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Part IIIStatement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

FAITHFUL TO THE HEALING MINISTRY OF JESUS CHRIST, OUR MISSION IS TO PROVIDE HIGH QUALITY CARE FOR THE BODY, MIND AND SPIRIT OF EVERY PERSON OUR COMMITMENT TO HEALING CALLS US TO -CREATE CARING AND COMPASSIONATE ENVIRONMENTS -RESPECT THE DIGNITY OF EVERY PERSON -CARE FOR THE RESOURCES ENTRUSTED TO US AS RESPONSIBLE STEWARDS -COLLABORATE WITH OTHERS TO IMPROVE THE HEALTH OF OUR COMMUNITIES -ATTEND ESPECIALLY TO THE NEEDS OF THOSE WHO ARE POOR AND DISADVANTAGED -ACT WITH INTEGRITY IN ALL ENDEAVORS TO ACHIEVE THIS MISSION, WE PLEDGE TO BE CREATIVE, VISIONARY LEADERS COMMITTED TO HOLISTIC HEALTHCARE IN THE REGION

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 26,053,397 including grants of \$ 5,022,790) (Revenue \$ 58,038,339)

ALEGENT HEALTH IMMANUEL MEDICAL CENTER MENTAL HEALTH PHYSICIANS ARE UNIQUE IN THEIR CARE-GIVING APPROACH TO EMOTIONAL AND BEHAVIORAL PROBLEMS OF CHILDREN, ADOLESCENTS, ADULTS AND SENIORS PHYSICIANS PROVIDE THE MOST APPROPRIATE CARE AT THE LEVEL OF SERVICE THAT EACH PATIENT NEEDS OUTPATIENT AND INPATIENT BEHAVIORAL SERVICE PROGRAMS ARE PROVIDED RECENTLY, IMMANUEL MEDICAL CENTER BUILT THE RESIDENTIAL TREATMENT CENTER THIS NEW STATE OF THE ART FACILITY FEATURES 20 PRIVATE ROOMS FOR BOYS AND GIRLS BETWEEN THE AGES OF SIX AND EIGHTEEN YEARS OF AGE

4b

(Code) (Expenses \$ 21,416,528 including grants of \$ 5,499,033) (Revenue \$ 63,541,332)

ALEGENT HEALTH-IMMANUEL MEDICAL CENTER REHABILITATION CENTER PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT PROGRAMS FOR INDIVIDUALS OF ALL AGES THE REHABILITATION CENTER IS THE REGION'S MOST COMPREHENSIVE CENTER FOR PHYSICAL MEDICINE AND REHABILITATION, OFFERING PATIENTS SOME OF THE MOST ADVANCED REHABILITATIVE TECHNOLOGY IMMANUEL REHABILITATION CENTER HAS RECEIVED THE HIGHEST LEVEL OF ACCREDITATION AWARDED BY THE JOINT COMMISSION AND BY THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF) AT EVERY LEVEL OF CARE, A TEAM OF LICENSED AND CERTIFIED REHABILITATION PROFESSIONALS ARE AVAILABLE EACH ONE OF THE REHABILITATION PROGRAMS ARE DESIGNED TO MAXIMIZE INDEPENDENCE AND QUALITY OF LIFE

4c

(Code) (Expenses \$ 14,729,907 including grants of \$ 7,993,788) (Revenue \$ 92,368,222)

ALEGENT HEALTH-IMMANUEL MEDICAL CENTER CANCER SUPPORT AND DIAGNOSTIC TEAM IS COMPRISED OF A GROUP OF HEALTHCARE PROFESSIONALS WHO WORK TOGETHER IN A VARIETY OF WAYS TO HELP THE PATIENT AND FAMILY COPE WITH CANCER EACH ONE OF THE PHYSICIANS ARE EQUIPPED TO DIAGNOSE AND AGGRESSIVELY TREAT CANCER AND GET PATIENTS BACK TO THERE LIFE AS SOON AS POSSIBLE INDIVIDUAL TEAM MEMBERS INCLUDE CANCER SUPPORT SERVICE SPECIALISTS, MEDICAL SOCIAL WORKERS, CANCER REHABILITATION SPECIALIST, PASTORAL SERVICES, DIETITIANS, ONCOLOGY NURSE NAVIGATORS, HOSPICE & HOME CARE SERVICES, INPATIENT NURSING SERVICES, RADIATION ONCOLOGY, AND VOLUNTEER SERVICES

(Code) (Expenses \$ 160,492,009 including grants of \$ 935,778) (Revenue \$ 53,827,072)

ALEGENT HEALTH-IMMANUEL MEDICAL CENTER PROVIDES ADDITIONAL SERVICES INCLUDING BUT NOT LIMITED TO WEIGHT MANAGEMENT, A 24 HOUR EMERGENCY DEPARTMENT, INPATIENT HOSPITAL FACILITIES, PROCEDURE CENTER, ORTHOPEDIC SERVICES, DIGESTIVE HEALTH CENTER, FAMILY LIFE CENTER, RADIOLOGY, UROLOGY, DIAGNOSTIC SERVICES AND PHYSICAL THERAPY PATIENTS ARE AT THE CENTER OF EVERYTHING DONE AT ALEGENT HEALTH-IMMANUEL MEDICAL CENTER

4d

Other program services (Describe in Schedule O)

(Expenses \$ 160,492,009 including grants of \$ 935,778) (Revenue \$ 53,827,072)

4e

Total program service expenses

222,691,841

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	93	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	1,857	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	14	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	9	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization JEANETTE WOJTALEWICZ 12809 WEST DODGE ROAD OMAHA, NE (402) 343-4671

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

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

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

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

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

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

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

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

[illegible]

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,682,664	9,762,602	12,671,907

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **147**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CASSLING DIAGNOSTIC IMAGING INC 13808 F STREET OMAHA NE 68137	DIAGNOSTIC IMAGING SERVICES	998,597
DARLAND CONSTRUCTION CO 4115 S 133RD STREET OMAHA NE 68137	CONSTRUCTION SERVICES	824,950
GRAHAM CONSTRUCTION INC 13210 CENTENNIAL ROAD OMAHA NE 68138	CONSTRUCTION SERVICES	528,927
AMERITEX SERVICES 1321 SOUTH 20TH STREET OMAHA NE 68108	LAUNDRY SERVICES	419,871
NORTHWEST ANESTHESIA PC 6901 N 72ND STREET OMAHA NE 68122	ANESTHESIA SERVICES	259,105

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶21

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b	64,000			
	c	Fundraising events 1c	47,440			
	d	Related organizations 1d	187,437			
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	158,602			
	g	Noncash contributions included in lines 1a-1f \$	33,948			
	h	Total. Add lines 1a-1f	457,479			
Program Service Revenue	Business Code					
	2a	NET PATIENT SVC REV	621500	218,737,576	218,737,576	
	b	REIMBURSABLE-AFFILIATE	621990	5,519,899		5,519,899
	c	MEANINGFUL USE	900099	860,333	860,333	
	d	HOSPITAL PHARMACY	446110	1,557,317		1,557,317
	e	FOOD & NUTRITION	722320	571,464		571,464
	f	All other program service revenue		264,009	0	0
	g	Total. Add lines 2a-2f	227,510,598			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	24,345,782		66,922	24,278,860
	4	Income from investment of tax-exempt bond proceeds	0			
	5	Royalties	0			
	6a	(i) Real	(ii) Personal			
		Gross rents	2,181,893			
		b Less rental expenses	1,414,503			
		c Rental income or (loss)	767,390	0		
	d	Net rental income or (loss)	767,390			767,390
	7a	(i) Securities	(ii) Other			
		Gross amount from sales of assets other than inventory	8,774,234	120,228		
		b Less cost or other basis and sales expenses	0	312,190		
		c Gain or (loss)	8,774,234	-191,962		
	d	Net gain or (loss)	8,582,272			8,582,272
	8a	Gross income from fundraising events (not including \$ 47,440 of contributions reported on line 1c) See Part IV, line 18				
		a	67,547			
	b	Less direct expenses b	85,543			
	c	Net income or (loss) from fundraising events	-17,996			-17,996
	9a	Gross income from gaming activities See Part IV, line 19				
		a	14,825			
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities	14,825			14,825
	10a	Gross sales of inventory, less returns and allowances				
		a	353,976			
	b	Less cost of goods sold b	222,933			
	c	Net income or (loss) from sales of inventory	131,043			131,043
	Miscellaneous Revenue		Business Code			
	11a	REIMBURSED SERVICES	621990	2,359,871	2,359,871	
	b	MISC OPERATING REV	561499	2,622,501	2,539,022	83,479
	c	CHILD CARE	624410	999,309		999,309
	d	All other revenue		1,891	0	0
	e	Total. Add lines 11a-11d	5,983,572			
	12	Total revenue. See Instructions	267,774,965	224,760,811	152,292	42,404,381

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	83,796	83,796		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	19,367,593	19,367,593		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	1,938,185	1,841,275	96,909	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	87,597,004	83,217,154	4,379,850	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	3,473,754	3,300,066	173,688	
9	Other employee benefits.	13,696,774	13,011,935	684,839	
10	Payroll taxes.	5,167,237	4,908,875	258,362	
11	Fees for services (non-employees):				
a	Management.	1,168,755	1,110,317	58,438	
b	Legal.	41,903	39,808	2,095	
c	Accounting.	0			
d	Lobbying.	5,790	5,790		
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	1,082,732	1,028,596	54,137	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	5,472,553	5,198,925	273,628	0
12	Advertising and promotion.	21,327	20,261	1,066	
13	Office expenses.	26,155,904	24,848,109	1,307,795	
14	Information technology.	0			
15	Royalties.	0			
16	Occupancy.	8,992,623	8,542,992	449,631	
17	Travel.	128,981	122,532	6,449	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	79,483	75,509	3,974	
20	Interest.	4,755,062	4,755,062		
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	13,981,591	13,282,512	699,080	
23	Insurance.	411,002	411,002		
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O).				
a	PURCHASED SERVICES	18,446,889	17,524,545	922,344	
b	BAD DEBTS	13,608,465	13,608,465		
c	MANAGEMENT ALLOCATIONS	5,658,580	5,658,580		
d	TAXES AND LICENSE	316,451	300,628	15,823	
e	All other expenses	450,014	427,513	22,501	0
25	Total functional expenses. Add lines 1 through 24e.	232,102,448	222,691,841	9,410,608	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).	0			

