3004 W FAIDLEY AVE GRAND ISLAND, NE 68802 81-0653461											
CHI OPERATING INVESTMENT PROGRAM LP	INVESTMEN	TS CO	CHI	UNRELATED	344,962,532	4,617,413,792	No	0	Yes		79 92 %
198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0727942		NE		2514752	00.503	2100 677	N.			N. a	1000
HEALTHCARE SUPPORT SERVICES PO BOX 9804 GRAND ISLAND, NE 68802 72-1546196	LAUNDRY	NE	NA	RELATED	98,583	3,190,677	No	0		No	100 %
MRI AT ST JOSEPH MEDICAL CENTER LLC 7253 AMBASSADOR ROAD	MEDICAL IMAGING	MD	SJMC	RELATED	423,167	2,174,155	No	0	Yes		51 %
BALTIMORE, MD 21244 52-1958002 NORTH RIVER SURGERY	AMBUL SURG	CTR AR	SVIMC	RELATED	81,071	1,077,536	No	0		No	57 45 %
CENTER LLC 2209 WILDWOOD AVENUE SHERWOOD, AR 72120 71-0799771											
O'DEA MEDICAL ARTS LIMITED PARTNERSHIP	REAL ESTAT	E MD	TMI	RELATED	9,490	0	No	0	Yes		66 58 %
7601 OSLER DRIVE TOWSON, MD 21204 52-1682964 ORTHOCOLORADO LLC	ОКТНО	CO	тнс	RELATED	1,846,153	8,411,844	No	0		No	60 %
11650 WEST 2ND PLACE LAKEWOOD, CO 80255 37-1577105	HOSPITAL				1,070,133	5,111,074		S			55 /s
PENINSULA RADIATION ONCOLOGY LLC	HEALTHCAR SRVC	E WA	FHS	RELATED	256,567	3,262,002	No	0		No	60 %
315 MARTIN LUTHER KING JR WAY 111 TACOMA, WA 98405 87-0808610											
PENRAD IMAGING 1390 KELLY JOHNSON BLVD	MEDICAL IMAGING	СО	CHIC	RELATED	715,094	3,489,436	No	0		No	70 %
COLORADO SPRINGS, CO 80920 84-1072619	SURGERY CE	NTER MD	SJMC	RELATED	-69,345	0	No	0	Yes		51 %
8322 BELLONA AVENUE SUITE 201 BALTIMORE, MD 21204 52-2095835	JONGENT CE	יייייייייייייייייייייייייייייייייייייי		NE CATED	- 545, 50		NO	J			JI 70

Form 990, Schedule F	२, Part III - Iden।		n of Relate		ons Taxable as	a Partnership	ı		ı	. ا		I
(a) Name, address, and EIN of related organization	Primary activity	(c) Legal Domicile (State or Foreign Country)	Controlling Entity	ect income Share of total S olling (related, income of		(g) Share of end- of-year assets (h) Disproprtional allocations?			(i) Code V-UBI amount on Box 20 of K-1 (j) General or Managing Partner?		(k) Percentage ownership	
		Country)		sections 512-514)			Yes	No		Yes	No	
SAINT JOSEPH - SCA HOLDINGS LLC	OP SURGERY	DE	SJHS	RELATED	0	0		No	0	Yes		51 %
1451 HARRDOSBURG ROAD LEXINGTON, KY 40504 45-3801157												
SCA PREMIER SURGERY CENTER OF LOUISVILLE LLC	SURGERY CENTER	KY	Э Н	RELATED	3,388	666,017		No	0	Yes		51 %
200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202												
72-1386840 ST FRANCIS LAND COMPANY LLC	REAL ESTATE	СО	CHIC	RELATED	-130,967	13,823,763		No	0		No	51 %
	MED OFFICE	WA	FHS	RELATED	238,717	1,907,063		No	0		No	58 46 %
CENTER ASSOCIATES 1717 SOUTH J STREET TACOMA, WA 98405												
91-1352698 ST JOSEPH-PAML LLC	MGMT SVCS	KY	SJHS	RELATED	30,446	1,149,003		No	0	Yes		625%
424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 45-2116736												
	OP DIAGNOSTICS	NE	SERMC	RELATED	-200,323	821,112		No	0	Yes		51 %
5000 NORTH 26TH STREET LINCOLN, NE 68521												
26-2884555 SURGERY CENTER OF LEXINGTON LLC	SURGERY CENTER	DE	SJHS	RELATED	-200,318	4,079,584		No	0	Yes		51 %
424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 62-1179539												
LOUISVILLE LLC	SURGERY CENTER	KY	ЭН	RELATED	-15,452	396,101		No	0	Yes		51 %
200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 62-1179537												
NORTHWEST IMAGING CENTER LLC	OP DIAGNOSTICS	NE	ACH	RELATED	116,752	776,649		No	0	Yes		51 %
3606 N 156TH STREET OMAHA, NE 68116 06-1786985 BERGAN MERCY	AMBUL SURG CTR	NE	АСН	RELATED	142,085	2 204 472		No	0		No	63 94 %
SURGERY CENTER LLC 7710 MERCY ROAD STE	AMBUL SURG CTR		АСП	RELATED	142,085	3,294,472		NO	0		INO	03 94 %
100 OMAHA, NE 68124 20-8671994												
LAKESIDE AMBULATORY SURGICAL CENTER LLC	AMBUL SURG CTR	NE	ACH	RELATED	3,465,880	1,951,221		No	0		No	516%
17031 LAKESIDE HILLS DR OMAHA, NE 68130 20-4267902												
LAKESIDE ENDOSCOPY CENTER LLC	ENDOSCOPY SRVC	NE	ACH	RELATED	1,455,294	1,013,126		No	0		No	52 28 %
17001 LAKESIDE HILLS PLZ STE 201 OMAHA, NE 68130 20-5544496												
	SPINE HOSPITAL	NE	АСН	RELATED	10,501,730	17,301,869		No	0		No	51 %
6901 N 72ND STREET OMAHA, NE 68122 27-0263191												
	TECH SERVICES	NE	AH-IMC	RELATED	1,011,804	5,564,586		No	68,565	Yes		627%
421 S 9TH ST 102 LINCOLN, NE 68508 20-4962103								_				
SAINT JOSEPH-ANC HOME CARE SERVICES	HOME HEALTH	KY	JН	RELATED	3,208,139	9,684,824		No	0		No	969%
1700 EDISON DRIVE SUITE 300 MILFORD, OH 45150 26-3330545												

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

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership												
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant Income (related, unrelated, excluded from tax under sections	(f) Share of total Income	(g) Share of end- of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
	5544 557475		055140	512-514)	207.452	122.221	Yes	No		Yes	-	55.76.04
LINCOLN CK LEASING LLC 8770 BRYN MAWR SUITE 1370	REAL ESTATE	NE	SERMC	RELATED	397,452	439,334		No	0		No	53 76 %
CHICAGO, IL 60631 26-2496856												
HIGHLINE IMAGING LLC	DIAGNOSTIC	WA	НМС	RELATED	840,222	1,784,058		No	0		No	80 %
275 SW 160TH ST BURIEN, WA 98166 20-0460005												
HC SL VINTAGE I LLC 18000 WEST SARAH LANE SUITE 250	PROPERTY HOLD	WI	SL CDC - VINTAGE	RELATED	1,027,057	105,658,490		No	0		No	51 %
BROOKFIELD, WI 53045 27-0453767												
ST LUKE'S HOSPITAL AT THE VINTAGE LLC	HOSPITAL	TX	SL CDC - VINTAGE	RELATED	-19,253,743	69,158,748		No	0	Yes		51 %
6624 FANNIN SUITE 2505 HOUSTON, TX 77030 26-3734516												
PMC HOSPITAL LLC 6624 FANNIN SUITE 2505 HOUSTON, TX 77030 27-3280598	HOSPITAL	TX	SL CDC - PMC	RELATED	1,092,540	20,751,174		No	0	Yes		51 %
ST LUKE'S DIAGNOSTIC CATH LAB LLP	DIAGNOSTIC	тх	SLHS HOLDINGS	RELATED	273,448	868,814		No	0		No	57 3 %
6620 MAIN ST SUITE 1520 HOUSTON, TX 77030 71-0959365												
ST LUKE'S LAKESIDE HOSPITAL LLC	HOSPITAL		SL CDC - WOODLANDS	RELATED	1,106,628	25,874,619		No	0	Yes		51 %
6624 FANNIN SUITE 2505 HOUSTON, TX 77030 30-0427437												
ST LUKE'S THE WOODLANDS SLEEP CENTER LLC	DIAGNOSTIC	ТХ	SLHS HOLDINGS	RELATED	0	0		No	0		No	51 %
6624 FANNIN SUITE 800 HOUSTON, TX 77030 46-2795726												

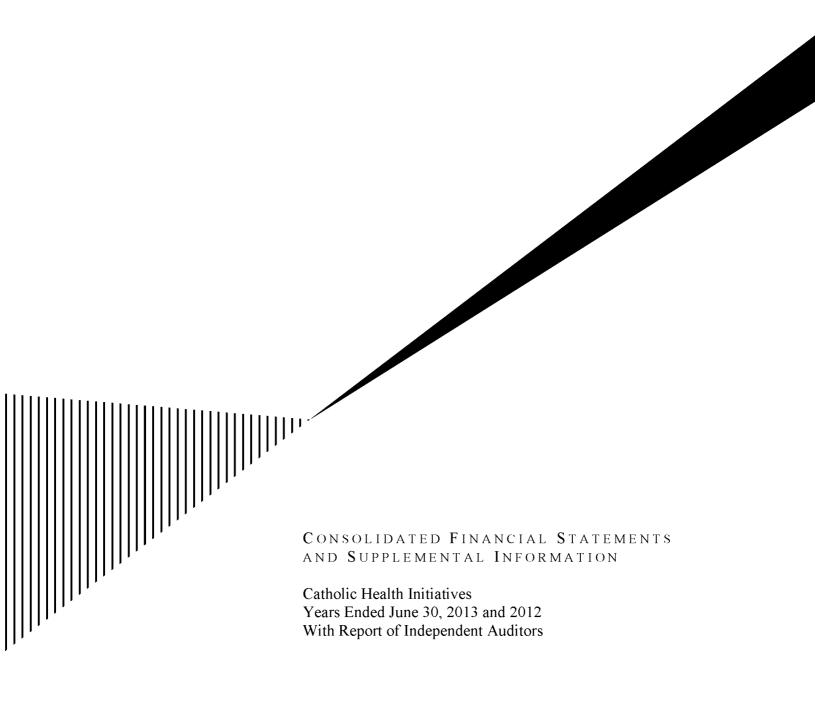
Form 990, Schedule R, Part IV - Identi						(-)	<i>(</i> E)		
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total Income	(g) Share of end- of-year assets	(h) Percentage ownership	Secti 512(b) contro entity	on (13) lled
ALTERNATIVE INSURANCE MANAGEMENT SERVICE	MANAGEMENT SERVICES		СНІ	C CORPORATION	0	6,272,746	100 %	Yes	
3900 OLYMPIC BOULEVARD SUITE 400 ERLANGER, KY 41018		со							
84-1112049 AMERICAN NURSING	HOME HEALTH		CHS	С	5,118,606	51,920,207	100 %	Yes	
CARE 1700 EDISON DRIVE MILFORD, OH 45150 31-1085414		он		CORPORATION					
AMERIMED INC 1700 EDISON DRIVE MILFORD, OH 45150 31-1158699	HOME HEALTH	он	ANC	C CORPORATION	2,134,392	14,669,219	100 %	Yes	
BC HOLDING COMPANY INC	FITNESS CLUB		Э Н	C CORPORATION	0	0	100 %	Yes	
1850 BLUEGRASS AVE LOUISVILLE, KY 40215 31-1542851		кү							
CADUCEUS MEDICAL ASSOCIATES INC	HEALTHCARE		MHCS	C CORPORATION	0	1,008	100 %	Yes	
5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570736		TN							
CAPTIVE MANAGEMENT INITIATIVES	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ									
98-0663022 CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH	RESEARCH		CIRI	C CORPORATION	-2,286,538	1,241,259	100 %	Yes	
198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-2269511		со							
CGH REALTY COMPANY INC 2500 BERNVILLE RD READING, PA 19603	REAL ESTATE	PA	SJHM	C CORPORATION	0	0	100 %	Yes	
23-2326801 COMCARE SERVICES	INACTIVE		CHIC	С	0	0	100 %	Yes	
4231 W 16TH AVENUE DENVER, CO 80204 84-0904813		со		CORPORATION					
CONSOLIDATED HEALTH SERVICES	HOME HEALTH		CHI	C CORPORATION	-879,467	52,379,487	100 %	Yes	
1700 EDISON DRIVE MILFORD, OH 45150		ОН							
31-1378212 DES MOINES MEDICAL CENTER INC	REAL ESTATE		CHI-IA CORP	C CORPORATION	61,204	1,064,032	92 98 %	Yes	
1111 6TH AVENUE DES MOINES, IA 50314 42-0837382		IA							
FIRST INITIATIVES INSURANCE LTD PO BOX 10073 APO GEORGETOWN,	INSURANCE	CJ	СНІ	C CORPORATION	0	0	100 %	Yes	
GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0203038									
FRANCISCAN SERVICES INC	HEALTHCARE		CHI	C CORPORATION	-7,868	718,254	100 %	Yes	
198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2487967		со							
GOOD SAMARITAN OUTREACH SERVICES	MEDICAL CLINIC		CHI NEBRASKA	C CORPORATION	-257,418	180,468	100 %	Yes	
PO BOX 1990 KEARNEY, NE 68848 47-0659440		NE							
HEALTH SYSTEMS ENTERPRISES INC PO BOX 1990	MANAGEMENT	NE	GSH	C CORPORATION	87,278	1,377,820	100 %	Yes	
KEARNEY, NE 68848 47-0664558									