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		329,410	1	2,877,297
	2	Savings and temporary cash investments		67,162,725	2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		23,282,864	4	26,054,466
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	0
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,521,225	8	2,634,344
	9	Prepaid expenses and deferred charges		314,776	9	230,776
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a148,641,606			
	b	Less accumulated depreciation	10b10,320,898	135,937,704	10c	138,320,708
	11	Investments—publicly traded securities		348,529,930	11	418,189,987
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		39,747,631	13	10,534,594
	14	Intangible assets			14	3,704,442
	15	Other assets See Part IV, line 11		0	15	806,955
	16	Total assets. Add lines 1 through 15 (must equal line 34)		617,826,265	16	603,353,569
Liabilities	17	Accounts payable and accrued expenses		6,209,395	17	4,189,494
	18	Grants payable			18	
	19	Deferred revenue		547,360	19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	0
	23	Secured mortgages and notes payable to unrelated third parties		128,603,611	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		15,669,669	25	126,651,708
	26	Total liabilities. Add lines 17 through 25		151,030,035	26	130,841,202
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		461,744,717	27	472,419,042
	28	Temporarily restricted net assets		3,260,513	28	93,325
	29	Permanently restricted net assets		1,791,000	29	
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		466,796,230	33	472,512,367
	34	Total liabilities and net assets/fund balances		617,826,265	34	603,353,569

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	267,774,965
2	Total expenses (must equal Part IX, column (A), line 25)	2	232,102,448
3	Revenue less expenses Subtract line 2 from line 1	3	35,672,517
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	466,796,230
5	Net unrealized gains (losses) on investments	5	7,420,286
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-38,828,162
9	Other changes in net assets or fund balances (explain in Schedule O)	9	1,451,496
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	472,512,367

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID: 12000266
Software Version: v2012.1.0
EIN: 47-0376615
Name: ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANTHONY HATCHER SECRETARY/TREASURER	0 00 70 00	X		X				0	432,535	31,780
MICHAEL DEFREECE CHAIR	4 00 8 00	X		X				0	0	0
ANTOINETTE HARDY-WALLER RN DIRECTOR	4 00 10 00	X						0	18,000	0
ERIC GURLEY DIRECTOR	4 00 8 00	X						0	0	0
FR JAMES CLIFTON SJ DIRECTOR	4 00 8 00	X						0	0	0
FR TIMOTHY LANNON SJ DIRECTOR	4 00 8 00	X						0	0	0
GUILLERMO HUERTA MD DIRECTOR	4 00 8 00	X						0	0	0
H KEITH SCHMODE DIRECTOR	4 00 8 00	X						0	19,000	0
JOHN HARRIS MD DIRECTOR	4 00 64 00	X						0	489,822	29,488
JOHN HEWITT DIRECTOR	4 00 12 00	X						0	0	0
LESLIE R ANDERSEN DIRECTOR	4 00 12 00	X						0	0	0
MARTIN M MANCUSO MD DIRECTOR	4 00 64 00	X						0	408,077	23,829
PAUL EDGETT DIRECTOR	4 00 56 00	X						0	734,377	86,500
PHYLLIS HUGHES RSM DRPH DIRECTOR	4 00 12 00	X						0	0	0
RICHARD J VIERK DIRECTOR	4 00 8 00	X						0	27,000	0
JOAN NEUHAUS ACH SVP COO	14 00 52 00			X				164,216	598,833	1,683,619
KENNETH LAWONN SVP STRATEGY & TECH	14 00 42 00			X				138,729	505,892	1,516,722
RICHARD II HACHTEN PRESIDENT & CEO	14 00 51 00			X				472,632	1,723,510	2,994,304
RICHARD ROLSTON MD ACC PRESIDENT & CEO	14 00 52 00			X				172,041	627,371	1,737,544
RICK MILLER MD SVP/CHIEF QUALITY OFFICER	14 00 42 00			X				107,426	391,741	1,144,918
SCOTT WOOTEN SVP/CFO	14 00 50 00			X				168,601	614,823	1,590,996
ANN SCHUMACHER COO IMMANUEL	14 00 52 00				X			95,248	347,334	114,598
BETH LLEWELLYN VP MISSION INTEGRATION	14 00 42 00				X			59,779	217,992	257,222
JANE CARMODY VP/CNO	14 00 43 00				X			89,980	328,121	66,938
JASON YUNG TUM VP/REG GENERAL COUNSEL	14 00 42 00				X			45,510	165,956	591,119

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MYLES GART MD CHIEF MEDICAL OFFICER	14 00 42 00				X			43,304	157,913	11,419
NANCY WALLACE VP HUMAN RESOURCES	14 00 42 00				X			81,938	298,796	347,302
PATRICIA MASEK VP MEDICAL AFFAIRS	14 00 44 00				X			52,783	192,478	80,726
PAUL STRAWHECKER CHIEF DEVELOPMENT OFFICER	14 00 44 00				X			59,681	217,634	32,542
SHEREE KEELY VP BEHAVIORAL	14 00 42 00				X			47,790	174,271	61,176
ARUN SHARMA MD PHYSICIAN	60 00 0					X		428,954	0	42,138
BECKI HILL MD PHYSICIAN	60 00 0					X		353,094	0	26,858
CHRISTOPHER CRISCUOLO MD PHYSICIAN	60 00 0					X		345,427	0	33,338
HUDSON HSIEH MD PHYSICIAN	60 00 0					X		313,263	0	38,079
MICHAEL EGGER MD PHYSICIAN	60 00 0					X		352,806	0	44,261
FRANK EMSICK FORMER FACILITIES OPS EXEC	14 00 30 00						X	48,573	177,128	21,014
LARRY BROWN MD FORMER ACC CEO	0 00 64 00						X	0	342,803	45,707
MARTIN HICKEY MD FORMER SVP/CEO CLINICS	0 00 0 00						X	40,889	149,105	0
PAUL EBMEIER FORMER ACC COO	0 00 0 00						X	0	402,090	17,770

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization
ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Employer identification number
47-0376615

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization ALEGENT HEALTH - IMMANUEL MEDICAL CENTER	Employer identification number 47-0376615
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If “Yes,” describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	☐ Yes ☐ No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

- A Check ☒ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	0	0												
b Total lobbying expenditures to influence a legislative body (direct lobbying)	5,790	211,323												
c Total lobbying expenditures (add lines 1a and 1b)	5,790	211,323												
d Other exempt purpose expenditures	222,686,051	665,217,288												
e Total exempt purpose expenditures (add lines 1c and 1d)	222,691,841	665,428,611												
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000												
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000												
h Subtract line 1g from line 1a If zero or less, enter -0-	0	0												
i Subtract line 1f from line 1c If zero or less, enter -0-	0	0												
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes ☐ No													

4-Year Averaging Period Under Section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	262,701	106,741	193,039	211,323	773,804
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures			0	0	0

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

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

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Employer identification number
47-0376615

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes☐ No	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶\$ _____

(ii) Assets included in Form 990, Part X

▶\$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶\$ _____

b

Assets included in Form 990, Part X

▶\$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	3,486,427	3,218,021	2,938,870	2,665,977	2,688,014
b Contributions	371,183	176,396	5,001	126,695	800,115
c Net investment earnings, gains, and losses	208,849	143,624	464,742	298,938	-448,721
d Grants or scholarships	326,703	4,500	6,642	9,996	3,875
e Other expenditures for facilities and programs	665,314	47,114	183,950	142,744	369,556
f Administrative expenses					
g End of year balance	3,074,442	3,486,427	3,218,021	2,938,870	2,665,977

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

0 %

c

Temporarily restricted endowment

100 000 %

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

3a

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

(i) unrelated organizations

(ii) related organizations

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

b

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

3b

Yes

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		17,125,987		17,125,987
b Buildings		83,683,555	4,260,910	79,422,644
c Leasehold improvements		212,034	50,514	161,520
d Equipment		30,295,945	5,227,506	25,068,439
e Other		17,324,085	781,967	16,542,118
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				138,320,708

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	

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

Identifier	Return Reference	Explanation
Intended uses of endowment funds	Schedule D, Part V, Line 4	ENDOWMENT FUNDS ARE INTENDED TO HELP WITH THE ORGANIZATIONAL OPERATIONS OF ALEGENT HEALTH-IMMANUEL MEDICAL CENTER
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	ALEGENT HEALTH-IMMANUEL 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."

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		A NIGHT TO CELEBRATE (event type)	(event type)	(total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	114,987		114,987
	2	Less Contributions . .	47,440		47,440
	3	Gross income (line 1 minus line 2)	67,547	0	67,547
Direct Expenses	4	Cash prizes			0
	5	Noncash prizes . .	32,282		32,282
	6	Rent/facility costs . .	3,520		3,520
	7	Food and beverages .	43,637		43,637
	8	Entertainment			0
	9	Other direct expenses .	6,104		6,104
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine line 3, column (d), and line 10 ▶			

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses . . .			
	6	Volunteer labor	Yes No	Yes No	
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	
b An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Employer identification number
47-0376615

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		4,502	7,350,879	685,463	6,665,416	3.050 %
b Medicaid (from Worksheet 3, column a)			41,372,279	30,291,437	11,080,842	5.070 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			1,618,816	1,517,294	101,522	0.050 %
d Total Financial Assistance and Means-Tested Government Programs	0	4,502	50,341,974	32,494,194	17,847,780	8.170 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		7,631	566,005	43,416	522,589	0.240 %
f Health professions education (from Worksheet 5)		1,722	1,050,549	181,985	868,564	0.400 %
g Subsidized health services (from Worksheet 6)			195,718	136,426	59,292	0.020 %
h Research (from Worksheet 7)			45,217	0	45,217	0.020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		3,212	137,373	28	137,345	0.060 %
j Total Other Benefits	0	12,565	1,994,862	361,855	1,633,007	0.740 %
k Total. Add lines 7d and 7j	0	17,067	52,336,836	32,856,049	19,480,787	8.910 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing		0	50	0	50	0 %
2Economic development					0	0 %
3Community support		0	0	0	0	0 %
4Environmental improvements					0	0 %
5Leadership development and training for community members		0	0	0	0	0 %
6Coalition building		0	61,437	0	61,437	0 020 %
7Community health improvement advocacy					0	0 %
8Workforce development		65	135	0	135	0 %
9Other					0	0 %
10Total	0	65	61,622	0	61,622	0 020 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

2

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

2

4,139,694

3

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

3

602,898

4

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

Section B. Medicare

5

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

5

39,952,187

6

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

6

46,495,515

7

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

7

-6,543,328

8

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

Section C. Collection Practices

9a

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

9a

Yes

9b

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

9b

Yes

Part IVManagement Companies and Joint Ventures

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

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	ALEGENT HEALTH IMMANUEL MEDICAL CENTER 6901 NORTH 72ND STREET OMAHA, NE 68122	X	X					X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

ALEGENT HEALTH IMMANUEL MEDICAL CENTER

Name of hospital facility or facility reporting group

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

1

		Yes	No
Community 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 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
a	☒ A definition of the community served by the hospital facility		
b	☒ Demographics of the community		
c	☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☒ How data was obtained		
e	☒ The health needs of the community		
f	☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☒ The process for consulting with persons representing the community's interests		
i	☒ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	☐ Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
a	☒ Hospital facility's website		
b	☒ Available upon request from the hospital facility		
c	☒ Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	☒ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	☒ Execution of the implementation strategy		
c	☒ Participation in the development of a community-wide plan		
d	☒ Participation in the execution of a community-wide plan		
e	☒ Inclusion of a community benefit section in operational plans		
f	☒ Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	☒ Prioritization of health needs in its community		
h	☒ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	☐ Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No				
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes				
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care ____% If "No," explain in Part VI the criteria the hospital facility used		10		No			
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care ____% If "No," explain in Part VI the criteria the hospital facility used		11		No			
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes				
a ☒ Income level							
b ☒ Asset level							
c ☐ Medical indigency							
d ☐ Insurance status							
e ☒ Uninsured discount							
f ☐ Medicaid/Medicare							
g ☐ State regulation							
h ☒ Other (describe in Part VI)							
13 Explained the method for applying for financial assistance?		13	Yes				
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes				
a ☒ The policy was posted on the hospital facility's website							
b ☒ The policy was attached to billing invoices							
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms							
d ☒ The policy was posted in the hospital facility's admissions offices							
e ☒ The policy was provided, in writing, to patients on admission to the hospital facility							
f ☒ The policy was available upon request							
g ☒ Other (describe in Part VI)							
Billing and Collections							
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes				
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP							
a ☐ Reporting to credit agency							
b ☐ Lawsuits							
c ☐ Liens on residences							
d ☐ Body attachments							
e ☐ Other similar actions (describe in Part VI)							
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?					17		No
If "Yes," check all actions in which the hospital facility or a third party engaged							
a ☐ Reporting to credit agency							
b ☐ Lawsuits							
c ☐ Liens on residences							
d ☐ Body attachments							
e ☐ Other similar actions (describe in Part VI)							

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year?
1

Name and address		Type of Facility (describe)
1	AH IMMANUEL FONTENELLE HOME 6809 NORTH 68TH PLAZA OMAHA,NE 68152	SKILLED NURSING FACILITY
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
Eligibility criteria for free or discounted care	Schedule H, Part I, Line 3c	WHEN CATHOLIC HEALTH INITIATIVES (THE ULTIMATE PARENT ORGANIZATION TO ALEGENT HEALTH-IMMANUEL 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 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 ALEGENT HEALTH-IMMANUEL 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 prepared by related organization	Schedule H, Part I, Line 6a	ALEGENT CREIGHTON HEALTH

Identifier	ReturnReference	Explanation
ANNUAL PUBLIC COMMUNITY BENEFIT REPORT	SCHEDULE H, PART I, LINE 6A	YES, THE ALEGENT CREIGHTON HEALTH SYSTEM PRODUCES AN ANNUAL PUBLIC COMMUNITY BENEFIT REPORT THAT IS MAILED TO A CORE CONSTITUENCY AND PLACED IN KEY PLACES THROUGHOUT THE ORGANIZATION IT IS ALSO AVAILABLE ON THE COMPANY'S INTRANET SITE, AND ON ITS PUBLIC WEBSITE AT HTTP //WWW.ALEGENTCREIGHTON.COM/COMMUNITY-BENEFIT
Costing Methodology used to calculate financial assistance	Schedule H, Part I, Line 7	THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE WERE WORKSHEETS 1-8 PROVIDED WITH THE SCHEDULE H INSTRUCTIONS THE COST TO CHARGE RATIO DERIVED FROM WORKSHEET 2 WAS USED TO CALCULATE TOTAL COMMUNITY BENEFIT EXPENSE FOR CHARITY CARE, MEDICAID AND OTHER MEANS TESTED PART I, LINE 7, COLUMN (F) BAD DEBT OF \$13,608,465 INCLUDED IN FUNCTIONAL EXPENSE TOTAL PART IX, LINE 25, COLUMN (A) IS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN THE DENOMINATOR USED TO CALCULATE THE COST TO CHARGE RATIO IS \$218,493,983 BAD DEBT EXPENSE (AT COST) FOR ENTITIES OF ALEGENT CREIGHTON HEALTH IS DETERMINED BY USING THE COST TO CHARGE RATIO FROM MEDICARE COST REPORTS PER ENTITY AND MULTIPLYING THE RATIO BY THE ACTUAL BAD DEBT CHARGES PER ENTITY

Identifier	ReturnReference	Explanation
Bad Debt Expense excluded from financial assistance calculation	Schedule H, Part I, Line 7, column(f)	13,608,465
Subsidized Health Services	Schedule H, Part I, Line 7g	ALEGENT CREIGHTON HEALTH IMMANUEL MEDICAL CENTER PROVIDES SUBSIDIZED HEALTH TO THE BROADER COMMUNITY THROUGH THE HOSPITALITY HOUSE THE AMOUNT INCLUDED AS A SUBSIDIZED HEALTH SERVICE IS \$59,292

Identifier	ReturnReference	Explanation
Community Building Activities	Schedule H, Part II	ALEGENT CREIGHTON HEALTH HAS A HISTORY OF CENTRALIZED COMMUNITY BENEFIT INVESTMENTS, AS WELL AS HOSPITAL SPECIFIC INVESTMENTS THAT ADDRESS COMMUNITY HEALTH NEEDS WHICH INCLUDE COMMUNITY BUILDING SUCH AS * LIVE WELL OMAHA KIDS- AS A RESULT OF COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED IN 2006 WHICH POINTED TO CHILDHOOD OBESITY AS A SERIOUS HEALTH NEEDS ISSUE ACROSS ALL OMAHA MSA COUNTIES SERVED, THE ALEGENT CREIGHTON HEALTH SYSTEM PARTNERED WITH THE COMMUNITY TO MADE A MULTI-YEAR COMMITMENT TO IMPACT CHILDHOOD OBESITY THROUGH COMMUNITY BASED BEST PRACTICE INTERVENTIONS THIS INITIATIVE HAS HAD A PRIMARY FOCUS OF IMPACT IN DOUGLAS COUNTY, BUT THE FUNDING TO UNDERWRITE HAS COME FROM THE FISCAL PERFORMANCE OF ALL ALEGENT CREIGHTON HEALTH HOSPITALS THE COMMUNITY COALITION KNOWN AS LIVE WELL OMAHA KIDS (LWOK) IS STAFFED AND FUNDED BY ALEGENT CREIGHTON HEALTH AN EXECUTIVE COMMITTEE CONSISTING OF COMMUNITY LEADERS AND POLICY MAKERS HAVE DIRECTED AN ECOLOGICAL APPROACH TO IMPROVE PROGRAMS, POLICIES AND THE BUILT ENVIRONMENT TO PROMOTE PHYSICAL ACTIVITY AND HEALTHY EATING AND BUILD CAPACITY FOR HEALTHY CHOICES AT THE INDIVIDUAL AND ORGANIZATIONAL LEVEL MORE THAN 200 VOLUNTEERS AND 90 ORGANIZATIONS HAVE PARTICIPATED IN THE PLANNING AND IMPLEMENTATION OF LWOK INITIATIVES A PORTION OF THIS INVESTMENT IN LWOK IS ALLOCATED TO THE BERGAN MERCY MEDICAL SYSTEM ON A NET SERVICE REVENUE BASIS * COMMUNITY AND ECONOMIC DEVELOPMENT INCLUDING SUPPORT OF LOCAL CHAMBERS OF COMMERCE * STRATEGIC PLANNING AND CONSULTING SERVICES FOR COMMUNITY * SPONSORSHIP OF COMMUNITY NOT FOR PROFITS AND FUNDRAISING EVENTS * SUPPORT OF INTERNATIONAL HEALTH MINISTRIES IN TANZANIA AND DOMINICAN REPUBLIC * SUPPORT OF THE FEDERALLY QUALIFIED HEALTHCARE CENTERS * PARISH NURSING PROGRAM * COMMUNITY HEALTH FAIRS, SUPPORT GROUPS AND COMMUNITY EDUCATION * SCHOOL BASED HEALTHCARE SERVICES * LEADERSHIP IN AND FUNDING OF HEALTH COALITIONS INCLUDING - LIVE WELL OMAHA A COALITION FOUNDED BY ACH AND THE COUNTY HEALTH DEPARTMENT THAT SERVES AS CONVENER OF BUSINESS, HEALTHCARE AND COMMUNITY LEADERS TO REVIEW HEALTH TRENDS AND CATALYZE COMMUNITY ACTION TO ADDRESS HEALTH ISSUES ALEGENT CREIGHTON HEALTH SERVES ON THE BOARD OF DIRECTORS, IS A MEMBER AT THE HIGHEST LEVEL AND LEASES STAFF TO LIVE WELL OMAHA - LIVE WELL POTTAWATTAMIE COUNTY AN EMERGING COALITION TO ADDRESS OBESITY IN POTTAWATTAMIE COUNTY ACH PROVIDES STRATEGIC PLANNING, GRANT WRITING AND STAFF SUPPORT - OMAHA BY DESIGN A COALITION THAT SUPPORT HEALTHY AND SUSTAINABLE COMMUNITY DEVELOPMENT AND LAND USE - VIOLENCE PREVENTION A PARTNERSHIP WITH CATHOLIC HEALTH INITIATIVES, WOMEN'S CENTER FOR ADVANCEMENT, UNIVERSITY OF NEBRASKA-OMAHA AND CREIGHTON UNIVERSITY TO IMPLEMENT A CAMPUS BASED VIOLENCE PREVENTION PLAN KNOWN AS "GREEN DOT" ALEGENT CREIGHTON HEALTH ALSO SUPPORTS ECPR TRAINING TO PROVIDE COMMUNITY CAPACITY AND SKILLS TO ADDRESS THE TRAUMA ASSOCIATED WITH VIOLENCE - METRO AREA CONTINUUM OF CARE FOR THE HOMELESS BOARD SERVICE AND FINANCIAL SUPPORT TO THIS COALITION ADDRESSING HOMELESSNESS IN THE SERVICE AREA - HOPE MEDICAL COALITION BOARD SERVICE AND ANNUAL OPERATING SUBSIDY ALEGENT CREIGHTON HEALTH'S HOSPITALS AND PHYSICIANS PROVIDE SPECIALTY CARE TO PATIENTS UNABLE TO AFFORD MEDICAL SERVICES - PARTICIPATION IN AND FUNDING OF MATERNAL HEALTH, BREASTFEEDING, SUBSTANCE ABUSE, CANCER, DIABETES AND OTHER COMMUNITY HEALTH COALITIONS - MENTAL HEALTH COALITIONS INCLUDING NATIONAL ALLIANCE ON MENTAL ILLNESS, NEBRASKA, NEBRASKA ASSOCIATION OF BEHAVIORAL HEALTH CARE ORGANIZATIONS, AND THE JUVENILE JUSTICE PROVIDER FORUM BEHAVIORAL HEALTH COMMITTEE
Bad debt expense - methodology used to estimate amount	Schedule H, Part III, Line 2	COSTING METHODOLOGY FOR AMOUNTS REPORTED ON LINE 2 IS DETERMINED USING THE ORGANIZATION'S COST/CHARGE RATIO OF 30 42% WHEN DISCOUNTS ARE EXTENDED TO SELF-PAY PATIENTS, THESE PATIENT ACCOUNT DISCOUNTS ARE RECORDED AS A REDUCTION IN REVENUE, NOT AS BAD DEBT EXPENSE