Form 990, Schedule R, Part IV - Identi							0.5		
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile	(d) Direct controlling	(e) Type of entity (C corp, S	(f) Share of total Income	(g) Share of end- of-year	(h) Percentage ownership	(i) Section 512(b)(on
related organization		(state or foreign country)	entity	corp, s	income	assets	ownership	control	led
HEALTHCARE MGMT	HEALTH ORG	,,	FHS	C	0	0	100 %	Yes Yes	No
SERVICES ORG INC		WA		CORPORATION	_		100 /0		
1149 MARKET ST TACOMA, WA 98402		VVA							
91-1865474 MEDQUEST	SALE OF DME		MMC	C	153,510	1,152,715	100 %	Yes	
1301 15TH AVENUE WEST		ND	WILLISTON	CORPORATION					
WILLISTON, ND 58801		, we							
45-0392137 MERCY PARK	HOUSING		CHI-IA CORP	С	369,231	1,937,218	100 %	Yes	
APARTMENTS LTD				CORPORATION					
1111 6TH AVENUE DES MOINES, IA 50314		IA							
42-1202422 MERCY SERVICES	RETAIL SALES		ммс	С	-440,596	1,423,377	100 %	Yes	
CORP	NETATE SALES			CORPORATION		1,123,377	100 /0		
2700 STEWART PARKWAY		OR							
ROSEBURG, OR 97470 93-0824308									
MHSERVICES CORPORATION	DME		SJRMC	C CORPORATION	0	0	100 %	Yes	
198 INVERNESS		МО							
DRIVE WEST ENGLEWOOD, CO		MO							
80112 43-1457881								.	
MOUNTAIN MANAGEMENT SERVICES INC	MGMT SVC ORG		MHCS	C CORPORATION	96,044	6,465,179	100 %	Yes	
5600 BRAINERD		TN							
ROAD SUITE 500 CHATTANOOGA, TN									
37411 62-1570739									
NAZARETH ASSURANCE	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
COMPANY PO BOX 10073 APO									
GEORGETOWN, GRAND CAYMAN									
KY1-1001 CJ									
03-0304831 PATIENT TRANSPORT	HOME HEALTH		ANC	С	-164,340	5,488,275	100 %	Yes	
SERVICES INC 1700 EDISON DRIVE		ОН		CORPORATION					
MILFORD, OH 45150 31-1100798									
PHYSICIAN HEALTH SYSTEM NETWORK	HEALTH ORG		FHS	C CORPORATION	0	0	100 %	Yes	
1149 MARKET ST		WA							
TACOMA, WA 98402 91-1746721	DILLING SERVICES		5555		257.262	1 261 242	100.00		
SAINT CLARES PRIMARY CARE INC	BILLING SERVICES		sccc	C CORPORATION	-357,263	1,361,242	100 %	Yes	
66 FORD ROAD DENVILLE, NJ 07834		NJ							
22-2441202 SAMARITAN FAMILY	HEALTHCARE		SHP	С	0	0	100 %	Yes	
CARE INC				CORPORATION					
40 W FOURTH ST 1700 DAYTON, OH 45402		ОН							
31-1299450 SJH SERVICES	HEALTHCARE		FSI	С	-197,039	3,331,737	100 %	Yes	
CORPORATION			, = -	CORPORATION		_,,,,,,,,			
198 INVERNESS DRIVE WEST		со							
ENGLEWOOD, CO 80112 23-2307408									
SJL PHYSICIAN MANAGEMENT	MANAGEMENT		SJHS	C CORPORATION	0	0	100 %	Yes	
SERVICES INC									
424 LEWIS HARGETT CR 160		KY							
LEXINGTON, KY 40503 27-0164198									
ST ANTHONY DEVELOPMENT	ATHLETIC CLUB		SAH	C CORPORATION	114,663	2,936,102	100 %	Yes	
COMPANY		0.0							
1415 SOUTHGATE PENDLETON, OR		OR							
97801 93-1216943			lavaria.			15.55		 	
ST VINCENT COMMUNITY HEALTH SERVICES INC	HEALTHCARE		SVIMC	C CORPORATION	2,408,638	15,225,732	100 %	Yes	
TWO ST VINCENT		AR							
CIRCLE LITTLE ROCK, AR]							
72205 71-0710785									
								<u> </u>	

March Marc	Form 990, Schedule R, Part IV - Ide						1	ı	1
Second	Name, address, and EIN of		Legal	Direct	Type of entity	Share of total	Share of end-	Percentage	Section
Description	related organization		(state or foreign	_	corp,	Income		ownership	controlled
Section Sect	CT 10 CEDIA	DENTAL	- Country,	FCI	·	655.479	12 257 419	100.0/	Yes No
1975 1975	DEVELOPMENT	RENTAL		1,21		655,478	12,357,418	100 %	res
TACCHARA, AN SERVICE COMPONENTIAL COMPONENTIA			WA						
## STOCKET OFFICE ## ASSOCIATION ##	TACOMA, WA 98405								
PASS ASSOCIATION PASS ASSOCI		MANAGEMENT		SJHS	С	0	882,139	85 %	Yes
Read Ball Card Control Card Co					CORPORATION				
MONORMAN MANAGEMENT MANAG	ROAD BLDG B70		KY						
Total Control Total Contro	40504								
MO	TOWSON			FSI			197,196	100 %	Yes
COMPONENT CONTROL CO		SERVICES	MD		CORPORATION				
MANAGED	TOWSON, MD 21204								
SET PRINTERS COMPONE WEST COMP		HOLDING CO		СНІ	C CORPORATION		23,806,707	100 %	Yes
SALE WEST SALE SALE SALE SALE SALE SALE SALE SALE	SOLUTIONS INC								
### STATE OF THE PART OF THE P	DRIVE WEST		СО						
COLORPORATION COMPORATION	80112								
CO	COLLABHEALTH PLAN	ADMIN SERVICES		CHMS	_		38,272,608	100 %	Yes
DRIVE WEST ENGLEWOOD, CO					CORPORATION				
## 1224037 ### 122	DRIVE WEST		СО						
SADUP SADU	80112								
SET LINE'S ARABIN SUITE TX SEPE SEZONATION TX SEPE SEZONATION TX TX SEP SEZONATION	HIGHLINE MEDICAL	MEDICAL SERVICES		нмс	_		5,689,139	100 %	Yes
SURPLY S	15811 AMBAUM BLVD		WA						
SOUNDATH HEALTH INSURANCE	BURIEN, WA 98166								
32128 MEDITE 201 SEPERATUSER WAY WA SOUTH 201 SEPERATUSER WAY WAS SOUTH 201 SEPERATUSER WAY WAS SEPERATUSER WAY SEPERATUSER	SOUNDPATH HEALTH	INSURANCE		CHPS			10,976,973	556%	Yes
WEYERAEUSER WAY S SUITE 201 FEDERAL WAY, WA 9800.00 FEDERAL WAY, WA 9800.00 FEDERAL WAY, WA 9800.00 FEDERAL WAY, WA 9800.00 FEDERAL WAY, WAS 9800.00 FEDERAL WAY					CORPORATION				
FEDERAL WAY, WA 98001 42-1720801 58UHS C C C C C C C C C	WEYERHAEUSER WAY		WA						
A2-1728801	FEDERAL WAY, WA								
TX	42-1720801	HOLDING CO		SIHS		1 4 2 5 3 1 3	33 114 103	100%	Yes
SOUND STEELING SUPERIOR S		noeding co		32113	CORPORATION		33,114,103	100 %	
STUKE'S MEDICAL CLINIC SLMC C CORPORATION No. Ves	800		I X						
ASSOCIATES 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 46-1517163 SLMT PARKING INC 6624 FANNIN SUITE 800 HOUSTON, TX 77030 76-0637140 ST LIKE'S 6620 MAIN CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 30-0355517 ST LIKE'S FPISCOPAL HOSPITAL PHYSICIAN HOSPITAL HO		MEDICAL CLINIC		SLMC	_		0	100 %	Yes
100 HOUSTON, TX 77030					CORPORATION				
HOUSTON, TX 77030			ТХ						
SLMT PARKING INC	HOUSTON, TX 77030								
TX Struck		PARKING		SLHS		1,117,934	13,768,221	100 %	Yes
TA			тх						
CONDOMINIUM ASSOCIATION CORPORATION CORPORATION CORPORATION TX CORPORATION TX CORPORATION CORPORATION TX CORPORATION TX CORPORATION TX CORPORATION TX CORPORATION CORPORATION TX									
TX		CONDOMINIUM ASSOC		SLPC	C CORPORATION		0	100 %	Yes
1100			тх						
30-0355517 ST LUKE'S EPISCOPAL HOSPITAL PHYSICIAN HOSPITAL ORGANIZATION INC 6720 BERTNER HOUSTON, TX 77030 76-0377932 ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE	1100								
EPISCOPAL HOSPITAL PHYSICIAN HOSPITAL ORGANIZATION INC 6720 BERTNER HOUSTON, TX 77030 76-0377932 ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION TX CORPORATION TX CORPORATION TX CORPORATION TX CORPORATION TX	30-0355517	PHO		SIMC	C			60 º/-	Vas
PHYSICIAN HOSPITAL ORGANIZATION INC 6720 BERTNER HOUSTON, TX 77030 76-0377932 ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE TX TX TX ATX BY TX TX TX TX TX TX TX TX TX T	EPISCOPAL				CORPORATION	-		55 /0	163
ORGANIZATION INC 6720 BERTNER HOUSTON, TX 77030 76-0377932 ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION TX SLPC CORPORATION TX TX	PHYSICIAN HOSPITAL		TV						
HOUSTON, TX 77030 76-0377932 ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION TX CORPORATION TX TX									
ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION TX SLPC C C ORPORATION TX TX	HOUSTON, TX 77030								
CONDOMINIUM ASSOCIATION TX 6624 FANNIN SUITE	ST LUKE'S MEDICAL	CONDOMINIUM ASSOC		SLPC	_	-	0	100 %	Yes
6624 FANNIN SUITE	CONDOMINIUM				CORPORATION				
			ТХ						
1100 HOUSTON, TX 77030	1100								
30-0355518 CONDOMINIUM ASSOC SLMTC C 0 0 100 % Yes	30-0355518	CONDOMINIUM ASSOC		SLMTC	c	0	0	100 %	Yes
TOWER CORPORATION CORPORATION	TOWER CONDOMINIUM				I -	_			
ASSOCIATION			тх						
6624 FANNIN SUITE 1100 HOUSTON, TX 77020	1100								
HOUSTON, TX 77030 76-0298751 GUGAB LAND	76-0298751	MEDICAL CAST		GL 0::5				4000	
SUGAR LAND DOCTOR GROUP MEDICAL CLINIC SL CHS C CORPORATION -1,159,411 566,590 100 % Yes		MEDICAL CLINIC		ISL CHS	_		566,590	100%	Yes
1317 LAKE POINTE PARKWAY			тх						
SUGAR LAND, TX 77478	SUGAR LAND, TX								
45-4270163				I		l			

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) Secti 512(b) contro entity	on (13) lled y?
THE TEXAS HEART	CONDOMINIUM ASSOC		SLMC	c	0	0	100 %	Yes Yes	No
INSTITUTE AT ST LUKE'S EPISCOPAL HOSPITAL DENTON A COOLEY B UILDING CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 90-0064009	CONDOMINION ASSOC	ΤX		CORPORATION			100 %	1 es	
ALEGENT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC	MANAGED CARE	NE	ACH	C CORPORATION	5,312,313	4,520,865	100 %	Yes	
12809 WEST DODGE ROAD OMAHA, NE 68154 47-0802396		N.C							
ALL SAINTS INSURANCE COMPANY SPC LTD	INSURANCE	CJ	SLHS	C CORPORATION	0	43,866,961	100 %	Yes	
PO BOX 69 GT 720 WEST BAY ROAD GEORGETOWN, GRAND CAYMAN KY- 1102 CJ									
VINTAGE DOCTOR GROUP	MEDICAL CLINIC		SLMC	C CORPORATION	0	0	100 %	Yes	
6624 FANNIN SUITE 1100 HOUSTON, TX 77030		ТХ							



Ernst & Young LLP



Consolidated Financial Statements and Supplemental Information

Years Ended June 30, 2013 and 2012

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Ernst & Young LLP Suite 3300 370 17th Street

Denver, CO 80202

Tel +1 720 931 4000 Fax +1 720 931 4444 www.ev.com

Report of Independent Auditors

The Board of Stewardship Trustees Catholic Health Initiatives

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Alegent Health–Bergan Mercy Health System, a wholly sponsored direct affiliate of CHI, which statements reflect total assets of \$716.0 million as of June 30, 2012, and total revenues of \$452.0 million for the year then ended Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Alegent Health–Bergan Mercy Health System is based solely on the report of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of 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, based on our audits, and for 2012 the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Health Initiatives at June 30, 2013 and 2012, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

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

As disclosed in Note 1 to the consolidated financial statements, CHI changed its presentation and disclosure of bad debt expense as a result of the adoption of the amendments to the Financial Accounting Standards Board's Accounting Standards Codification resulting from Accounting Standards Update No 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities Our opinion is not modified with respect to this matter

Ernst + Young LLP

September 17, 2013

Consolidated Balance Sheets (In Thousands)

	June 30			
		2013		2012
Assets				
Current assets				
Cash and equivalents	\$	609,226	\$	403,972
Net patient accounts receivable, less allowances for bad debt				
of \$858,394 and \$687,631 in 2013 and 2012, respectively		1,755,348		1,353,928
Other accounts receivable		197,917		115,884
Current portion of investments and assets limited as to use		11,697		1,901
Inventories		247,720		185,571
Assets held for sale		215,777		485,074
Prepaid and other		137,776		87,125
Total current assets		3,175,461		2,633,455
Investments and assets limited as to use:				
Internally designated for capital and other funds		5,452,023		4,588,520
Mission and Ministry Fund		121,109		110,918
Capital Resource Pool		416,938		320,218
Held by trustees		16,726		228
Held for insurance purposes		825,885		745,127
Restricted by donors		266,325		162,776
Total investments and assets limited as to use		7,099,006		5,927,787
Property and equipment, net		7,786,240		5,346,535
Deferred financing costs		36,557		28,717
Investments in unconsolidated organizations		416,816		307,918
Intangible assets and goodwill, net		364,751		162,880
Notes receivable and other		430,888		605,094
Total assets	\$ 1	19,309,719	\$	15,012,386

	June 30			
	2013 2013			
Liabilities and net assets				
Current liabilities				
Compensation and benefits	\$ 600,837	\$ 418,596		
Third-party liabilities	110,571	76,660		
Accounts payable and accrued expenses	1,066,930	717,087		
Liabilities held for sale	91,412	105,446		
Variable-rate debt with self liquidity	321,455	321,455		
Commercial paper and current portion of debt	749,617	643,083		
Total current liabilities	2,940,822	2,282,327		
Pension liability	472,852	892,820		
Self-insured reserves and claims	616,652	513,584		
Other liabilities	698,283	236,763		
Long-term debt	6,334,985	3,778,709		
Total liabilities	11,063,594	7,704,203		
Net assets				
Net assets attributable to CHI	7,769,310	6,922,466		
Net assets attributable to noncontrolling interests	175,663	180,863		
Unrestricted	7,944,973	7,103,329		
Temporarily restricted	214,524	136,821		
Permanently restricted	86,628	68,033		
Total net assets	8,246,125	7,308,183		
Total liabilities and net assets	\$ 19,309,719	\$ 15,012,386		

See accompanying notes.