Identifier	ReturnReference	Explanation
Bad debt expense - methodology used to estimate amount as community benefit	Schedule H, Part III, Line 3	ALEGEANT HEALTH-IMMANUEL 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
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	ALEGEANT HEALTH-IMMANUEL 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 "

Identifier	ReturnReference	Explanation
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	THE ALEGENT CREIGHTON HEALTH SYSTEM DOES NOT CONSIDER MEDICARE SHORTFALLS TO BE COMMUNITY BENEFIT, PER THE RECOMMENDATION OF THE CATHOLIC HEALTH ASSOCIATION THE MEDICARE CHARGES REPORTED ON LINES 5 AND 6 ARE FROM MEDICARE COST REPORTS WHICH USED A COST TO CHARGE RATIO
Collection practices for patients eligible for financial assistance	Schedule H, Part III, Line 9b	THE ALEGENT CREIGHTON HEALTH SYSTEM'S SELF PAY BILLING AND BAD DEBT POLICY HAS A CLEARLY DELINEATED PROCESS AND GUIDELINES FOR COLLECTIONS AGENCIES TO FOLLOW, INCLUDING EXPLICIT INSTRUCTIONS TO ADHERE TO THE SAME FINANCIAL ASSISTANCE GUIDELINES AS ALEGENT CREIGHTON HEALTH 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

Identifier	ReturnReference	Explanation
Community Served by Needs Assessment	Schedule H, Part V Section B, Line 3	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - ACH SERVED AS A KEY MEMBER OF THE STEERING COMMITTEE FOR A TRI-COUNTY CHNA LED BY LOCAL HEALTH DEPARTMENTS, THE FOLLOWING LEADERS PARTICIPATED IN SURVEY CREATION, FOCUS GROUPS AND DISSEMINATING RESULTS INPUT FROM THE GREATER COMMUNITY WAS ALSO OBTAINED IN THE CHNA PROCESS VIA SURVEY AND KEY INFORMANT INTERVIEWS WITH OVERSAMPLES TO INTENTIONALLY HEAR FROM UNDERSERVED POPULATIONS OF BLACK/AFRICAN AMERICAN RESIDENTS AND HISPANIC RESIDENTS COMMUNITY REPRESENTATIVES AND THOSE WITH SPECIAL KNOWLEDGE OR EXPERTISE AS TO THE HEALTH NEEDS OF THE SERVICE AREA PARTICIPATED IN FIVE FOCUS GROUPS WITH 88 KEY INFORMANTS ALEGENT CREIGHTON HEALTH * BETH LLEWELLYN-VICE PRESIDENT MISSION INTEGRATION * MIKKI FROST - DIRECTOR COMMUNITY BENEFIT AND HEALTHIER COMMUNITIES DOUGLAS COUNTY HEALTH DEPARTMENT * ADI POUR -HEALTH DIRECTOR LIVE WELL OMAHA * KERRI PETERSON -EXECUTIVE DIRECTOR METHODIST HEALTH SYSTEM * KEN KLAASMEYER- VICE PRESIDENT * RUTH FREED-FOUNDATION POTTAWATTAMIE HEALTH DEPARTMENT/VNA * KRIS STAPP-VISITING NURSES ASSOCIATION SARPY/CASS COUNTY HEALTH DEPARTMENT * DIANE KELLY-DIRECTOR THE NEBRASKA MEDICAL CENTER * LESLIE UTTECHT - COMMUNITY RELATIONS LIAISON * TADD PULLIN- VICE PRESIDENT MARKETING, PLANNING AND NETWORK OPERATIONS PRC IS A NATIONALLY RECOGNIZED CONSULTING FIRM WITH EXTENSIVE EXPERIENCE CONDUCTING CHNAS SINCE 1994 THIS CHNA IS AN UPDATE TO THE CHNAS CONDUCTED BY PRC IN 2002 AND 2008 THAT WERE USED TO DEVELOP A COMMUNITY REPORT CARD, DIALOGUE AND PRIORITIES THROUGH THE LIVE WELL OMAHA COALITION ,
Other Hospital Facilities included in Needs Assessment	Schedule H, Part V Section B, Line 4	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - ALEGENT CREIGHTON HEALTH INVESTED IN THE CHNA AND SERVED AS AN EQUAL PARTNER WITH THE TWO OTHER HEALTH SYSTEMS SERVING THE SAME MSA, THE NEBRASKA MEDICAL CENTER AND METHODIST HEALTH SYSTEM CHILDREN'S HOSPITAL AND MEDICAL CENTER CONDUCTED A SEPARATE ASSESSMENT FOCUSED ON CHILDREN ,

Identifier	ReturnReference	Explanation
Availability of Needs Assessment	Schedule H, Part V Section B, Line 5c	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - THE CHNA RESULTS WERE SHARED WITH THE COMMUNITY AT AN ANNUAL HEALTH SUMMIT FACILITATED BY LIVE WELL OMAHA - A 35 MEMBER HEALTHY COMMUNITY COLLABORATION, AND CONTINUES TO BE A KEY FINANCIAL SUPPORTER AND MEMBER OF THE BOARD OF THE DIRECTORS OF THE ORGANIZATION IN ADDITION, THE DATA IS SHARED ON AN EASILY ACCESSIBLE, PUBLIC WEBSITE WWW.DOUGLASCOHEALTH.ORG THAT IS PARTIALLY FUNDED BY ALEGENT CREIGHTON HEALTH AND OTHER AREA HOSPITALS INCLUDING THE NEBRASKA MEDICAL CENTER AND METHODIST HEALTH SYSTEM TO SHARE TRI-COUNTY HEALTH DATA AND BEST PRACTICES ,
Needs not addressed in Needs Assessment	Schedule H, Part V Section B, Line 7	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - TWO HEALTH NEEDS IDENTIFIED IN THE PRIMARY DATA WILL NOT BE ADDRESSED BY THE HOSPITAL 1) ORAL HEALTH, AND 2) SEXUALLY TRANSMITTED DISEASES CURRENTLY, ACH DOES NOT OFFER ANY ORAL HEALTH CARE OR FUTURE PLANS TO PROVIDE DIRECT ORAL HEALTH CARE OTHER ORGANIZATIONS SUCH AS CREIGHTON SCHOOL OF DENTISTRY AND BUILDING HEALTHY FUTURES ARE TAKING ON THIS ISSUE SEXUALLY TRANSMITTED DISEASE IS ALSO AN ISSUE THAT IS COVERED BY OTHER KEY ORGANIZATIONS SUCH AS THE DOUGLAS COUNTY HEALTH DEPARTMENT, FEDERALLY QUALIFIED HEALTH CENTERS, THE NEBRASKA AIDS PROJECT, ETC THE FINAL LIST OF HEALTH PRIORITIES SELECTED BY THE COMMUNITY IS BEING ADDRESSED BY ACH IN EITHER SYSTEM-WIDE OR INDIVIDUAL HOSPITAL IMPLEMENTATION STRATEGIES ,

Identifier	ReturnReference	Explanation
Used federal poverty guidelines (FPG) to determine eligibility	Schedule H, Part V Section B, Line 10	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - ALEGENT HEALTH-IMMANUEL 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,
Used FPG to determine eligibility for providing discounted care criteria	Schedule H, Part V Section B, Line 11	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - ALEGENT HEALTH-IMMANUEL 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,

Identifier	ReturnReference	Explanation
Other factors included in calculating amounts charges to patients	Schedule H, Part V Section B, Line 12h	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - SIZE OF FAMILY IS ALSO USED IN THE CALCULATION ,
Other ways hospital publicized Financial Assistance Policy	Schedule H, Part V Section B, Line 14g	(1) ALEGENT HEALTH IMMANUEL MEDICAL CENTER - INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW.ALEGENTCREIGHTON.COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS. LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION. COUNSELORS OF THE ALEGENT CREIGHTON HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS ,

Identifier	ReturnReference	Explanation
Needs assessment	Schedule H, Part VI, Line 2	THE PROCESS TO DEVELOP ASSESSMENTS OF THE COMMUNITY HEALTH NEEDS (CHNA) IS COLLABORATIVE IN NATURE AND INVOLVES HEALTH DEPARTMENTS, EXISTING HEALTH COALITIONS, COMMUNITY MEMBERS AND HOSPITAL LEADERSHIP, AND IS SUPPORTED BY ALEGENT CREIGHTON HEALTH'S COMMUNITY BENEFIT AND HEALTHIER COMMUNITIES DEPARTMENT STAFF EACH ALEGENT CREIGHTON HEALTH HOSPITAL PARTICIPATES IN THE CHNA PROCESS FOR THE COUNTY IN WHICH THE FACILITY IS LOCATED AT LEAST EVERY 3 YEARS IN PARTNERSHIP WITH THE LOCAL HEALTH DEPARTMENTS THE ASSESSMENT VARIES IN EACH COMMUNITY BUT INCLUDES REVIEW OF PRIMARY DATA (SUCH AS SURVEYS, KEY INFORMANT INTERVIEWS, FOCUS GROUPS) AND SECONDARY DATA (SUCH AS COUNTY HEALTH RANKINGS, BRFRSS, YRBS, CENSUS DATA ETC) LEADERSHIP FROM ALEGENT CREIGHTON HEALTH PARTICIPATE IN MULTIPLE INTERNAL AND EXTERNAL VENUES TO GARNER COMMUNITY INPUT, PRIORITIZE COMMUNITY HEALTH NEEDS AND DEVELOP COMMUNITY HEALTH IMPROVEMENT PLANS THE CHNA REPORT FOR EACH COMMUNITY IS MADE AVAILABLE TO THE PUBLIC BY POSTING THE REPORT ON THE ALEGENT CREIGHTON HEALTH EXTERNAL WEBSITE AND BY MAKING IT AVAILABLE IN COMMUNITY VENUES THE CHNAS ARE INTEGRATED INTO THE GOVERNANCE AND PLANNING FOR ALEGENT CREIGHTON HEALTH ON TWO LEVELS- * REPORTING INTO THE COMMITTEE OF THE BOARD OF DIRECTORS CHARGED WITH HEALTH PLANNING OVERSIGHT * INTO THE ANNUAL STRATEGIC PLANNING AND BUDGETING PROCESSES OF ALEGENT CREIGHTON HEALTH * IMPLEMENTATION PLANS APPROVED BY BOARD OF DIRECTORS PARTICULAR TO THE COUNTY IN WHICH IMMANUEL MEDICAL CENTER RESIDES, ALEGENT CREIGHTON HEALTH PARTNERS WITH LOCAL HEALTH DEPARTMENTS, LIVE WELL OMAHA AND COMPETING HEALTH SYSTEMS TO RETAIN PROFESSIONAL RESEARCH CONSULTANTS TO CONDUCT A CHNA FOR THE OMAHA/COUNCIL BLUFFS METROPOLITAN SERVICE AREA THE CHNA COVERS FOUR COUNTIES SERVED BY THE ALEGENT CREIGHTON HEALTH OMAHA AND COUNCIL BLUFFS HOSPITALS THE CHNA REPORTS DATA AT THE COUNTY LEVEL AND FOR DOUGLAS COUNTY, BY FOUR QUADRANTS WITHIN THE COUNTY ALEGENT CREIGHTON HEALTH LEADERS SERVE ON THE CHNA STEERING COMMITTEE AND PARTICIPATE IN KEY INFORMANT INTERVIEWS CONDUCTED AT HOSPITAL LOCATIONS THE CHNA IS SHARED IN MULTIPLE VENUES WITH THE PUBLIC, INCLUDING AT THE LIVE WELL OMAHA SUMMIT ALEGENT CREIGHTON HEALTH IS ONE OF THE FOUNDERS OF LIVE WELL OMAHA IN ADDITION, ALEGENT CREIGHTON HEALTH HAS JOINED WITH LOCAL HEALTH SYSTEMS AND HEALTH DEPARTMENTS TO FUND THE WEB BASED COMMUNITY HEALTH DASHBOARD (HTTP //WWW DOUGLASCOHEALTH ORG/) THE CHNA PROCESS FOR THE HOSPITAL INCLUDED BOTH QUANTITATIVE AND QUALITATIVE SOURCES QUANTITATIVE DATA INPUT INCLUDES PRIMARY RESEARCH (THE PRC COMMUNITY HEALTHY SURVEY) AND SECONDARY RESEARCH (VITAL STATISTICS AND OTHER EXISTING HEALTH-RELATED DATA) THESE QUANTITATIVE COMPONENTS ALLOW FOR TRENDING AND COMPARISON TO BENCHMARK DATA AGAINST THE STATE AND NATIONAL LEVELS QUALITATIVE DATA INPUT INCLUDES PRIMARY RESEARCH GATHERED THROUGH A SERIES OF KEY INFORMANT INTERVIEWS THE SURVEY INSTRUMENT USED FOR THE CHNA IS BASED LARGELY ON THE CENTERS FOR DISEASE CONTROL AND PREVENTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM, WITH THE FINAL SURVEY QUESTIONS DEVELOPED BY THE SPONSORS AND PRC, SIMILAR TO PREVIOUS CHNAS USED IN THE REGION ALLOWING FOR DATA TRENDING A TELEPHONE INTERVIEW METHODOLOGY-ONE THAT INCORPORATES BOTH LANDLINES AND CELL PHONE INTERVIEWS-WAS EMPLOYED FOR THE CHNA THE CHNA CONSISTED OF STRATIFIED RANDOM SAMPLE OF 2,000 INDIVIDUALS AGE 18 AND OLDER IN THE SERVICE AREA, INCLUDING 1,000 INTERVIEWS IN DOUGLAS COUNTY, 400 IN SARPY COUNTY, 200 IN CASS COUNTY AND 400 IN POTTAWATTAMIE COUNTY IN ADDITION, TO BETTER REPRESENT RACIAL/ETHNIC GROUPS, TWO OVERSAMPLES WERE APPLIED IN DOUGLAS COUNTY (100 ADDITIONAL INTERVIEWS WITH BLACK/AFRICAN AMERICAN RESIDENTS AND 100 ADDITIONAL INTERVIEWS WITH HISPANIC RESIDENTS) IN ALL, 2,200 INTERVIEWS WERE COMPLETED THROUGHOUT THE SERVICE AREA AS PART OF THE CHNA, THERE WERE FIVE FOCUS GROUPS AND 88 KEY INFORMANT INTERVIEWS WHICH INCLUDED PHYSICIANS, OTHER HEALTH PROFESSIONALS, MEDIA, AGENCIES SERVING VULNERABLE POPULATIONS AND INDIVIDUAL COMMUNITY MEMBERS
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	THERE ARE SEVERAL FINANCIAL ASSISTANCE ACCESS POINTS THROUGHOUT A PATIENT'S CARE CYCLE BILLS CONTAIN FINANCIAL ASSISTANCE VERBIAGE, SIGNS ARE POSTED IN CLINICS AND HOSPITAL, AND THERE IS INFORMATION ON FINANCIAL ASSISTANCE POSTED AT REGISTRATION POINTS THROUGHOUT CLINICS AND HOSPITALS INFORMATION ON THE ALEGENT CREIGHTON HEALTH SYSTEM'S FINANCIAL ASSISTANCE POLICIES ARE LOCATED SEVERAL PLACES ON THE SYSTEM'S WEBSITE- WWW.ALEGENTCREIGHTON.COM ALL EFFORTS ARE MADE TO ESTABLISH WHETHER PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE PRIOR TO SERVICE IF POSSIBLE, OTHERWISE AS SOON AS POSSIBLE FOLLOWING SERVICE ALEGENT CREIGHTON HEALTH REPRESENTATIVES HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH ALEGENT CREIGHTON HEALTH'S FINANCIAL ASSISTANCE POLICY THE APPLICATION PROCESS REQUIRES THAT THE PATIENT COMPLETE A PERSONAL FINANCIAL APPLICATION AND PROVIDE VERIFICATION DOCUMENTS VERIFICATION INCLUDES EMPLOYMENT VERIFICATION AND OBTAINING DOCUMENTATION OF THE APPLICANT'S FINANCIAL CONDITION SUCH AS FEDERAL TAX RETURN, PAY STUB, NET WORTH AND/OR LIQUID ASSETS AND REASONABLE HOUSEHOLD OR BUSINESS EXPENSES FINANCIAL ASSISTANCE MAY STILL BE GRANTED IN CERTAIN CIRCUMSTANCES INVOLVING A CATASTROPHIC OCCURRENCE RESULTING IN MEDICAL BILLS GROSSLY EXCEEDING THE PATIENT'S ABILITY TO PAY, AND IN THESE SITUATIONS, THE PATIENT'S RESPONSIBILITY WILL BE LIMITED TO 20% OF THE FAMILY'S GROSS ANNUAL INCOME