Consolidated Statements of Operations (In Thousands)

	 Year Ended June 30 2013 2012				
Revenues		0.000			
Net patient services revenues before provision for doubtful accounts	\$ 10,714,455 \$	9.223.859			
Provision for doubtful accounts Net patient services revenues	 (821,465) 9,892,990	(708,458) 8,515,401			
The patient services revenues	J,072,770	0.5151.101			
Nonpatient					
Donations	31,089	25,833			
Changes in equity of unconsolidated organizations	19,056	22,934			
Investment income used for operations	66,529	37,169			
Other	 698,561	532,303			
Total nonpatient revenues	815,235	618.239			
Total operating revenues	10,708,225	9,133,640			
Expenses					
Salaries and wages	4,424,404	3,776,086			
Employee benefits	970,824	749,098			
Purchased services, medical professional fees, consulting and legal	1,361,778	924.785			
Supplies	1,832,984	1,566,359			
Utilities	152,979	120,201			
Rentals, leases, maintenance and insurance	616,683	523,042			
Depreciation and amortization	555,064	473,768			
Interest	164,353	129,648			
Other	624,756	511,152			
Total operating expenses before restructuring, impairment					
and other losses	10,703,825	8.774.139			
Income from operations before restructuring, impairment					
and other losses	4,400	359,501			
Restructuring, impairment, and other losses	59,343	47,735			
(Loss) income from operations	(54,943)	311,766			
Nonoperating gains (losses)					
Investment income, net	488,824	19,770			
Loss on defeasance of bonds	(17,998)	(70,555)			
Realized and unrealized gains (losses) on interest rate swaps	65,843	(153,411)			
Other nonoperating gains (losses)	7,977	(12.215)			
Total nonoperating gains (losses)	544,646	(216,411)			
Excess of revenues over expenses	489,703	95,355			
(Deficit) excess of revenues over expenses attributable to noncontrolling interest	(37)	537			
Excess of revenues over expenses attributable to CHI	\$ 489,740 \$	94,818			

See accompanying notes

Consolidated Statements of Changes in Net Assets (In Thousands)

	Unrestricted Net Assets						
	Attributable Attributable Noncontrollin to CHI Interest		ncontrolling	Total	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances, June 30, 2011	\$ 7,448,16	51 \$	8.967 \$	7.457.128	\$ 122.795	\$ 62.426	\$ 7,642,349
Excess of revenues over expenses	94.81	8	537	95,355	_	_	95,355
Net loss from discontinued operations	(45.09	95)	_	(45,095)	_	_	(45,095)
Increase in pension funded status	(618.1-	11)	(878)	(619,019)	_	_	(619,019)
Temporarily and permanently restricted contributions		_	_	_	39,117	(122)	38,995
Net assets released from restriction for capital	18.11	9	_	18,119	(18,119)	_	
Net assets released from restriction for operations		_	_	_	(19.689)	_	(19.689)
Investment income	23	32	_	232	1,007	47	1.286
KentuckyOne Health noncontrolling interest		_	181,551	181,551	_	_	181,551
Other changes in net assets	24.37	72	(9.314)	15,058	11,710	5.682	32,450
Net (decrease) increase in net assets	(525.69	95)	171.896	(353,799)	14.026	5,607	(334,166)
Balances, June 30, 2012	6,922,46	66	180,863	7,103,329	136,821	68,033	7,308,183
Excess of revenues over expenses	489,7-	10	(37)	489,703	_	_	489,703
Net loss from discontinued operations	(108,59	94)	_	(108,594)	_	_	(108,594)
Decrease in pension funded status	483,46	68	2,082	485,550	_	_	485,550
Temporarily and permanently restricted contributions		_	_	_	33,056	(1,554)	31,502
Net assets released from restriction for capital	15,79	1	_	15,791	(15,791)	_	_
Net assets released from restriction for operations		_	_	_	(15,728)	_	(15,728)
Investment (loss) income	(-	(5)	_	(45)	5,393	1,280	6,628
Temporarily and permanently restricted assets from acquisitions		_	_	_	74,253	19,171	93,424
Other changes in net assets	(33,51	(6)	(7,245)	(40,761)	(3,480)	(302)	(44,543)
Net increase (decrease) in net assets	846,8-	14	(5,200)	841,644	77,703	18,595	937,942
Balances, June 30, 2013	\$ 7,769,31	0 \$	175,663	7,944,973	\$ 214,524	\$ 86,628	\$ 8,246,125

See accompanying notes

Consolidated Statements of Cash Flows (In Thousands)

	Year Ended 2013	June 30 2012		
Operating activities				
Increase (decrease) in net assets	\$ 937,942 \$	(334,1	66)	
Adjustments to reconcile increase (decrease) in net assets to				
net cash provided by operating activities				
Depreciation and amortization	555,064	473,7	68	
Provision for bad debts	821,465	708.4	58	
Changes in equity of unconsolidated organizations	(19,056)	22,9	34	
Net gains on sales of facilities and investments in				
unconsolidated organizations	(85,969)	(57.3	83)	
Noncash operating expenses related to restructuring.				
impairment, and other losses	4,872	16.0	24	
Loss on defeasance of bonds	17,998	70.5	55	
(Increase) decrease in fair value of interest rate swaps	(98,799)	121,9	49	
(Decrease) increase in unfunded pension liability	(484,049)	601,9	90	
Net changes in current assets and liabilities				
Net patient and other accounts receivable	(1,067,716)	(883.7	03)	
Other current assets	(6,725)	(10,9	92)	
Current liabilities	89,868	2.7	71	
Noncontrolling equity of acquisition of JHSMH	_	(181.5	51)	
Other changes	193,461	(120,4		
Net cash provided by operating activities, before net change				
in investments and assets limited as to use	858,356	430,2	38	
Net decrease in investments and assets limited as to use	474,258	286.7	73	
Net cash provided by operating activities	1,332,614	717.0	11	
Investing activities				
Purchases of property, equipment, and other capital assets	(1,285,330)	(861,0	34)	
Purchase of St Luke's Health System, net of cash acquired	(961,014)	(,-	_	
Purchase of Alegent Creighton Health, net of cash acquired	(505,542)		_	
Cash acquired on affiliation agreement with UMC	53,458		_	
Cash acquired on contribution of Highline Medical Center	14,238		_	
Purchase of Nebraska Heart, net of cash acquired	, _	(130,9	82)	
Purchase of JHSMH, net of cash acquired	_	(28.6		
Net cash proceeds from asset sales	218,002	22,1		
Distributions from investments in unconsolidated organizations	35,224	40,2		
Cash from net repayments of notes receivable	2,843	29,7		
Other changes	35,306	21,3		
Net cash used in investing activities	(2,392,815)	(907,2		

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Consolidated Statements of Cash Flows (continued) (In Thousands)

	Year Ended June 30			
	2013 2			2012
Financing activities				
Proceeds from issuance of debt	\$	1,591,465	\$	1,126,463
Costs associated with issuance of debt		(12,170)		(8,855)
Repayment of debt		(313,840)		973,106
Net cash provided by financing activities		1,265,455		144,502
		205.254		(15.702)
Increase (decrease) in cash and equivalents		205,254		(45,702)
Cash and equivalents at beginning of year		403,972		449,674
Cash and equivalents at end of year	\$	609,226	\$	403,972
Supplemental disclosures of cash flow information				
Cash paid during the year for interest, including amounts capitalized		199,413	\$	151,837

See accompanying notes

Notes to Consolidated Financial Statements

June 30, 2013

1. Summary of Significant Accounting Policies

Organization

Catholic Health Initiatives (CHI), established in 1996, is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI sponsors market-based organizations (MBO) and other facilities in 17 states, including 86 acute-care hospitals, of which 23 are designated as critical access hospitals by the Medicare program, two community health service organizations, two accredited nursing colleges, home health agencies, and several other sites including long-term care, assisted living and residential facilities CHI also has an offshore captive insurance company, First Initiatives Insurance, Ltd (FIIL)

The mission of CHI is to nurture the healing ministry of the Church by bringing it new life, energy and viability in the 21st century Fidelity to the Gospel urges CHI to emphasize human dignity and social justice as it moves toward the creation of healthier communities

Principles of Consolidation

CHI consolidates all direct affiliates in which it has sole corporate membership or ownership (Direct Affiliates) and all entities in which it has greater than 50% equity interest with commensurate control All significant intercompany accounts and transactions are eliminated in consolidation

Fair Value of Financial Instruments

Financial instruments consist primarily of cash and equivalents, patient accounts receivable, investments and assets limited as to use, notes receivable, accounts payable, and long-term debt The carrying amounts reported in the consolidated balance sheets for these items approximate fair value

Cash and Equivalents

Cash and equivalents include all deposits with banks and investments in interest-bearing securities with maturity dates of 90 days or less from the date of purchase In addition, cash and equivalents include deposits in short-term funds held by professional managers. The funds generally invest in high-quality, short-term debt securities, including U S government securities,

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

securities issued by domestic and foreign banks, such as certificates of deposit and bankers' acceptances, repurchase agreements, asset-backed securities, high-grade commercial paper and corporate short-term obligations

Net Patient Accounts Receivable and Net Patient Services Revenues

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors.

The provision for bad debts is based upon management's assessment of historical and expected net collections, taking into consideration historical business and economic conditions, trends in health care coverage and other collection indicators. Management routinely assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility. In accordance with Accounting Standards Update (ASU) No. 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Entities, the provision for bad debts is presented on the consolidated statement of operations as a deduction from patient services revenues (net of contractual allowances and discounts) since CHI accepts and treats all patients without regard to the ability to pay

During fiscal year 2013, CHI added approximately \$400 0 million in net patient accounts receivable due to the acquisition of various new subsidiaries – see Note 4, *Acquisitions and Divestitures* As a result, the accounts receivable reserve and allowance accounts have increased materially from June 30, 2012 Exclusive of acquisition activity, the total write-offs of uncollectible accounts and reserves on self-pay patient accounts have not changed significantly

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

from year to year CHI has not experienced significant changes in write-off trends and there have been no significant changes to its charity care policy Details of CHI's allowance activity is as follows

	Reserve for Contractual A	Allowance for Bad Debt	Reserve for Charity	Total Accounts Receivable Allowances
Balance at July 1, 2011 Additions Reductions	\$ (1,543,707) \$ (17,362,247) 16,958,204	(636,815) S (809,567) 758,751	(124,547) (1,027,652) 1,000,851	\$ (2,305,069) (19,199,466) 18,717,806
Balance at June 30, 2012	(1,947,750)	(687,631)	(151,348)	(2,786,729)
Additions	(21,690,860)	(886,571)	(1,219,555)	(23,796,986)
Reductions	20,778,640	715,808	803,787	22,298,235
Balance at June 30, 2013	\$ (2,859,970) \$	6 (858,394) 5	(567,116)	\$ (4,285,480)

CHI records net patient services revenues in the period in which services are performed CHI has agreements with third-party payors that provide for payments at amounts different from its established rates. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement and negotiated discounts from established rates, and per diem payments

Net patient services revenues are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments due to future audits, reviews and investigations, and excluding estimated amounts considered uncollectible. The differences between the estimated and actual adjustments are recorded as part of net patient services revenues in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews and investigations

Investments and Assets Limited as to Use

Investments and assets limited as to use include assets set aside by CHI for future long-term purposes, including capital improvements and self-insurance. In addition, assets limited as to use include amounts held by trustees under bond indenture agreements, amounts contributed by donors with stipulated restrictions and amounts held for Mission and Ministry programs

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

CHI has designated its investment portfolio as trading Accordingly, unrealized gains and losses on marketable securities are reported within excess of revenues over expenses. In addition, cash flows from the purchases and sales of marketable securities are reported as a component of operating activities in the accompanying consolidated statements of cash flows

Direct investments in equity securities with readily determinable fair values and all direct investments in debt securities have been measured at fair value in the accompanying consolidated balance sheets 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

Investments in limited partnerships and limited liability companies are recorded using the equity method of accounting (which approximates fair value as determined by the net asset values of the related unitized interests) with the related changes in value in earnings reported as investment income in the accompanying consolidated financial statements

Inventories

Inventories, primarily consisting of pharmacy drugs, and medical and surgical supplies, are stated at lower of cost (first-in, first-out method) or market

Assets and Liabilities Held for Sale

A long-lived asset or disposal group of assets and liabilities that is expected to be sold within one year is classified as held for sale. For long-lived assets held for sale, an impairment charge is recorded if the carrying amount of the asset exceeds its fair value less costs to sell. Such valuations include estimates of fair values generally based upon firm offers, discounted cash flows and incremental direct costs to transact a sale (Level 2 and Level 3 inputs)

Property and Equipment

Property and equipment are stated at historical cost or, if donated or impaired, at fair value at the date of receipt or impairment Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. For property and equipment under capital lease, amortization is determined over the shorter period of the lease term or the estimated useful life of the property and equipment. Interest cost incurred during the

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

period of construction of major capital projects is capitalized as a component of the cost of acquiring those assets Capitalized interest of \$30.4 million and \$14.6 million was recorded in 2013 and 2012, respectively

Costs incurred in the development and installation of internal-use software are typically expensed if they are incurred in the preliminary project stage or post-implementation stage, while certain costs are capitalized if incurred during the application development stage Amounts capitalized are amortized over the useful life of the developed asset following project completion

Investments in Unconsolidated Organizations

Investments in unconsolidated organizations are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over that organization. The equity income or loss on these investments is recorded in the consolidated statements of operations as changes in equity of unconsolidated organizations.