Identifier	ReturnReference	Explanation
Community information	Schedule H, Part VI, Line 4	ALEGENT CREIGHTON HEALTH SYSTEM SERVES THE NINE COUNTIES OF GREATER OMAHA COMBINED STATISTICAL AREA (CSA), WITH AN ESTIMATED POPULATION OF OVER 925,858, RANKING 56TH OUT OF 166 CSAS IN TOTAL POPULATION. THE CSA CONSISTS OF 3 IOWA AND 6 NEBRASKA COUNTIES ON BOTH SIDES OF THE MISSOURI RIVER AND COVERS 4407 SQUARE MILES. LOCATED IN DOUGLAS COUNTY, THE CITY OF OMAHA HAS A POPULATION OF 419,041. NEARLY 1.3 MILLION PEOPLE LIVE WITHIN A 60-MILE RADIUS OF OMAHA. CHARACTERIZED BY STEADY GROWTH, THE CSA GREW BY 14.9 PERCENT BETWEEN 2000 AND 2011, THE 2016 PROJECTED POPULATION IS MORE THAN 946,000, A 7.3 PERCENT INCREASE. APPROXIMATELY 36 PERCENT OF THE POPULATION IS 25 YEARS OF AGE OR YOUNGER, WITH A MEDIAN AGE OF 35.2 YEARS COMPARED TO A U.S. MEDIAN AGE OF 37.6. 50.6% OF THE POPULATION IS FEMALE. RACIAL MINORITIES COMPRISE ABOUT 17.4 PERCENT OF GREATER OMAHA'S POPULATION, INCLUDING AN AFRICAN-AMERICAN POPULACE OF 7.8 PERCENT AND A GROWING HISPANIC POPULATION OF 9.8 PERCENT. IN 2012, GREATER OMAHA WAS PREDICTED TO HAVE 387,514 TOTAL HOUSING UNITS AND HOUSING UNITS ARE PROJECTED TO INCREASE ANOTHER 5 PERCENT BY 2017. THE MEDIAN HOUSEHOLD INCOME IS \$56,445, WHICH SURPASSES THE NATIONAL AVERAGE OF \$53,046, WITH A PER CAPITA INCOME OF \$27,307. GREATER OMAHA IS A WELL-EDUCATED COMMUNITY. NEARLY 91 PERCENT OF ADULTS, AGE 25 AND OLDER, ARE HIGH SCHOOL GRADUATES AND 32 PERCENT HAVE A BACHELOR'S DEGREE OR HIGHER, COMPARED TO 27.9 PERCENT NATIONALLY. GREATER OMAHA OFFERS A LARGE AND DIVERSE WORKFORCE FOR EMPLOYERS OF ALL SIZES AND INDUSTRIES. THE GREATER OMAHA POPULATION NOT ONLY POSSESSES THE EDUCATION AND DEMOGRAPHIC QUALITIES THAT EMPLOYERS ARE LOOKING FOR, BUT ALSO THE NATIONALLY RECOGNIZED MIDWEST WORK ETHIC THAT IS SIMPLY PART OF THE FABRIC OF THE REGION. OMAHA IS HOME TO MANY MAJOR COMPANIES AND LARGE EMPLOYERS, INCLUDING FIVE FORTUNE 500 COMPANIES, MAKING IT FOURTH IN THE NATION FOR NUMBER OF SUCH COMPANIES PER CAPITA. RECENT RECOGNITIONS FOR THE GREATER OMAHA AREA INCLUDE: AMONG THE 10 BEST CITIES FOR PROFESSIONAL WOMEN, AMONG THE 10 BEST CITIES FOR CONSUMER BANKING, AMONG THE 10 BEST CITIES TO RAISE A FAMILY, AND AMONG THE BEST CITIES FOR JOB SEEKERS.
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	ALEGENT CREIGHTON HEALTH HAS A HISTORY OF CENTRALIZED COMMUNITY BENEFIT AND HOSPITAL SPECIFIC COMMUNITY BENEFIT INVESTMENTS TO ADDRESS COMMUNITY HEALTH NEEDS OF THE PARTICULAR SERVICE AREA. EXAMPLES OF HOW ALEGENT CREIGHTON HEALTH FURTHERS ITS EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUNITY INCLUDE: * FINANCIAL ASSISTANCE AND UNPAID COSTS OF MEDICAID * COMMUNITY HEALTH IMPROVEMENT SERVICES - COMMUNITY EDUCATION, CLASSES AND PROGRAMS (CHILDBIRTH, DIABETES, ONCOLOGY, PHYSICAL ACTIVITY, HEALTHY EATING AND COOKING, HEALTH CAREERS, CANCER, SPORTS MEDICINE ETC) - SUPPORT GROUPS (CANCER, BEREAVEMENT, YOUTH ETC) - COMMUNITY HEALTH FAIRS AND SCREENINGS - IMMUNIZATION CLINICS - PARISH NURSING PROGRAM AND FAITH COMMUNITY OUTREACH - SCHOOL BASED HEALTHCARE SERVICES * HEALTH PROFESSIONAL EDUCATION - CLINICAL PRECEPTORSHIPS FOR HEALTHCARE PROFESSIONALS - SCHOLARSHIPS AND MENTORSHIPS - AFFILIATION WITH AND SUPPORT OF CREIGHTON UNIVERSITY SCHOOL OF MEDICINE - PHYSICIAN RESIDENCY AND FELLOWSHIP PROGRAMS TRAINING MORE THAN 200 RESIDENTS AND FELLOWS ANNUALLY * RESEARCH-PARTICIPATION IN THE MISSOURI VALLEY CANCER CONSORTIUM * FINANCIAL AND IN-KIND CONTRIBUTIONS - SUPPORT OF THE FEDERALLY QUALIFIED HEALTHCARE CENTERS (AND HOPE MEDICAL COALITION WHICH PROVIDES ACCESS TO MEDICAL SERVICES SPECIFICALLY FOR THE UNDERSERVED - CORPORATE SPONSORSHIPS - TANZANIA AND DOMINICAN REPUBLIC HEALTH MINISTRIES - STAFF SERVICE ON HEALTH RELATED BOARD AND COALITIONS * SUBSIDIZED HEALTHCARE SERVICE INCLUDING BEHAVIORAL HEALTH, NICU, HOME HEALTH AND HOSPICE (SEE CONTINUATION #1)

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	(CONTINUATION #1) * COMMUNITY BUILDING ACTIVITIES - COMMUNITY AND ECONOMIC DEVELOPMENT INCLUDING SUPPORT OF LOCAL CHAMBERS OF COMMERCE - STRATEGIC PLANNING AND CONSULTING SERVICES FOR COMMUNITY - HEALTH COALITIONS LIVE WELL OMAHA-A COALITION FOUNDED BY ACH AND THE COUNTY HEALTH DEPARTMENT THAT SERVES AS CONVENER OF BUSINESS, HEALTHCARE AND COMMUNITY LEADERS TO REVIEW HEALTH TRENDS AND CATALYZE COMMUNITY ACTION TO ADDRESS HEALTH ISSUES ACH SERVES ON THE BOARD OF DIRECTORS, IS A MEMBER AT THE HIGHEST LEVEL AND LEASES STAFF TO LIVE WELL OMAHA LIVE WELL OMAHA KIDS-A COALITION FUNDED AND STAFFED FOR SEVEN YEARS BY ACH TO ADDRESS CHILDHOOD OBESITY LIVE WELL POTTAWATTAMIE-AN EMERGING COALITION TO ADDRESS OBESITY IN POTTAWATTAMIE COUNTY ACH PROVIDES STRATEGIC PLANNING, GRANT WRITING AND STAFF SUPPORT - VIOLENCE PREVENTION-A PARTNERSHIP WITH CATHOLIC HEALTH INITIATIVES, WOMEN'S CENTER FOR ADVANCEMENT, UNIVERSITY OF NEBRASKA-OMAHA AND CREIGHTON UNIVERSITY TO IMPLEMENT A CAMPUS BASED VIOLENCE PREVENTION PLAN KNOWN AS "GREEN DOT" - METRO AREA CONTINUUM OF CARE FOR THE HOMELESS- BOARD SERVICE AND FINANCIAL SUPPORT TO THIS COALITION ADDRESSING HOMELESSNESS IN THE SERVICE AREA - HOPE MEDICAL COALITION-BOARD SERVICE AND ANNUAL OPERATING SUBSIDY ACH HOSPITALS AND PHYSICIANS PROVIDE SPECIALTY CARE TO PATIENTS UNABLE TO AFFORD MEDICAL SERVICES - PARTICIPATION IN AND FUNDING OF MATERNAL HEALTH, BREASTFEEDING, SUBSTANCE ABUSE, CANCER, DIABETES AND OTHER COMMUNITY HEALTH COALITIONS -MENTAL HEALTH COALITIONS INCLUDING NATIONAL ALLIANCE ON MENTAL ILLNESS, NEBRASKA ASSOCIATION OF BEHAVIORAL HEALTH CARE ORGANIZATIONS, AND THE JUVENILE JUSTICE PROVIDER FORUM BEHAVIORAL HEALTH COMMITTEE * THE PRIMARY CARE PHYSICIAN CLINICS THAT ARE PART OF THE PARENT CORPORATION PROVIDE ACCESS TO CARE THROUGH THE SYSTEM'S FINANCIAL ASSISTANCE POLICY AND PARTICIPATE IN MEDICAL STUDENT PRECEPTORSHIPS THAT ADVANCE THE HEALTHCARE PROVIDER EDUCATION PROCESS * ALEGENT CREIGHTON HEALTH HAS OPEN MEDICAL STAFFS * ALEGENT CREIGHTON HEALTH IS ONE OF THREE HEALTH SYSTEMS THAT FUND THE OPERATIONS OF A COALITION THAT EXISTS TO PROVIDE ACCESS FOR THE PATIENTS OF THREE AREA FEDERALLY QUALIFIED HEALTHCARE CENTERS TO SPECIALTY PHYSICIAN SERVICES AND HOSPITAL BASED DIAGNOSTICS AND TREATMENT * ALEGENT CREIGHTON HEALTH IS THE SOLE COMPREHENSIVE MENTAL HEALTH PROVIDER IN THE OMAHA MSA AREA * ALEGENT CREIGHTON HEALTH IS A JOINT VENTURE PARTNER IN A NOT-FOR-PROFIT HOSPICE INPATIENT HOSPITAL AND PROVIDES THE MANAGEMENT SUPPORT CONTRACT * ALEGENT HEALTH BUDGETS FOR AN EMERGENCY FUND AS A SUBSET OF OTHER COMMUNITY DONATIONS TO RESPOND TO CRISIS OR UNPLANNED FUNDING NEEDS OF A VITAL COMMUNITY SERVICE, WHICH HAS FIRST USED IN FY2011 WITH THE ECONOMIC DOWNTURN * BOARD OF DIRECTORS-ALEGENT HEALTH-IMMANUEL MEDICAL CENTER IS GOVERNED BY A BOARD OF DIRECTORS PRIMARILY COMPRISED OF VOLUNTEER MEMBERS OF OUR LOCAL COMMUNITY WHO ARE LEADERS IN THE FIELDS OF BUSINESS, HEALTHCARE, ACCOUNTING AND MEDICINE AND UNDERSTAND THEIR ROLE IN PROVIDING STRONG CORPORATE GOVERNANCE * EMERGENCY DEPARTMENT-ALEGENT HEALTH-IMMANUEL MEDICAL CENTER HOSPITALS HAVE FULL-TIME EMERGENCY DEPARTMENTS THAT ARE OPEN TO THE PUBLIC AND PROVIDE MEDICAL SCREENING EXAMINATIONS AND STABILIZING TREATMENT WITHIN THE CAPABILITIES AND CAPACITY OF THE HOSPITALS REGARDLESS OF BUT NOT LIMITED TO THE PATIENT'S RACE, COLOR, SEX, AGE, AND/OR ABILITY TO PAY THE HOSPITALS ARE IN COMPLIANCE WITH THE FEDERAL EMTALA REGULATIONS IN ADDITION, ALEGENT HEALTH-IMMANUEL MEDICAL CENTER, TOGETHER WITH UNRELATED HOSPITALS IN THE AREA, WORKS CLOSELY WITH LOCAL FIRE AND RESCUE DEPARTMENTS TO ENSURE THAT AMBULANCES TAKE PATIENTS TO THE APPROPRIATE HOSPITAL THIS IS GENERALLY THE HOSPITAL THAT IS CLOSEST GEOGRAPHICALLY WITH EXCEPTIONS BASED ON PATIENT PREFERENCE, PATIENT'S PHYSICIAN PREFERENCE, AND CAPACITY OR THE AVAILABILITY OF SPECIALIZED FACILITIES OR PROGRAMS RELATED TO THE PATIENT'S CONDITION FINALLY, ALEGENT HEALTH-IMMANUEL MEDICAL CENTER MAINTAINS DETAILED PROCEDURES REGARDING WHEN AND UNDER WHAT CIRCUMSTANCES A PATIENT CAN BE TRANSFERRED UNDER THIS POLICY, NO PATIENT WILL BE TRANSFERRED BASED ON RACE, CREED, RELIGION OR ABILITY TO PAY
Affiliated health care system	Schedule H, Part VI, Line 6	ALEGENT HEALTH-IMMANUEL MEDICAL CENTER, ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF 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 ALEGENT HEALTH-IMMANUEL MEDICAL CENTER OPERATES WITH ITS WHOLLY OWNED AFFILIATES AND COMMUNITY PARTNERS, TO SERVE THE HEALTH CARE NEEDS OF THE OMAHA, NE COMMUNITIES

Identifier	ReturnReference	Explanation
State filing of community benefit report	Schedule H, Part VI, Line 7	IA, NE

OMB No 1545-0047

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

Open to Public Inspection

Employer identification number
47-0376615

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

[illegible]

- | | | |
|----------|---|---|
| 2 | Enter total number of section 501(c)(3) and government organizations listed in the line 1 table | 2 |
| 3 | Enter total number of other organizations listed in the line 1 table | 0 |

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) FINANCIAL ASSISTANCE/CHARITY CARE	4502	0	19,362,843	BOOK	REDUCTION OR WRITE OFF OF PATIENT SERVICES
(2) SCHOLARSHIPS	8	4,750	0	N/A	N/A

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
SCHOLARSHIPS	SCHEDULE I, PART III	SISTER INGEBORG BLOMBERG SCHOLARSHIP SCHOLARSHIPS ARE PROVIDED BY THE IMMANUEL MEDICAL CENTER AUXILIARY TO PROVIDE CONTINUING EDUCATION FOR ALGENT HEALTH-IMMANUEL MEDICAL CENTER EMPLOYEES FOR THEIR PERSONAL GROWTH AND/OR PROFESSIONAL DEVELOPMENT ALL PERMANENT, FULL-TIME AND PART-TIME EMPLOYEES IN GOOD STANDING WHO HAVE SIX MONTHS OR MORE OF SERVICE WITH ALEGENT HEALTH-IMMANUEL MEDICAL CENTER MAY APPLY FOR THE SCHOLARSHIPS PAYMENT FOR TUITION, LAB FEES, BOOKS AND REGISTRATION EXPENSES WILL BE MADE DIRECTLY TO THE INSTITUTION UPON RECEIPT OF A STATEMENT OF COSTS FROM THE INSTITUTION THE AWARDING OF THE SISTER INGEBORG BLOMBERG SCHOLARSHIP SHALL BE SUBJECT TO THE FOLLOWING CRITERIA 1 APPLICATION IS MADE PRIOR TO MAKING A COMMITMENT TO THE SCHOOL 2 THE SCHOOL AND COURSE ARE OF RECOGNIZED STANDING 3 THE EMPLOYEE CONTINUES TO MAINTAIN HIS/HER REGULARLY SCHEDULED WORKING HOURS 4 THE EMPLOYEE SHALL SIGN AN AUTHORIZATION ALLOWING THE AUXILIARY TO RECEIVE WRITTEN CERTIFICATION OF PERFORMANCE FROM THE INSTITUTION 5 IT IS EVIDENT THAT THE COURSE, OR COURSES ARE MUTUALLY BENEFICIAL TO THE EMPLOYEE AND TO ALEGENT HEALTH-IMMANUEL MEDICAL CENTER 6 THE EMPLOYEE IS EXPECTED TO REMAIN EMPLOYED AT ALEGENT HEALTH-IMMANUAL MEDICAL CENTEER FOR AT LEASTONE YEAR AFTER RECEIVING THE SISTER INGEBORG BLOMBERG SCHOLARSHIP ALEGENT HEALTH-IMMANUEL MEDICAL CENTER OCCASSIONALLY DISTRIBUTES FUNDS TO OTHER 501(C)(3) ORGANIZATIONS THESE DISTRIBUTIONS ARE MONITORED TO ENSURE THEY ARE BEING USED AS SPECIFIED BY THE ORGANIZATION
FINANCIAL ASSISTANCE/CHARITY CARE	SCHEDULE I, PART II	ALEGENT HEALTH-IMMANUEL MEDICAL CENTER RECOGNIZES THE RIGHT TO QUALITY HEALTHCARE REGARDLESS OF AGE, SEX, RACE, RELIGION, NATIONAL ORIGIN, OR ABILITY TO PAY BUSINESS OFFICE STAFF HELPS PATIENTS SEEK LOCAL, STATE, AND FEDERAL REIMBURSEMENT AT NO CHARGE WHEN NO OTHER SOURCE OF PAYMENT IS AVAILABLE FINANCIAL ASSISTANCE IS PROVIDED TO PATIENTS WITH DEMONSTRATED INABILITY TO PAY FOR MEDICALLY NECESSARY SERVICES THESE FUNDS ARE DIRECTLY USED TO OFFSET THE PATIENTS ACCOUNTS RECEIVABLE
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	MOST DISBURSEMENTS IN FURTHERANCE OF THE ORGANIZATION'S EXEMPT PROGRAMS ARE MADE DIRECTLY IN THE ACTIVE CONDUCT OF THE ACTIVITIES CONSTITUTING THE EXEMPT PURPOSE OR FUNCTION OF THE ORGANIZATION OTHERWISE, DISTRIBUTIONS IN FURTHERANCE OF THE INSTITUTION'S EXEMPT PROGRAMS ARE MADE IN ACCORDANCE WITH PROCEDURES OR SUBJECT TO CONDITIONS ESTABLISHED BY THE INSTITUTION'S GOVERNING BOARD OR MANAGEMENT DESIGNED TO ENSURE THAT RECIPIENTS OF SUCH DISBURSEMENTS FROM THE ORGANIZATION ARE ADEQUATELY INVESTIGATED AND GRANTED TO QUALIFIED RECIPIENTS

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Employer identification number