During fiscal year 2013, CHI entered into an eleven-year agreement with Conifer Health Solutions (Conifer) to provide revenue cycle services for CHI acute care operations. The agreement allows CHI to earn shares in Conifer as transition and other activities are completed per the agreement. Such shares will be issued at specified future dates. As of June 30, 2013, CHI has received 2,000 shares in Conifer with a fair market value of \$19.3 million and which is reflected as an investment in unconsolidated organizations on the consolidated balance sheet CHI has also met certain transition milestones for which CHI has earned the right to additional future shares valued at \$19.1 million at June 30, 2013, which are reflected in notes receivable and other in the accompanying consolidated financial statements. This earned value will be amortized as an offset to revenue cycle service fees paid to Conifer over the life of the agreement.

Intangible Assets and Goodwill

Intangible assets are comprised primarily of trade names and non-compete agreements, which are amortized over the estimated useful lives ranging from 10 to 15 years using the straight-line method Amortization expense of \$5 2 million and \$4 9 million was recorded in 2013 and 2012, respectively

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Goodwill is not amortized but is subject to annual impairment tests as well as more frequent reviews whenever circumstances indicate a possible impairment may exist Impairment testing of goodwill is done at the MBO level by comparing the fair value of the MBO's net assets against the carrying value of the MBO's net assets, including goodwill Each MBO is defined as a reporting unit for purposes of impairment testing. The fair value of net assets is calculated based on quantitative analysis of discounted cash flows. The fair value of goodwill is determined by assigning fair values to assets and liabilities and calculating any remaining fair value as the implied fair value of goodwill

A summary of intangible assets and goodwill is as follows as of June 30 (in thousands)

	 2013	2012
Intangible assets	\$ 107,603 \$	62,754
Less accumulated amortization	 (25,467)	(20,298)
	82,136	42,456
Goodwill	 282,615	120,424
Total intangible assets and goodwill, net	\$ 364,751 \$	162,880

Intangible assets and goodwill increased during fiscal year 2013 due to the acquisitions of Alegent Creighton Health and Affiliates, University Medical Center and University of Louisville Hospital, Highline Medical Center and St Luke's Health System as discussed in Note 4, *Acquisitions and Divestitures*

Notes Receivable and Other Assets

Other assets consist primarily of notes receivable, pledges receivable, deferred compensation assets, prepaid service contracts, deposits and other long-term assets. Notes receivable from related entities at June 30, 2013, include balances from Bethesda Hospital, Inc. (Bethesda), the non-CHI joint operating agreement (JOA) partner in the Cincinnati, Ohio JOA. As of June 30, 2012, notes receivable also included balances from Alegent Health Immanuel Medical Center (Immanuel), the non-CHI JOA partner, which was not a consolidated subsidiary of CHI until November 1, 2012, when CHI became the sole sponsor of Alegent Creighton Health and Affiliates (Alegent), including Immanuel Subsequent to November 1, 2012, the Immanuel notes receivable balance was recorded as an intercompany note and eliminated in consolidation. All of

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

the notes bear interest at rates commensurate with the CHI blended interest cost and require monthly debt service payments

A summary of notes receivable and other assets is as follows as of June 30 (in thousands)

	2013		2012	
Total notes receivable from related entities Reinsurance recoverable on unpaid losses and loss	\$	188,275	\$ 465,400	
adjustment expense		71,801	42,703	
Deferred compensation assets		41,014	29,027	
Other long-term assets		129,798	67,964	
Total notes receivable and other	\$	430,888	\$ 605,094	

Bethesda is a Designated Affiliate in the CHI credit group under the Capital Obligation Document (COD) As conditions of joining the CHI credit group, Bethesda has agreed to certain covenants related to corporate existence, insurance coverage, exempt use of bond-financed facilities, maintenance of certain financial ratios, and compliance with limitations on the incurrence of additional debt Based upon management's review of the creditworthiness of Bethesda and its compliance with the covenants and limitations, no allowances for uncollectible notes receivable were recorded at June 30, 2013 and 2012

Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, including endowment funds Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes primarily to purchase equipment, to provide charity care, and to provide other health and educational programs and services

Unconditional promises to receive cash and other assets are reported at fair value at the date the promise is received Conditional promises and indications of donors' intentions to give are reported at fair value at the date the conditions are met or the gifts are received All unrestricted

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

contributions are included in the excess of revenue over expenses as donation revenues. Other gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as donations revenue when restricted for operations or as unrestricted net assets when restricted for property and equipment

Performance Indicator

The performance indicator is the excess of revenues over expenses, which includes all changes in unrestricted net assets other than changes in the pension liability funded status, net assets released from restrictions for property acquisitions, the cumulative effect of changes in accounting principles, discontinued operations, contributions of property and equipment, and other changes not required to be included within the performance indicator under generally accepted accounting principles

Operating and Nonoperating Activities

CHI's primary mission is to meet the health care needs in its market areas through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, physician services, long-term care, and other health care services Activities directly associated with the furtherance of this purpose are considered to be operating activities Earnings from fixed-income investments held by FIIL are also classified within operating activities as such earnings support FIIL operations Other activities that result in gains or losses peripheral to CHI's primary mission are considered to be nonoperating Nonoperating activities include all other investment earnings, losses from bond defeasance, net interest cost and changes in fair value of interest rate swaps, and the nonoperating component of JOA income share adjustments

Charity Care

As an integral part of its mission, CHI accepts and treats all patients without regard to the ability to pay Services to patients are classified as charity care in accordance with standards established across all MBOs Charity care represents services rendered for which partial or no payment is expected, and includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured CHI determines the cost

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

of charity care on the basis of an MBO's total cost as a percentage of total charges applied to the charges incurred by patients qualifying for charity care under CHI's policy. This amount is not included in net patient services revenues in the accompanying consolidated statements of operations and changes in net assets. The estimated cost of charity care provided was \$320.7 million and \$248.7 million in 2013 and 2012, respectively, for continuing operations, and \$2.0 million and \$6.8 million in 2013 and 2012, respectively, for discontinued operations

Other Nonpatient Revenues

Other nonpatient revenues include services sold to external health care providers, gains on acquisitions of subsidiaries, cafeteria sales, rental income, retail pharmacy and durable medical equipment sales, auxiliary and gift shop revenues, meaningful use payments, gains and losses on the sales of assets, the operating portion of revenue-sharing income or expense associated with Direct Affiliates that are part of JOAs, and revenues from other miscellaneous sources

Derivative and Hedging Instruments

CHI uses derivative financial instruments (interest rate swaps) in managing its capital costs. These interest rate swaps are recognized at fair value on the consolidated balance sheets. CHI has not designated its interest rate swaps related to CHI's long-term debt as hedges. The net interest cost and change in the fair value of such interest rate swaps is recognized as a component of nonoperating gains (losses) in the accompanying consolidated statements of operations. It is CHI's policy to net the value of collateral on deposit with counterparties against the fair value of its interest rate swaps in other liabilities on the consolidated balance sheets.

Functional Expenses

CHI provides inpatient, outpatient, ambulatory, long-term care and community-based services to individuals within the various geographic areas supported by its facilities. Support services include administration, finance and accounting, information technology, public relations, human resources, legal, mission services and other functions that are supported centrally for all of CHI Support services expenses as a percentage of total operating expenses were approximately 5.5% and 5.0% in 2013 and 2012, respectively

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Restructuring, Impairment and Other Losses

CHI periodically evaluates property, equipment, goodwill and certain other intangible assets to determine whether assets may have been impaired Management determined there were certain property and equipment impairments in both 2013 and 2012 to the extent that the fair values (estimated based upon discounted cash flows) of those assets were less than the underlying carrying values

During the years ended June 30, 2013 and 2012, CHI recorded total charges of \$155 3 million and \$58 7 million, respectively, relating to asset impairments and changes in business operations, including reorganization and severance costs Of this amount, \$59 3 million and \$47 7 million were from continuing operations and reported in the consolidated statements of operations for 2013 and 2012, respectively, and \$96 0 million and \$11 0 million were reported as discontinued operations in the consolidated statements of changes in net assets for 2013 and 2012, respectively

Income Taxes

CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax

Management reviews its tax positions annually and has determined that there are no material uncertain tax positions that require recognition in the accompanying consolidated financial statements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses Actual results could vary from the estimates

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Meaningful Use of Certified Electronic Health Record Technology Incentive Payments

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in 2011 to certain hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology in ways that demonstrate improved quality and effectiveness of care Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period An initial Medicaid incentive payment is available to providers that adopt, implement or upgrade certified EHR technology However, in order to receive additional Medicaid incentive payments in subsequent years, providers must demonstrate continued meaningful use of EHR technology

CHI accounts for meaningful use incentive payments under the gain contingency model Medicare EHR incentive payments are recognized as revenues when eligible providers demonstrate meaningful use of certified EHR technology and the cost report information for the full cost report year that will determine the full calculation of the incentive payment is available Medicaid EHR incentive payments are recognized as revenues when an eligible provider demonstrates meaningful use of certified EHR technology CHI recognized \$32.5 million and \$11.3 million of Medicare meaningful use revenues and \$8.2 million and \$20.7 million of Medicaid meaningful use revenues in its consolidated statements of operations for fiscal year 2013 and 2012, respectively

Reclassifications

Certain reclassifications were made to the 2012 consolidated financial statement presentation to conform to the 2013 presentation

2. Community Benefit (Unaudited)

In accordance with its mission and philosophy, CHI commits substantial resources to sponsor a broad range of services to both the poor and the broader community Community benefit provided to the poor includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of traditional charity care, unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs, services such as free clinics and

Notes to Consolidated Financial Statements (continued)

2. Community Benefit (Unaudited) (continued)

meal programs for which a patient is not billed or for which a nominal fee has been assessed, and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community

Community benefit provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support This type of community benefit includes the costs of services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis, unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions, and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols

A summary of the cost of community benefit provided to both the poor and the broader community is as follows (in thousands)

		2013	2012
Cost of community benefit			_
Cost of charity care provided	\$	320,666	\$ 248,667
Unpaid cost of public programs, Medicaid and other			
indigent care programs		289,436	280,785
Nonbilled services		36,237	28,514
Cash and in-kind donations		3,904	3,221
Education research		48,186	49,640
Other benefit		55,427	52,369
Total cost of community benefit from			
continuing operations		753,856	663,196
Total cost of community benefit from			
discontinued operations		8,095	18,785
Total cost of community benefit		761,951	681,981
Unpaid cost of Medicare from continuing operations		392,485	368,245
Unpaid cost of Medicare from discontinued operations		27,055	26,226
Total unpaid cost of Medicare	_	419,540	394,471
Total cost of community benefit and the unpaid cost		717,540	377,771
of Medicare	\$	1,181,491	\$ 1,076,452

Notes to Consolidated Financial Statements (continued)

2. Community Benefit (Unaudited) (continued)

The summary above has been prepared in accordance with the Catholic Health Association of the United States (CHA) publication, *A Guide for Planning & Reporting Community Benefit* Community benefit is measured on the basis of total cost, net of any offsetting revenues, donations or other funds used to defray cost During fiscal year 2013, CHI received \$28.3 million in funds used to subsidize charity care provided

The total cost of community benefit from continuing and discontinued operations was 6 8% and 7 2% of total expenses before operating expenses related to restructuring, impairment and other losses in 2013 and 2012, respectively The total cost of community benefit and the unpaid cost of Medicare from continuing and discontinued operations was 10 5% and 11 3% of total expenses before operating expenses related to restructuring, impairment and other losses in 2013 and 2012, respectively

3. Joint Operating Agreements and Investments in Unconsolidated Organizations

Joint Operating Agreements

CHI participates in JOAs with hospital-based organizations in three separate market areas The agreements generally provide for, among other things, joint management of the combined operations of the local facilities included in the JOAs through Joint Operating Companies (JOC) CHI retains ownership of the assets, liabilities, equity, revenues and expenses of the CHI facilities that participate in the JOAs The financial statements of the CHI facilities managed under all JOAs are included in the CHI consolidated financial statements Transfers of assets from facilities owned by the JOA participants generally are restricted under the terms of the agreements

As of June 30, 2013, CHI has a 70% interest in a JOC based in Colorado and has a 50% interest in two other JOCs associated with other JOAs As of June 30, 2012, CHI also held a 50% interest in the Alegent JOC, which was dissolved in November 2012 when CHI became the sole sponsor of Alegent The dissolution resulted in a remeasurement of CHI's interest and the recognition of a \$21 0 million gain in fiscal year 2013 Such gain is reflected in other nonpatient revenues in the consolidated statements of operations

CHI's interests in the JOCs are included in investments in unconsolidated organizations and totaled \$103 0 million and \$99 0 million at June 30, 2013 and 2012, respectively CHI recognizes its investment in all JOCs under the equity method of accounting The JOCs provide

Notes to Consolidated Financial Statements (continued)

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

varying levels of services to the related JOA sponsors, and operating expenses of the JOCs are allocated to each sponsoring organization. The unconsolidated JOCs had total assets of \$484.0 million and \$688.0 million at June 30, 2013 and 2012, respectively, and net assets of \$161.0 million and \$156.0 million, respectively

Investments in Unconsolidated Organizations

CHI Kentucky – Effective on January 1, 2012, CHI purchased a controlling interest in Jewish Hospital and St Mary's Healthcare Inc and affiliates (JHSMH) CHI contributed its controlling interest, including its 25% joint venture investment in JHSMH, into a newly formed consolidated subsidiary, KentuckyOne Health (see Note 4, *Acquisitions and Divestitures*) As a result of the change in control of its investment in JHSMH, CHI recognized a gain in fiscal year 2012 on the remeasurement of its joint venture investment of \$45 0 million reported in other nonpatient revenues in the consolidated statements of operations

Preferred Professional Insurance Corporation (PPIC) – PPIC is an unconsolidated affiliate of CHI PPIC provides professional liability insurance and other related services to preferred physician and other health care providers that are associated with its owners CHI owns a 27% interest in PPIC and accounts for its investment under the equity method of accounting The book value of the investment was \$56 0 million and \$50 0 million at June 30, 2013 and 2012, respectively PPIC had net assets of \$208 0 million and \$184 0 million at December 31, 2012 and 2011, respectively

Notes to Consolidated Financial Statements (continued)

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

Other Entities – The summarized financial positions and results of operations for the other entities accounted for under the equity method as of and for the periods ended June 30, excluding the investments described above, are as follows (in thousands)

			20	013		
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Other Investees	Total
Total assets Total debt Net assets Net patient services	\$ 34,746 33,106 1,414	\$ 265,568 24,408 195,874	\$ 65,084 11,998 44,996	\$ 28,697 12,535 8,758	\$ 275,661 60,474 172,800	\$ 669,756 142,521 423,842
revenues Total revenues, net Excess of revenues over expenses	6,309 872	260,204 353,484 34,633	138,577 142,775 44,385	34,197 37,065 4,241	167,914 310,439 29,416	600,892 850,072 113,547
7 7		Outpatient	20			
	Medical Office Buildings	and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Other Investees	Total
Total assets Total debt Net assets Net patient services	\$ 29.557 27.793 1,160	\$ 259.753 12.866 195.293	\$ 58.575 10.627 42.396	\$ 19.997 8.637 8.462	\$ 140.714 18.062 76.977	\$ 508.596 77.985 324.288
revenues Total revenues, net Excess of revenues over expenses	5.845 477	277.668 380.983 37.039	125.121 125.326 34.367	33.254 35.685 5.854	109.779 218.627 15.284	545.822 766.466 93.021

Notes to Consolidated Financial Statements (continued)

4. Acquisitions and Divestitures

Continuing Operations

The following table is a summary of the business combinations that occurred in fiscal year 2013

	 St. Luke's	Highline		UMC	Alegent	Total
Fiscal Year 2013						
Purchase consideration						
Cash	\$ 1,000,000	\$ - \$	5	_	\$ 553,700	\$ 1,553,700
Note payable	260,000	_		_	_	260,000
Contingent						
consideration	_	_		217,709	_	217,709
Equity interest in						
Alegent	_	_		_	33,934	33,934
Gain on business						
combination		55,436		_	20,989	76,425
	\$ 1,260,000	\$ 55,436 \$	5	217,709	\$ 608,623	\$ 2,141,768
	 St. Luke's	Highline		UMC	Alegent	Total
Fiscal Year 2013						
Purchase price allocation						
Cash and investments	\$ 1,153,253	\$ 57,133 \$	5	94,061	\$ 496,309	\$ 1,800,756
Patient and other						
accounts receivable	180,106	27,268		65,723	118,833	391,930
Other current assets	37,413	5,081		29,601	34,884	106,979
Property and equipment	1,046,341	137,148		176,004	474,996	1,834,489
Intangible assets	41,124	1,494		_	982	43,600
Goodwill	_	_		53,178	92,964	146,142
Other assets	25,600	17,745		9,367	63,798	116,510
Current liabilities	(175,081)	(34,087)		(76,202)	(206,630)	(492,000)
Pension liability	(3,559)	(12,307)		_	(48,216)	(64,082)
Other liabilities	(153,436)	(5,355)		(11,202)	(81,344)	(251,337)
Notes payable to CHI	_	_		_	(337,953)	(337,953)
Debt	(891,761)	(138,684)		(122,821)	_ _	(1,153,266)
	\$ 1,260,000	\$ 55,436 \$	5	217,709	\$ 608,623	\$ 2,141,768

Notes to Consolidated Financial Statements (continued)

4. Acquisitions and Divestitures (continued)

St. Luke's Health System – Effective June 1, 2013, CHI acquired the operations of St Luke's Health System (St Luke's), a six-hospital system based in Houston, Texas, from Episcopal Health Foundation for cash and a note payable For the month of June 2013, the operations of St Luke's contributed \$95.2 million in operating revenues and \$12.8 million of deficit of revenues over expenses to the CHI consolidated results of operations

Highline Medical Center – Effective April 1, 2013, Highline Medical Center (Highline) was acquired by CHI for no consideration, resulting in the recognition of a \$55.4 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon observable (Level 2) inputs Highline is a 154-bed acute care hospital based in Burien, Washington Including the contribution gain, Highline reported \$103.7 million in operating revenues and \$52.8 million in excess of revenues over expenses to the CHI consolidated results of operations for the period April 1 through June 30, 2013

University Medical Center and University of Louisville Hospital – Effective March 1, 2013, KentuckyOne Health, University Medical Center (UMC) and the University of Louisville entered into a partnership, structured as a joint operating agreement between University Medical Center and KentuckyOne Health, whereby KentuckyOne Health controls substantially all of UMC's operations, which consist of the University of Louisville Hospital and the James Graham Brown Cancer Center (ULH) As part of the agreement, KentuckyOne Health has committed to provide financial support to the University of Louisville over the next 20 years, which as of the acquisition date had a fair value of \$217.7 million based upon discounted cash flows and probability-weighted performance assumptions (Level 3 inputs) The value of such contingent consideration will be remeasured at fair value on an annual basis. For the period from March 1 through June 30, 2013, the operations of ULH contributed \$166.3 million of operating revenues and \$11.8 million of excess of revenues over expenses to the CHI consolidated results of operations, prior to the effects of the JOA revenue-sharing arrangement

Alegent Creighton Health and Affiliates – Effective November 1, 2012, CHI became the sole corporate sponsor of Alegent based in Omaha Nebraska In addition to the operations of Bergan Mercy Health System and Affiliates (Bergan Mercy) previously owned and consolidated by CHI, CHI now consolidates the Alegent operations, which include the operations of Immanuel and the operations of Creighton University Medical Center For the period from November 1, 2012 through June 30, 2013, incremental Alegent (excluding the Bergan Mercy component) contributed \$611 1 million in operating revenues and \$18 1 million of excess of revenues over expenses to the CHI consolidated results of operations

Notes to Consolidated Financial Statements (continued)

4. Acquisitions and Divestitures (continued)

Soundpath Health – Effective on March 1, 2013, CHI acquired a 55 6% majority interest in Soundpath Health, Inc , (Soundpath), a provider-owned health care plan based in Federal Way, Washington, that offers Medicare Advantage plans CHI paid \$12 1 million for shares of common stock and an additional \$12 1 million for preferred shares in Soundpath Of the total purchase price, \$16 3 million was allocated to goodwill

The following table is a summary of the business combinations that occurred in fiscal year 2012

	JHSMH	Nebraska Heart	Total
Fiscal Year 2012			
Purchase consideration			
Cash	\$ _	\$ 131,127	\$ 131,127
Equity interest in JHSMH	19,659	_	19,659
Gain on business combination	57,293	_	57,293
Fair market value of noncontrolling interests	181,551	_	181,551
	\$ 258,503	\$ 131,127	\$ 389,630
Purchase price allocation			
Cash and investments	\$ 275,764	\$ 146	\$ 275,910
Patient and other accounts receivable	123,040	9,815	132,855
Other current assets	33,011	3,079	36,090
Property and equipment	451,662	45,150	496,812
Intangible assets	_	10,123	10,123
Goodwill	_	69,786	69,786
Other assets	17,330	_	17,330
Current liabilities	(143,277)	(6,417)	(149.694)
Other liabilities	(87,459)	(555)	(88,014)
Debt	(411,568)	_	(411,568)
Net consideration/assets acquired	\$ 258,503	\$ 131,127	\$ 389,630

Notes to Consolidated Financial Statements (continued)

4. Acquisitions and Divestitures (continued)

KentuckyOne Health – Effective on January 1, 2012, CHI acquired an additional 58% interest in JHSMH from Jewish Hospital HealthCare Services, Inc (JHHS) in exchange for a noncontrolling interest in KentuckyOne Health, a new statewide health care network in the state of Kentucky, through the combination of JHSMH and St Joseph Health System, a CHI-sponsored MBO CHI has a controlling interest of approximately 83% in KentuckyOne Health and JHHS has the remaining 17% interest The fair value of the noncontrolling interest upon acquisition of \$1816 million was determined using valuation techniques including discounted cash flows For the period from January 1 to June 30, 2012, JHSMH contributed \$4771 million of operating revenues and \$622 million of deficit of revenues over expenses to the CHI consolidated results of operations

Nebraska Heart Hospital and Nebraska Heart Institute – Effective on August 1, 2011, CHI acquired Nebraska Heart Hospital and Nebraska Heart Institute (Nebraska Heart) for a gross purchase price of \$131 1 million in cash consideration The acquisition allowed CHI to expand cardiac, thoracic and vascular care across the state of Nebraska

On an unaudited pro forma basis, had CHI owned or been party to agreements with St Luke's, Highline, University Medical Center and Alegent at the beginning of fiscal year 2013, these entities would have contributed \$2 8 billion of operating revenues and \$62 6 million of operating income before restructuring Had CHI owned or been party to agreements with St Luke's, Highline, University Medical Center, Alegent, JHSMH, and Nebraska Heart at the beginning of fiscal year 2012, these entities would have contributed \$3 7 billion in operating revenues and \$56 5 million operating income before restructuring However, unaudited pro forma information is not necessarily indicative of the historical results that would have been obtained had the transaction actually occurred on those dates, nor of future results

Discontinued Operations

In 2012, CHI committed to a plan to sell the MBOs in Denville, New Jersey, Towson, Maryland, and Pierre, South Dakota The Towson MBO was sold to the University of Maryland Medical System effective on December 1, 2012, for preliminary sales proceeds of \$154.0 million Contingent sales proceeds of \$45.7 million have been placed in escrow pending final disposition of certain open items. A final determination is expected by December 31, 2013. The Pierre MBO was sold to Avera Health effective January 1, 2013, for net sales proceeds of \$50.0 million and a loss on disposition of \$27.7 million. In May 2013, CHI agreed to sell the Denville MBO to Prime

Notes to Consolidated Financial Statements (continued)

4. Acquisitions and Divestitures (continued)

Healthcare Services for \$100 0 million The transaction is subject to governmental and Church approvals and is expected to close towards the middle of fiscal year 2014 In accordance with Accounting Standards Codification (ASC) 205-20, *Discontinued Operations*, and ASC 360-10, *Impairment or Disposal of Long-Lived Assets*, the results of operations associated with these MBOs have been reported as discontinued operations and are included in the consolidated statements of changes in net assets Assets held for sale consist primarily of net patient accounts receivable, net property and other long-term assets Liabilities held for sale consist primarily of accrued compensation and benefits, accounts payable and deferred revenues

Related to discontinued operations, CHI recorded a deficiency of revenues over expenses of \$108 6 million and \$45 1 million for the years ended June 30, 2013 and 2012, respectively, which is reported as discontinued operations in the accompanying consolidated statements of changes in net assets Included in fiscal year 2013 is an impairment loss of \$64 8 million related to adjusting the carrying value of property, plant and equipment at the Denville MBO to its net realizable value Total operating revenues and deficiency of revenues over expenses included in the results of discontinued operations for the years ended June 30 are summarized below (in thousands)

	 2013	2012
Total operating revenues	\$ 464,809 \$	687,971
Total operating expenses	(485,949)	(721,930)
Restructuring and other losses	(95,924)	(10,987)
Nonoperating gains (losses)	8,470	(149)
Deficiency of revenues over expenses	\$ (108,594) \$	(45,095)

The consolidated statements of cash flows include the use of \$24.9 million and \$45.4 million of operating, investing and financing activities related to discontinued operations for the years ended June 30, 2013 and 2012, respectively

5. Net Patient Services Revenues

Net patient services revenues are derived from services provided to patients who are either directly responsible for payment or are covered by various insurance or managed care programs CHI receives payments from the federal government on behalf of patients covered by the

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Notes to Consolidated Financial Statements (continued)

5. Net Patient Services Revenues (continued)

Medicare program, from state governments for Medicaid and other state-sponsored programs, from certain private insurance companies and managed care programs and from patients themselves A summary of payment arrangements with major third-party payors follows

Medicare – Inpatient acute care and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure These rates vary according to patient classification systems based on clinical, diagnostic and other factors Certain CHI facilities have been designated as critical access hospitals and, accordingly, are reimbursed their cost of providing services to Medicare beneficiaries Professional services rendered by physicians are paid based on the Medicare allowable fee schedule

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are primarily paid under the traditional Medicaid plan at prospectively determined rates per discharge Certain outpatient services are reimbursed based on a cost reimbursement methodology, fee schedules or discounts from established charges

Other – CHI has also entered into payment agreements with certain managed care and commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to CHI under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

CHI's Medicare, Medicaid and other payor utilization percentages, based upon net patient services revenues, are summarized as follows

	2013	2012
Medicare	32%	31%
Medicaid	8	7
Managed care	40	39
Self-pay	8	8
Commercial and other	12	15
	100%	100%

Notes to Consolidated Financial Statements (continued)

5. Net Patient Services Revenues (continued)

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. Estimated settlements related to Medicare and Medicaid of \$103.0 million and \$57.0 million at June 30, 2013 and 2012, respectively, are included in third-party liabilities. Net patient services revenues from continuing operations increased by \$38.0 million in 2013 and \$20.5 million in 2012 due to favorable changes in estimates related to prior-year settlements. Also during 2012, CHI prevailed on the appeal of two cost report settlements from the Centers for Medicare and Medicaid Services (CMS) related to the calculation used by CMS for the rural floor wage index and for the disallowance of insurance premiums paid to FIIL. The settlement amounts are included in the 2012 net patient services revenues from continuing operations, and totaled \$76.7 million for the rural floor wage index and \$19.8 million for the insurance premiums. The appeals spanned years from 1997 through 2011.

6. Investments and Assets Limited as to Use

CHI's investments and assets limited as to use as of June 30 are reported in the accompanying consolidated balance sheets as presented in the following table (in thousands)

	2013	2012
Cash and equivalents	\$ 244,07	•
CHI Investment Program Marketable equity securities Marketable fixed-income securities	4,911,13 858,53	7 315,064
Hedge funds and other investments	773,06 323,88	5 162,191
Less current portion	7,110,70 (11,69	7) (1,901)
	\$ 7,099,00	6 \$ 5,927,787

Net unrealized gains at June 30, 2013 and 2012, were \$297.3 million and \$144.0 million, respectively

Notes to Consolidated Financial Statements (continued)

6. Investments and Assets Limited as to Use (continued)

CHI attempts to reduce its market risk by diversifying its investment portfolio using cash equivalents, fixed-income securities, marketable equity securities and alternative investments Most of the US Treasury, money market funds and corporate debt obligations as well as exchange-traded marketable securities held by CHI and the CHI Investment Program (the Program) have an actively traded market However, CHI also invests in commercial paper, mortgage-backed or other asset-backed securities, alternative investments (such as hedge funds, private equity investments, real estate funds, funds of funds, etc.), collateralized debt obligations, municipal securities and other investments that have potential complexities in valuation based upon the current conditions in the credit markets For some of these instruments, evidence supporting the determination of fair value may not come from trading in active primary or secondary markets Because these investments may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for such investments existed Such differences could be material However, management reviews the CHI investment portfolio on a regular basis and seeks guidance from its professional portfolio managers related to U S and global market conditions to determine the fair value of its investments CHI believes the carrying amount of these financial instruments in the consolidated financial statements is a reasonable estimate of fair value Additionally, CHI assesses the risk of impairment related to securities held in its investment portfolio on a regular basis and noted no impairment during the years ended June 30, 2013 and 2012

Substantially all CHI long-term investments are held in the Program The Program is structured under a Limited Partnership Agreement with CHI as managing general partner and numerous limited partners, most sponsored by CHI The partnership provides a vehicle whereby virtually all entities associated with CHI, as well as certain other unrelated entities, can seek to optimize investment returns while managing investment risk Entities participating in the Program that are not consolidated in the accompanying financial statements have the ability to direct their invested amounts and liquidate and/or withdraw their interest without penalty as soon as practicable based on market conditions but within 180 days of notification The Limited Partnership Agreement permits a majority vote of the noncontrolling limited partners to terminate the partnership Accordingly, CHI recognizes only the portion of Program assets attributable to CHI and its sponsored affiliates Program assets attributable to CHI and its Direct Affiliates represented 90% and 86% of total Program assets at June 30, 2013 and 2012

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Notes to Consolidated Financial Statements (continued)

6. Investments and Assets Limited as to Use (continued)

The Program asset allocation at June 30 is as follows

	2013	2012
Marketable equity securities	43%	44%
Marketable fixed-income securities	32	35
Alternative investments	24	19
Cash and equivalents	1	2
	100%	100%

The CHI Investment Committee (the Investment Committee) of the Board of Stewardship Trustees is responsible for determining asset allocations among fixed-income, equity, and alternative investments At least annually, the Investment Committee reviews targeted allocations and, if necessary, makes adjustments to targeted asset allocations Given the diversity of the underlying securities in which the Program invests, management does not believe there is a significant concentration of credit risk Investment income is comprised of the following for the years ended June 30 (in thousands)

	 2013	2012
Dividend and interest income	\$ 142,054	\$ 123,310
Net realized gains	262,067	86,517
Net unrealized gains (losses)	151,232	(152,888)
Total investment income from continuing operations	\$ 555,353	\$ 56,939
Included in other nonpatient revenue Included in nonoperating gains	\$ 66,529 488,824	\$ 37,169 19,770
Total investment income from continuing operations	 555,353	56,939
Total investment income (loss) from		
discontinued operations	 8,470	(149)
Total investment income	\$ 563,823	\$ 56,790

Direct expenses of the Program are less than 0.4% of total assets. Fees paid to the alternative investment managers are not included in the total expense calculation as they are not a direct expense of the Program

Notes to Consolidated Financial Statements (continued)

7. Fair Value of Assets and Liabilities

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 ASC 820, Fair Value Measurements and Disclosures, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement)

The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial asset or liability

Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement

Certain of CHI's alternative investments are made through limited liability companies (LLC) and limited liability partnerships (LLP) These LLCs and LLPs provide CHI with a proportionate share of the investment gains (losses) CHI accounts for its ownership in the LLCs and LLPs under the equity method CHI also accounts for its ownership in the Partnership under the equity method As such, these investments are excluded from the scope of ASC 820

Notes to Consolidated Financial Statements (continued)

7. Fair Value of Assets and Liabilities (continued)

Financial assets and liabilities measured at fair value on a recurring basis were determined using the market approach based upon the following inputs at June 30 (in thousands)

2013

				20	13			
	Fair Value Measurements at Reporting Date Using							te Using
			((Level 1)	(Level 2)	(Level 3)
	F	air Value		oted Prices		Other		
		as of	_	in Active	O	bservable	Un	observable
		June 30		Markets		Inputs		Inputs
Assets						•		
Assets limited as to use								
Cash and short-term								
investments	\$	244,077	\$	197,385	\$	46,692	\$	_
Marketable equity						•		
securities		858,537		858,537		_		_
Marketable fixed-income		,		,				
securities		773,069		123,996		649,073		_
Other investments		11,718		, –		, _		11,718
		,						,
Deferred compensation								
assets								
Cash and short-term								
investments		12,035		12,035		_		_
	\$	1,899,436	\$	1,191,953	\$	695,765	\$	11,718
Liabilities								
Interest rate swaps	\$	271,634	\$	_	\$	271,634	\$	_
Deferred compensation		,				,		
liability		12,035		12,035		_		_
<u>, </u>	\$	283,669	\$	12,035	\$	271,634	\$	
	_							

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Notes to Consolidated Financial Statements (continued)

7. Fair Value of Assets and Liabilities (continued)

	2012 Fair Value Measurements at Reporting Date Using								
				(Level 1)		(Level 2)		Level 3)	
		air Value as of June 30	i	oted Prices n Active Markets	o	Other bservable Inputs		bservable Inputs	
Assets						•			
Assets limited as to use									
Cash and short-term									
investments	\$	153,459	\$	106,489	\$	46,970	\$	_	
Marketable equity									
securities		315,064		315,064		_		_	
Marketable fixed-income		477 440		000		476.540			
securities		477,440		900		476,540		-	
Other investments		1,953		_		_		1,953	
Deferred compensation assets									
Cash and short-term		10.050		10.050					
investments		10,852		10,852					
		958,768	\$	433,305	\$	523,510	\$	1,953	
Liabilities									
Interest rate swaps	\$	238,549	\$	_	\$	238,549	\$	_	
Deferred compensation									
liability		10,852		10,852					
	\$	249,401	\$	10,852	\$	238,549	\$		

The fair values of the instruments included in Level 1 were determined through quoted market prices Level 1 instruments include money market funds, mutual funds and marketable debt and equity securities The fair values of Level 2 instruments were determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, estimated prepayment rates, where applicable, are used for valuation purposes and are provided by third-party services where quoted market values are not available Level 2 instruments include corporate fixed-income securities, government bonds, mortgage and asset-backed securities, and interest rate swaps. The fair values of Level 3

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Notes to Consolidated Financial Statements (continued)

7. Fair Value of Assets and Liabilities (continued)

securities are determined primarily through information obtained from the relevant counterparties for such investments Information on which these securities' fair values are based is generally not readily available in the market

8. Property and Equipment

A summary of property and equipment is as follows as of June 30 (in thousands)

	2013	2012
Land and improvements Buildings and improvements Equipment	\$ 596,548 \$ 6,399,345 4,612,302	392,427 5,098,617 3,814,431
Less accumulated depreciation	11,608,195 (5,009,102)	9,305,475 (4,594,250)
Construction in progress	6,599,093 1,187,147	4,711,225 635,310
· ·	\$ 7,786,240 \$	5 5,346,535

CHI evaluates whether events and circumstances have occurred that indicate the remaining useful life of property, equipment and certain other intangible assets may not be recoverable Management determined there were impairment issues in both 2013 and 2012, to the extent that the undiscounted cash flows estimated to be generated by certain assets were less than the underlying carrying value CHI recorded \$4.9 million and \$16.0 million in impairment losses in continuing operations for 2013 and 2012, respectively, resulting from charges related to estimated fair value deficiencies (based upon projected discounted cash flows) at various MBOs

Notes to Consolidated Financial Statements (continued)

9. Debt Obligations

The following is a summary of debt obligations as of June 30 (in thousands)

	Interest Rates at June 30, 2013	2013	2012
CHI debt issued under the COD			
Variable-rate Bonds	0.1.10	0.000	10.000
Series 1997B, maturing through 2022	0 14° o S	,	
Series 2000B, maturing 2027	0 07	24,000	27.300
Series 2002B, maturing 2032	0 07	97,800	103,300
Series 2004B, maturing through 2044	0 04-0 07	180,700	180,700
Series 2004C, maturing through 2044	0 05-0 07	163,300	163,300
Series 2008A, maturing 2036	0 14	120,260	120,260
Series 2008C, maturing 2041	0 06	50,000	50,000
Series 2011B, maturing 2046	0 06	158,155	158.155
Series 2011C, maturing 2046	0 13	123,000	125,000
Fixed-rate Bonds			
Series 2002A, maturing 2017	5 50	3,400	4,140
Series 2004A, maturing through 2034	4 75-5 00	146,605	146,605
Series 2006A, maturing 2041	4 00-5 00	270,635	384,135
Series 2006C, maturing through 2041	3 85-5 10	250,000	250,000
Series 2008C, maturing through 2041	4 00-5 00	105,000	105,000
Series 2008D, maturing through 2038	5 00-6 38	471,450	473,950
Series 2009A, maturing 2039	3 50-5 50	748,760	772,110
Series 2009B, maturing through 2039	4 00-5 00	252,360	260,995
Series 2011A, maturing 2041	3 00-5 25	506,090	526,090
Series 2012A. maturing 2035	3 00-5 00	271,260	271.260
Senes 2012 Taxable, maturing 2042	1 60-4 35	1,500,000	-
Commercial Paper		442,475	475,625
Unamortized debt premium		59,538	58.832
Unamortized debt discount		(11,192)	(9.801)
	_		
Total CHI debt issued under the COD		5,942,796	4,665,856
St. Luke's debt issued under Master Trust Indenture			
Variable-rate Bonds	0.020	150.220	
Series 2012. maturing 2021	0 92%	150,220	_
Series 2008, maturing 2041	0 10	100,000	_
Series 2005, maturing 2032	0 08	132,600	_
Fixed-Rate Series 2009, maturing 2025	3 75–5 625	150,798	_
Unsecured Bank Notes			
Maturing through 2014	0 67	7,200	-
Maturing through 2017	1 78	92,598	_
Total St Luke's debt issued under Master Trust Indenture		633,416	_
Note payable issued to Episcopal Foundation		260,000	_
Capital leases and other debt		569,845	77,391
	_	7,406,057	4,743,247
Less Amounts classified as current Variable-rate debt with self-liquidity		(321,455)	(321,455)
Commercial paper and current portion of debt		(749,617)	(643.083)
Long-term debt	-		\$ 3,778,709

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Notes to Consolidated Financial Statements (continued)

9. Debt Obligations (continued)

The fair value of debt obligations was approximately \$7 3 billion at June 30, 2013 Management has determined the carrying values of the variable-rate bonds are representative of fair values as of June 30, 2013, as the interest rates are set by the market participants. The fair value of the fixed-rate tax-exempt bond obligations as of June 30, 2013, is determined by applying credit spreads for similar tax-exempt obligations in the marketplace, which are then used to calculate a price/yield for the outstanding obligations

A summary of scheduled principal payments, based upon stated maturities, on long-term debt for the next five-years is as follows (in thousands)

	Am	ounts Due
Year Ending June 30		
2014	\$	749,617
2015		244,184
2016		249,028
2017		216,493
2018		391,050

CHI issues the majority of its debt under the COD and is the sole obligor Bondholder security resides both in the unsecured promise by CHI to pay its obligations and in its control of its Direct and Designated Affiliates Covenants include a minimum CHI debt service coverage ratio and certain limitations on secured debt The Direct Affiliates of CHI, defined as Participants under the COD, have agreed to certain covenants related to corporate existence, maintenance of insurance and exempt use of bond-financed facilities

In October 2012, CHI issued \$1.5 billion of par value long-term, fixed-rate, taxable bonds Proceeds were used to finance a wide array of strategic initiatives, including affiliations in key areas

In November 2011, CHI issued \$809.2 million of fixed-rate, variable-rate and Windows variable-rate bonds (Windows) in the states of Colorado, Kentucky and Washington Proceeds were used to refund \$223.5 million of existing debt and to redeem \$116.8 million of commercial paper outstanding Concurrent with the issuance of these bonds, CHI converted \$50.0 million of Ohio Series 2008C-2 bonds to bear interest at weekly rates. Also, during November 2011, CHI redeemed \$55.8 million of existing debt. These redemptions resulted in a loss on extinguishment of \$0.7 million.

Notes to Consolidated Financial Statements (continued)

9. Debt Obligations (continued)

Total debt at June 30, 2013, includes \$894 9 million of debt related to the acquisition of St Luke's, including \$533 6 million of St Luke's series revenue bonds St Luke's is a member of the St Luke's Health System Obligated Group, and together with various of its consolidated subsidiaries, are the obligors under each of the St Luke's bond issues Obligated Group members are jointly and severally obligated to pay the notes issued under the master trust indenture Notes issued under the master trust indenture are equally and ratably secured by a pledge of the accounts receivable of St Luke's Medical Center and St Luke's Woodlands Hospital Payments to bondholders are funded by St Luke's under the St Luke's master trust indenture with the trustee of the respective bond issues Under the related indentures and agreements, St Luke's is required to satisfy and abide by certain measures of financial and operating performance

As part of the December 2012 divestiture of CHI's facilities in Towson, Maryland, \$113 5 million of Series 2006A bonds were legally defeased, resulting in a loss on defeasance of \$18 0 million

In connection with the acquisition of JHSMH in January 2012, CHI acquired \$342 0 million of JHSMH 2008 series bonds and \$43 0 million of JHSMH 1996 series bonds In January 2012, the 1996 bonds were legally defeased, which resulted in a loss on defeasance of \$0.5 million. In April 2012, CHI issued \$271.3 million of par value bonds in the state of Kentucky Debt proceeds of \$299.7 million and cash of \$114.3 million were used to refund \$322.9 million and legally defease \$88.4 million of the 2008 bonds. The transaction resulted in a loss on extinguishment of \$69.4 million.

CHI has two types of external liquidity facilities those that are dedicated to specific series of variable-rate demand bonds (VRDB) and those that are not dedicated to a particular series of VRDBs but may be used to support CHI's obligations to fund tenders of VRDBs and pay the maturing principal of commercial paper Liquidity facilities that are dedicated to specific series of bonds were \$605 0 million and \$625 5 million at June 30, 2013 and 2012, respectively, of which \$7 9 million and \$9 4 million, respectively, are classified as current debt. The remaining \$597 1 million and \$616 1 million at June 30, 2013 and 2012, respectively, are reported as long-term debt due to the repayment terms on any associated drawings extending beyond the subsequent fiscal year under the terms of the specific agreements

Notes to Consolidated Financial Statements (continued)

9. Debt Obligations (continued)

Liquidity facilities not dedicated for specific series of VRDBs but used to support CHI's obligations to fund tenders and to pay maturing principal of commercial paper were \$390 0 million and \$435 0 million at June 30, 2013 and 2012, respectively At June 30, 2013 and 2012, respectively, \$442 5 million and \$475 6 million of commercial paper were classified as current due to maturities of less than one year, and \$321 5 million of VRDBs and Windows were also classified as current due to the holder's ability to put such VRDBs and Windows back to CHI without liquidity facilities dedicated to these bonds

At June 30, 2013, CHI had a \$45 0 million credit facility with Wells Fargo Bank Letters of credit totaling \$41 7 million have been issued for the benefit of third parties, principally in support of the self-insurance programs administered by FIIL At June 30, 2013 and 2012, no amounts were outstanding under this credit facility

CHI is a party to 13 floating-to-fixed interest rate swap agreements with notional amounts totaling \$1 6 billion and \$931 8 million at June 30, 2013 and 2012, respectively Generally, it is CHI policy that all counterparties have an AA rating or better The swap agreements require CHI to provide collateral if CHI's liability, determined on a mark-to-market basis, exceeds a specified threshold that varies based upon the rating on the corporation's long-term indebtedness. These fixed-payor swap agreements convert CHI's variable-rate debt to fixed-rate debt. The swaps have varying maturity dates ranging from December 2014 to February 2047. The fair value of the swaps is estimated based on the present value sum of anticipated future net cash settlements until the swaps' maturities. At June 30, 2013 and 2012, the fair value was \$271.6 million and \$238.5 million, respectively. Cash collateral balances of \$107.5 million and \$140.7 million at June 30, 2013 and 2012, respectively, are netted against the fair value of the swaps, and the net amount is reflected in other liabilities. The change in the fair value of these agreements was a net gain of \$98.9 million in 2013 and a net loss of \$121.9 million in 2012.

10. Retirement Plans

CHI and its direct affiliates maintain noncontributory, defined benefit retirement plans (Plans) covering substantially all employees Benefits in the Plans are based on compensation, retirement age and years of service Vesting occurs over a five-year period Substantially all of the Plans are qualified as church plans and are exempt from certain provisions of both the Employee Retirement Income Security Act and Pension Benefit Guaranty Corporation premiums and coverage Funding requirements are determined through consultation with independent actuaries

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

CHI recognizes the funded status (that is, the difference between the fair value of plan assets and the projected benefit obligations) of its Plans in the consolidated balance sheets, with a corresponding adjustment to net assets Actuarial gains and losses that arise and are not recognized as net periodic pension cost in the same periods are recognized as a component of changes in net assets

In connection with the acquisition of Alegent in November 2012 and St Luke's in June 2013, CHI acquired the pension plan assets and liabilities of each entity, herein referred to as the Alegent plan and St Luke's plan, respectively In connection with the acquisition of JHSMH in January 2012, CHI acquired the pension plan assets and liabilities of JHSMH, herein referred to as the JHSMH plan

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

A summary of the changes in the benefit obligation, fair value of plan assets and funded status of the Plans at the June 30 measurement dates is as follows (in thousands)

		2013	2012
Change in benefit obligation			
Benefit obligation, beginning of year	\$	3,601,231 \$	2,767,988
Service cost		205,037	169,477
Interest cost		151,763	153,204
Actuarial (gain) loss		(170,282)	446,352
JHSMH plan		_	183,733
Alegent plan		120,115	_
St Luke's plan		267,074	_
Settlements		(17,931)	(8,495)
Curtailments		(134,233)	_
Benefits paid		(144,838)	(110,851)
Expenses paid		(451)	(177)
Benefit obligation, end of year		3,877,485	3,601,231
Change in the Plans` assets			
Fair value of the Plans' assets, beginning of year		2,708,411	2,452,465
Actual return on the Plans' assets, net of expenses		309,522	45,002
Employer contributions		203,564	194,279
JHSMH plan		_	136,188
Alegent plan		83,055	-
St Luke's plan		263,218	_
Settlements		(17,848)	(8,495)
Benefits paid		(144,838)	(110,851)
Expenses paid		(451)	(177)
Fair value of the Plans' assets, end of year		3,404,633	2,708,411
Funded status of the Plans	\$	(472,852) \$	(892,820)
End-of-year values	•	2.055.405.45	2 (01 221
Projected benefit obligation	\$	3,877,485 \$	3,601,231
Accumulated benefit obligation		3,844,708	3,428,819

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

As a result of market divestitures and other employee transitions in fiscal year 2013, one of the Plans was required to recognize a curtailment event, which is reflected in the June 30, 2013 benefit obligation Additionally, a curtailment related to the expected future services reductions has occurred as a result of plan design changes for certain Plans, which will be effective in January 2014

Included in net assets at June 30, 2013, are the following amounts that have not yet been recognized in net periodic pension cost unrecognized prior service cost of \$0.4 million and unrecognized actuarial losses of \$724.2 million. The prior service cost and actuarial losses included in net assets and expected to be recognized in net periodic pension cost during the fiscal year ending June 30, 2014, are \$0.1 million and \$32.8 million, respectively

The components of net periodic pension expense are as follows (in thousands)

		2013	2012
Components of net periodic pension expense			
Service cost	\$	205,037 \$	169,477
Interest cost		151,763	153,204
Expected return on the Plans' assets		(220,236)	(198,093)
Actuarial losses		91,606	39,029
Amortization of prior service benefit		187	
Curtailments		367	_
Settlements		45	
	\$	228,756 \$	163,804
Weighted-average assumptions			
Discount rate, beginning of year		4.06%	5 39%
Discount rate, end of year		4.58	4 06
Expected return on Plans' assets		7.75	7 75
Rate of compensation increase		3.75	3 75

The assumption for the expected return on the Plans' assets is based on historical returns and adherence to the asset allocations set forth in the Plans' investment policies. The expected return on the Plans' assets for determining pension cost was 7.75% in 2013 and 2012. The increase in the discount rate to 4.58% at June 30, 2013 decreased the pension benefit obligation by approximately \$187.2 million.

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

A summary of the Plans' asset allocation targets, ranges by asset class and allocations by asset class at the measurement dates of June 30 is as follows

	2013	2012	Target	Range
Fixed-income securities	25.6%	29 8%	25 0%	15 0–35 0%
Equity securities	55.1	51 2	52 5	42 5-62 5
Alternative investments	19.3	19 0	22 5	12 5-32 5

The Plans' assets are invested in a portfolio designed to preserve principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, while minimizing unnecessary investment risk Diversification is achieved by allocating assets to various asset classes and investment styles and by retaining multiple investment managers with complementary philosophies, styles and approaches Although the objective of the Plans is to maintain asset allocations close to target, temporary periods may exist where allocations are outside of the expected range due to market conditions. The use of leverage is prohibited except as specifically directed in the alternative investment allocation. The portfolio is managed on a basis consistent with the CHI social responsibility guidelines

The Plans' assets measured at fair value on a recurring basis were determined using the following inputs at June 30 (in thousands)

	2013								
		Fair Value Measurements at Reporting Date Using							
				(Level 1)		(Level 2)		(Level 3)	
		Fair Value as of June 30	Q	uoted Prices in Active Markets		Other Observable Inputs	U	nobservable Inputs	
Cash and short-term investments	\$	115,586	\$	102,360	\$	13,226	\$	_	
Marketable equity securities		1,715,087		1,715,087		_		_	
Marketable fixed-income securities		916,766		220,833		695,933		- (57.104	
Alternative investments	\$	657,194 3,404,633	\$	2,038,280	\$	709,159	\$	657,194 657,194	

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

	2012							
		Fair Valu	e N	Measuremen	ts	at Reporting	g D	ate Using
				(Level 1)		(Level 2)		(Level 3)
		Fair Value as of June 30	Q	uoted Prices in Active Markets	8	Other Observable Inputs	U	nobservable Inputs
Cash and short-term investments	\$	128,098	\$	117,585	\$	10,513	\$	_
Marketable equity securities Marketable fixed-income		1,318,456		1,318,456		_		_
securities		756,137		230,647		525,490		_
Alternative investments		505,720		_		_		505,720
	\$	2,708,411	\$	1,666,688	\$	536,003	\$	505,720

A summary of the changes in the fair value of the Plans' investments for which Level 3 inputs were used at the June 30 measurement dates is as follows (in thousands)

	 2013	2012
Beginning investments at fair value	\$ 505,720 \$	494,683
Purchases of investments	91,868	24,306
Proceeds from sale of investments	(47,376)	(32,860)
Net change in unrealized appreciation on investments		
and effect of foreign currency translation	12,778	2,426
Net realized gains on investments	25,424	17,346
St Luke's plan investments acquired	53,540	_
Net transfers into (out) of Level 3	15,240	(181)
Ending investments at fair value	\$ 657,194 \$	505,720

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

CHI expects to contribute \$111 4 million to the Plans in fiscal year 2014 A summary of expected benefits to be paid to the Plans' participants and beneficiaries is as follows (in thousands)

	Estimated Payments	
Year Ending June 30	<u> Ttyments</u>	_
2014	\$ 210,586	
2015	203,028	
2016	224,238	
2017	238,993	
2018	250,017	
2019–2023	1,396,923	

11. Concentrations of Credit Risk

CHI grants credit without collateral to its patients, most of whom are insured under third-party payor agreements CHI's exposure to credit risk on patient accounts receivable is limited by the geographical diversity of its MBOs. The mix of receivables from patients and third-party payors at June 30 approximated the following

	2013	2012
Medicare	28%	26%
Medicaid	10	11
Managed care	31	32
Self-pay	7	6
Commercial and other	24	25
	100%	100%
	· · · · · · · · · · · · · · · · · · ·	

CHI maintains long-term investments with various financial institutions and investment management firms through its investment program, and its policy is designed to limit exposure to any one institution or investment Management does not believe there are significant concentrations of credit risk at June 30, 2013 and 2012

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies

Litigation

During the normal course of business, CHI may become involved in litigation Management assesses the probable outcome of unresolved litigation and records estimated settlements. After consultation with legal counsel, management believes that any such matters will be resolved without material adverse impact to the consolidated financial position or results of operations of CHI

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Management believes CHI is in compliance with all applicable laws and regulations of the Medicare and Medicaid programs. Compliance with such laws and regulations is complex and can be subject to future governmental interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. Certain CHI entities have been contacted by governmental agencies regarding alleged violations of Medicare practices for certain services. In the opinion of management after consultation with legal counsel, the ultimate outcome of these matters will not have a material adverse effect on CHI's consolidated financial position.

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies (continued)

Operating Leases

CHI leases certain real estate and equipment under operating leases, which may include renewal options and escalation clauses Future minimum lease payments required for the next five years and thereafter for all operating leases that have initial or remaining noncancelable lease terms in excess of one year at June 30, 2013, are as follows (in thousands)

	Am	ounts Due
Year Ending June 30		
2014	\$	154,915
2015		132,169
2016		113,672
2017		96,849
2018		82,143
Thereafter		381,561
	\$	961,309

Lease expense under operating leases for continuing operations for the years ended June 30, 2013 and 2012, totaled approximately \$223 0 million and \$176 0 million, respectively

13. Insurance Programs

FIIL, a wholly owned captive insurance company of CHI, provides hospital professional liability, employment practices liability, miscellaneous professional liability, and commercial general liability coverage, primarily to MBOs related to CHI either on a directly written basis or through reinsurance fronting relationships with commercial carriers such as PPIC Policies written provide coverage with primary limits in the amounts of \$10 0 million and \$8 0 million for each and every claim in fiscal years 2013 and 2012, respectively For the policy year July 1, 2012 to June 30, 2013, there is an annual policy aggregate of \$85 0 million eroded by hospital professional liability and commercial general liability claims, subject to a \$175,000 continuing underlying per claim limit Effective July 1, 2011, FIIL provided excess umbrella liability coverage for claims in excess of the underlying limits discussed above The limits provided under such excess coverage are \$200 0 million per claim and in the aggregate FIIL reinsured 100% of the excess coverage layer with various commercial insurance companies At June 30, 2013 and 2012, investments and assets limited as to use held for insurance purposes included \$55 0 million and \$59 0 million, respectively, held as collateral for the reinsurance fronting arrangement with PPIC

Notes to Consolidated Financial Statements (continued)

13. Insurance Programs (continued)

FIIL provides workers' compensation coverage, either on a directly written basis or through reinsurance fronting relationships with commercial carriers for amounts above \$10 million per claim Coverage of \$500,000 in excess of \$500,000 per claim is reinsured with an unrelated commercial carrier FIIL also underwrites the property and casualty risks of CHI for up to \$10 million per claim Unrelated commercial insurance carriers reinsure losses in excess of the perclaim limits

The liability for self-insured reserves and claims represents the estimated ultimate net cost of all reported and unreported losses incurred through June 30. The reserves for unpaid losses and loss adjustment expenses are estimated using individual case-based valuations, statistical analyses and the expertise of an independent actuary

The estimates for loss reserves are subject to the effects of trends in loss severity and frequency Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate. The estimates are reviewed periodically, with consultation from independent actuaries, and any adjustments to the loss reserves are reflected in current operations. As a result of these reviews of claims experience, estimated reserves were reduced by \$48.5 million and \$47.8 million in 2013 and 2012, respectively. The reserves for unpaid losses and loss adjustment expenses relating to the workers' compensation program were discounted, assuming a 4.0% annual return at June 30, 2013 and 2012, to a present value of \$151.2 million and \$147.1 million at June 30, 2013 and 2012, respectively, and represented a discount of \$51.3 million and \$46.3 million in 2013 and 2012, respectively. Reserves related to professional liability, employment practices and general liability are not discounted

FIIL holds \$751 9 million and \$722 1 million of investments held for insurance purposes as of June 30, 2013 and 2012, respectively Distribution of amounts from FIIL to CHI are subject to the approval of the Cayman Island Monetary Authority CHI established a captive management operation (Captive Management Initiatives, Ltd) based in the Cayman Islands, which currently manages FIIL as well as operations of other unrelated parties

CHI, through its Welfare Benefit Administration and Development Trust, provides comprehensive health and dental coverage to certain employees and dependents through a self-insured medical plan Accounts payable and accrued expenses include \$510 million and \$540 million for unpaid claims and claims adjustment expenses for CHI's self-insured medical plan at June 30, 2013 and 2012, respectively Those estimates are subject to the effects of trends in loss severity and

Notes to Consolidated Financial Statements (continued)

13. Insurance Programs (continued)

frequency Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate. The estimates are reviewed periodically and, as adjustments to the liability become necessary, such adjustments are reflected in current operations. CHI has stop-loss insurance to cover unusually high costs of care beyond a predetermined annual amount per enrolled participant.

14. Subsequent Events

CHI's management has evaluated events subsequent to June 30, 2013 through September 17, 2013, which is the date these consolidated financial statements were available to be issued. There have been no material events noted during this period that would either impact the results reflected herein or CHI's results going forward, except as disclosed below

Effective in August 2013, a subsidiary of CHI entered into an affiliation agreement with Harrison Medical Center (Harrison), whereby the subsidiary will control the operations of Harrison Harrison is located in Bremerton, Washington, and operates two acute-care facilities in the area, as well as provides emergency services, and a range of general and specialized services to adjacent areas A valuation of assets and liabilities is in process. The fair value of the assets acquired net of liabilities assumed will be reported as other nonpatient revenue in 2014.

On July 1, 2013, CHI invested \$65 0 million in MedSynergies, Inc (MedSynergies), a national physician management services organization. In conjunction with this investment, CHI and MedSynergies have entered into a partnership to create successful physician alignment within CHI, and to enhance patient retention and practice performance within the physician services line of business. The initial term of this agreement is 9 years.

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Supplemental Information



Ernst & Young LLP

Suite 3300 370 17th Street Denver, CO 80202

Tel +1 720 931 4000 Fax +1 720 931 4444 www ey com

Report of Independent Auditors on Supplemental Information

The Board of Stewardship Trustees Catholic Health Initiatives

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of Catholic Health Initiatives as a whole The following consolidating financial information is presented for purposes 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 our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

September 17, 2013

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Ernst + Young LLP

Consolidating Balance Sheet

June 30, 2013 (In Thousands)

	MBOs	Corporate	C'ollab Health	FIIL	CHI Welfare Benefits Trust	Other	Eliminations and Adjustments	Consolidated
Assets								
Current assets								
Cash and equivalents	\$ 263,377	\$ 330,564	\$ (190) \$	53	\$ 18,120 \$	(2.698)	\$ -	\$ 609,226
Net patient accounts receivable, less allowance								
of \$858.394	1,755,348	_	_	_	_	_	_	1.755.348
Other accounts receivable	165.547	107.082	7.620	9.892	11	25,533	(117.768)	197.917
Current portion of investments and assets limited as to use	4,829	=	6,868	_	=		=	11.697
Inventories	247,720	_	_	_	_	_	_	247,720
Assets held for sale	236,599	_	-	-	-	_	(20,822)	215,777
Prepaid and other	86,330	49.910	1.244	13	157	122	_	137,776
Total current assets	2.759.750	487.556	15,542	9.958	18,288	22.957	(138,590)	3,175,461
Investments and assets limited as to use								
Internally designated for capital and other funds	5,022,500	333,525	_	_	95,998	_	_	5,452,023
Mission and Ministry Fund	_	121,109	_	_	_	_	_	121,109
Capital Resource Pool	_	416,938	_	_	_	_	_	416,938
Held by trustees	16,726	_	_	_	_	_	_	16.726
Held for insurance purposes	57,904	_	16.053	751.928	_	_	_	825,885
Restricted by donors	265,652	673	_	_	_	_	_	266,325
Total investments and assets limited as to use	5.362.782	872,245	16.053	751.928	95,998	_	_	7.099.006
Property and equipment, net	7,034,446	750,192	784	_	=	818	=	7,786,240
Deferred financing costs	213	36,344	_	_	_	_	_	36,557
Investments in unconsolidated organizations	294,234	1,172,035	_	_	_	11,005	(1.060.458)	416,816
Intangible assets and goodwill, net	348,407	_	16,344	_	_	_	_	364,751
Notes receivable and other	118,174	3,000,584	201	23,723	_	4	(2.711.798)	430,888
Total assets	\$ 15,918,006	\$ 6,318,956	\$ 48,924 \$	785,609	\$ 114,286 \$	34,784	\$ (3,910,846)	\$ 19,309,719

Continued on following page

Consolidating Balance Sheet (continued)

June 30, 2013 (In Thousands)

		Collab			CHI Welfare	Eliminations		
	MBOs	Corporate	Health	FIIL	Benefits Trust	Other	and Adjustments	Consolidated
Liabilities and net assets								
Current liabilities								
Compensation and benefits	\$ 551,423	\$ 44,398	\$ 1.265 \$	_	\$ 1,595 \$	2,156	\$ -	\$ 600,837
Third-party liabilities	110,571	_	_	_	_	_	_	110,571
Accounts payable and accrued expenses	879,789	242,473	3,463	4,700	5(),66()	2,075	(116,230)	1,066,930
Liabilities held for sale	91,412	_	_	_	_	_	-	91,412
Variable-rate debt with self liquidity	_	321,455	_	_	_	_	_	321,455
Commercial paper and current portion of								
long-term debt	239,237	633,075	682	_	_	_	(123,377)	749,617
Total current liabilities	1,872,432	1,241,401	5,410	4,700	52,255	4.231	(239,607)	2,940,822
Pension liability	45,449	427,403						472,852
Self-insured reserves and claims	60,369	427,403	9.017	- 499,288	_	_	_	616.652
			8.917	499.288	_	_	(1.530)	
Other liabilities	551,432	148,390	1.530	_	_	_	(1.539)	698,283
Long-term debt	3,673,602	5,248,265	1.538	-	-		(2.588.420)	6,334,985
Total liabilities	6.203.284	7.113.537	15.865	503,988	52.255	4.231	(2.829.566)	11.063.594
Net assets								
Net assets attributable to CHI	9,418,781	(963,870)	22,678	281,621	62,031	30,553	(1,082,484)	7,769,310
Net assets attributable to noncontrolling interests	(4,723)	168,801	10,381	_	_	_	1,204	175,663
Unrestricted	9,414,058	(795,069)	33,059	281,621	62,031	30,553	(1,081,280)	7,944,973
Temporarily restricted	214,036	488	_	_	_	_		214,524
Permanently restricted	86,628	_	_	_	_	_	_	86,628
Total net assets	9,714,722	(794,581)	33,059	281.621	62,031	30,553	(1.081.280)	8,246,125
Total liabilities and net assets	\$ 15,918,006		\$ 48,924 \$	785,609	\$ 114,286 \$		\$ (3,910,846)	

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Consolidating Statement of Operations

Year Ended June 30, 2013 (In Thousands)

			6.11.1		CHI II II		Eliminations	
	MBOs	Corporate	Collab Health	FIIL	CHI Welfare Benefits Trust	Other	and Adjustments	Consolidated
Revenues	NEO	Corporate	Traitii	THE	Delicity 11430	Other	-xajusanenes	Consolidated
Net patient services revenues	\$ 10 021 153	S - S	- \$	-	S - S	- \$	(128 163)	\$ 9.892.990
Nonpatient								
Donations	31 078	11	-	-	-	_	_	31,089
Changes in equity of unconsolidated organizations	9 532	11 982	-	_	_	(266)	(2 192)	19,056
Investment income used for operations	13 974	_	108	52 447	-	-	_	66,529
Other	508 466	975 554	50 503	147 219	407 601	3 598	(1 394 380)	698,561
Total nonpatient revenues	563 050	987 547	50 611	199 666	407 601	3 332	(1 396 572)	815 235
Total operating revenues	10 584 203	987 547	50 611	199 666	407 601	3 332	(1 524 735)	10 708 225
Expenses								
Salaries and wages	4 147 825	265 962	1 815	-	_	8 847	(45)	4,424,404
Employee benefits	985 326	93 696	328	-	413 431	1 721	(523 678)	970.824
Purchased services medical professional fees consulting and legal	1 495 686	219 389	48 515	744	2 532	3 425	(408 513)	1.361,778
Supplies	1 827 242	5 488	48	-	_	206	_	1.832,984
Utilities	138 872	14 034	54	-	-	19	_	152,979
Rentals leases maintenance and insurance	416 421	331 352	605	150 715	_	1 087	(283 497)	616,683
Depreciation and amortization	516 929	37 720	60	-	-	355	_	555,064
Interest	115 971	170 832	101	-	-	_	(122 551)	164,353
Other	771 993	34 716	287	466	670	882	(184 258)	624,756
Total operating expenses before restructuring impairment								_
and other losses	10 416 265	1 173 189	51 813	151 925	416 633	16 542	(1 522 542)	10,703,825
Income (loss) from operations before restructuring impairment								
and other losses	167 938	(185 642)	(1 202)	47 741	(9 032)	(13 210)	(2 193)	4,400
Restructuring impairment and other losses	27 117	32 214	_	-	_	12	_	59,343
Income (loss) from operations	140 821	(217 856)	(1 202)	47 741	(9 032)	(13 222)	(2 193)	(54,943)
Nonoperating gains (losses)								
Investment income (loss) net	324 210	158 503	(425)	-	6 550	(14)	_	488,824
Loss on defeasance of bonds	-	(17 998)	_	_	_	_	_	(17.998)
Realized and unrealized (losses) gains on interest rate swaps	14 244	51 599	_	-	_	-	_	65,843
Other nonoperating gains (losses)	7 977	(40 485)	-	_	_	_	40 485	7,977
Total nonoperating (losses) gains	346 431	151 619	(425)	_	6 550	(14)	40 485	544 646
Excess (deficiency) of revenues over expenses	\$ 487,252	\$ (66,237) \$	(1,627) \$	47,741	\$ (2,482) \$	(13,236) \$	38,292	\$ 489,703
Excess of revenues over expenses attributable to noncontrolling interest	\$ 5 972	\$ (6 745) \$	736 \$	_	s - \$	_ 5	-	\$ (37)
F (16) 6 4 1 1 1 2 27	\$ 481 280			47 741	\$ (2.482) \$	(13 236) \$	38 292	<u> </u>
Excess (deficiency) of revenues over expenses attributable to CHI	p +01 280	3 (33 +32) 3	(2 303) 3	+/ /+1	3 (2 +02) 3	(15 250) 3	36 292	3 +07/+0

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