47-0376615

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☒ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ 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	1bYes	
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?	2Yes	
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 ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment?	4aYes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4bYes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	5a	No
b Any related organization? If "Yes," to line 5a or 5b, describe in Part III	5b	No
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?	6aYes	
b Any related organization? If "Yes," to line 6a or 6b, describe in Part III	6bYes	
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Housing allowance or residence for personal use	Schedule J, Part I, Line 1a	AS PART OF THE EXECUTIVE COMPENSATION ARRANGEMENT, EXECUTIVES ARE PROVIDED WITH A SET SUM, APPROXIMATELY 30 - 40% OF THEIR BASE SALARY, WHICH CAN BE USED TO ELECT VARIOUS BENEFITS SOME OF THE BENEFITS AVAILABLE FOR ELECTION INCLUDE HEALTH CLUB DUES, AUTOMOBILE ALLOWANCE, HOUSING ALLOWANCE, FINANCIAL PLANNING FEES AND LEGAL FEES PAYMENT FOR THESE BENEFITS ARE EITHER MADE DIRECTLY BY ALEGENT CREIGHTON HEALTH OR REIMBURSED TO THE EXECUTIVE AFTER THE APPROPRIATE SUBSTANTIATION FOR THE EXPENSE IS PROVIDED THE AMOUNT PAID FOR THESE BENEFITS IS INCLUDED IN THE EXECUTIVE'S WAGES AS TAXABLE INCOME
Health or social club dues or initiation fees	Schedule J, Part I, Line 1a	SEE ABOVE DISLCOSURE FOR 1A
Arrangement used to establish the top management official's compensation	Schedule J, Part I, Line 3	ACTING AS PRUDENT STEWARDS OF ITS FINANCIAL RESOURCES, THE ALEGENT CREIGHTON HEALTH BOARD COMPENSATION COMMITTEE RECOMMENDS AND THE BOARD EXECUTIVE COMMITTEE APPROVES EXECUTIVE COMPENSATION PHILOSOPHY, POLICY AND GUIDELINES IT DOES SO WITH THE OBJECTIVE OF ATTRACTING AND RETAINING TOP EXECUTIVE TALENT TO ENSURE ALEGENT CREIGHTON HEALTH IS ABLE TO FULFILL ITS FAITH-BASED MISSION AND ACHIEVE ITS VISION OF BECOMING WORLD-CLASS THE ALEGENT CREIGHTON HEALTH COMPENSATION COMMITTEE FOLLOWS A THOROUGH AND INTENTIONAL PROCESS THAT INCLUDES CONSULTATION WITH INDEPENDENT, EXPERT COUNSEL AND CAREFULLY COMPARES COMPENSATION LEVELS TO MARKET-BASED COMPENSATION OF SIMILAR SIZED, NON-PROFIT AND FOR-PROFIT HEALTH SYSTEMS AND ALSO UTILIZES A BLEND OF NON-PROFIT AND GENERAL INDUSTRY DATA FOR EXECUTIVE ROLES WHERE THE RECRUITING MARKET IS ARGUABLY BROADER THAN THE NON-PROFIT SECTOR TOTAL COMPENSATION INCLUDES BASE COMPENSATION, AND ALSO INCLUDES PERFORMANCE-BASED INCENTIVE COMPENSATION FOR ACHIEVING BOARD-SET GOALS FOR CLINICAL QUALITY, PATIENT SAFETY AND SATISFACTION, PHYSICIAN PERCEPTION, STRATEGIC AND FACILITY PLANNING AND FINANCIAL PERFORMANCE IT MAY ALSO INCLUDE OTHER CASH PAYMENTS SUCH AS ONE-TIME RELOCATION COSTS, AND/OR CASH PAYMENTS FOR DEFERRED COMPENSATION
Severance or change-of-control payment	Schedule J, Part I, Line 4a	THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS AS EXECUTIVES OF ALEGENT CREIGHTON HEALTH (A RELATED ORGANIZATION) DURING THE 2012 CALENDAR YEAR AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE AS COMPENSATION ON SCHEDULE J RICHARD HACHTEN - \$444,672 MARTIN HICKEY, MD - \$189,994 SEVERANCE PAID TO RICHARD HACHTEN IN CALENDAR YEAR 2012 RELATES TO A CORRECTION MADE TO REPORT ADDITIONAL SEVERANCE OWED TO HIM FROM A PREVIOUS SEPARATION OF SERVICE THE ADDITIONAL SEVERANCE WAS REPORTED ON A CORRECTED W-2C AND APPLICABLE TAXES WERE SUBMITTED TO THE IRS
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	THE FOLLOWING REPORTABLE INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FROM ALEGENT CREIGHTON HEALTH (A RELATED ORGANIZATION) DURING THE 2012 CALENDAR YEAR THE FOLLOWING AMOUNTS DEFERRED FROM THE PLAN WERE INCLUDED IN COLUMN C OF THE SCHEDULE J RICHARD HACHTEN II - \$155,803 SCOTT WOOTEN - \$64,619 JANE CARMODY - \$23,850 NANCY WALLACE - \$20,943 RICK MILLER, MD - \$42,174 KENNETH LAWONN - \$107,846 JOAN NEUHAUS - \$63,430 SHEREE KEELY - \$25,941 ELIZABETH LLEWELLYN - \$31,429 PATRICIA MASEK - \$26,283 ANN SCHUMACHER - \$51,778 RICHARD ROLSTON - \$67,114 JASON YUNG TUM - \$24,139 PAUL STRAWHECKER - \$15,992 SCHEDULE J, LINE 4B - THE FOLLOWING REPORTABLE INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FROM ALEGENT CREIGHTON HEALTH (A RELATED ORGANIZATION) DURING THE 2012 CALENDAR YEAR THE FOLLOWING AMOUNTS FROM THE PLAN WERE PAID OUT AND INCLUDED IN TAXABLE WAGES THE AMOUNTS WERE INCLUDED IN COLUMN B(III) OF THE SCHEDULE J RICHARD HACHTEN II - \$141,223 SCOTT WOOTEN - \$58,678 JANE CARMODY - \$19,974 NANCY WALLACE - \$19,182 RICK MILLER, MD - \$36,480 RICHARD ROLSTON, MD - 40,680 KENNETH LAWONN - \$47,270 JOAN NEUHAUS - \$53,374 SHEREE KEELY - \$12,358 ELIZABETH LLEWELLYN - \$14,770 PATRICIA MASEK - \$12,614 PAUL STRAWHECKER - \$4,772 PAUL EBMEIER - \$22,752 ANN SCHUMACHER - \$23,746
Compensation contingent on net earnings of the organization	Schedule J, Part I, Line 6a	COMPENSATION FOR MEMBERS OF MANAGEMENT OF ALEGENT CREIGHTON HEALTH AND RELATED ENTITIES IS DETERMINED AT A SYSTEM LEVEL MEMBERS OF ALEGENT CREIGHTON HEALTH MANAGEMENT ARE ELIGIBLE FOR AN ANNUAL INCENTIVE BONUS INCENTIVE AWARDS ARE BASED ON FOUR INDIVIDUAL PERFORMANCE MEASURES WHICH ARE LINKED TO FOUR SYSTEM PERFORMANCE GOALS FOR EACH MANAGER, 75% OF THE INCENTIVE AWARD WILL BE DETERMINED BY SYSTEM PERFORMANCE GOALS AND 25% DETERMINED BY INDIVIDUAL PERFORMANCE MEASURES ONE OF THE FOUR SYSTEM PERFORMANCE GOALS IS DEPENDENT ON THE FINANCIAL RESULTS OF THE ENTIRE ALEGENT CREIGHTON HEALTH SYSTEM FOR THE FISCAL YEAR
Compensation contingent on net earnings of a related organization	Schedule J, Part I, Line 6b	SEE DISCLOSURE OF 6A
POTENTIAL SEVERANCE PAYMENTS	SCHEDULE J, PART II	THE ALEGENT CREIGHTON HEALTH EXECUTIVES HAVE A PROVISION IN THEIR COMPENSATION AGREEMENT THAT PROVIDES FOR POTENTIAL SEVERANCE PAYMENTS IN THE EVENT OF TERMINATION WITHOUT CAUSE OR CHANGE OF CONTROL THE AMOUNT OF SEVERANCE AN EXECUTIVE MAY OR MAY NOT RECEIVE IF TERMINATED ACCORDING TO THE COMPENSATION AGREEMENT IS INCLUDED AS DEFERRED COMPENSATION IN COLUMN C

Software ID: 12000266
Software Version: v2012.1.0
EIN: 47-0376615
Name: ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ANN SCHUMACHER	(i)	55,917	23,533	15,798	19,300	5,362	119,910	5,110
	(ii)	203,910	85,815	57,609	70,381	19,555	437,270	18,636
ANTHONY HATCHER	(i)	0	0	0	0	0	0	0
	(ii)	399,807	0	32,728	15,000	16,780	464,315	0
ARUN SHARMA MD	(i)	395,614	0	33,340	17,500	24,638	471,092	0
	(ii)	0	0	0	0	0	0	0
BECKI HILL MD	(i)	327,473	10,000	15,621	12,500	14,358	379,952	0
	(ii)	0	0	0	0	0	0	0
BETH LLEWELLYN	(i)	33,879	15,386	10,514	53,227	2,130	115,136	3,179
	(ii)	123,543	56,108	38,341	194,099	7,766	419,857	11,591
CHRISTOPHER CRISCUOLO MD	(i)	322,335	0	23,092	12,500	20,838	378,765	0
	(ii)	0	0	0	0	0	0	0
FRANK EMSICK	(i)	30,720	10,052	7,801	431	4,092	53,096	0
	(ii)	112,027	36,655	28,446	1,570	14,921	193,619	0
HUDSON HSIEH MD	(i)	278,303	0	34,960	14,966	23,113	351,342	0
	(ii)	0	0	0	0	0	0	0
JANE CARMODY	(i)	57,297	23,134	9,549	11,896	2,510	104,386	4,299
	(ii)	208,939	84,359	34,823	43,378	9,154	380,653	15,675
JASON YUNG TUM	(i)	42,335	1,137	2,038	122,589	4,625	172,724	0
	(ii)	154,376	4,147	7,433	447,036	16,869	629,861	0
JOAN NEUHAUS	(i)	82,773	55,039	26,404	361,083	1,248	526,547	11,487
	(ii)	301,843	200,706	96,284	1,316,735	4,553	1,920,121	41,887
JOHN HARRIS MD	(i)	0	0	0	0	0	0	0
	(ii)	473,461	0	16,361	7,500	21,988	519,310	0
KENNETH LAWONN	(i)	70,726	46,220	21,783	322,023	4,391	465,143	10,173
	(ii)	257,912	168,546	79,434	1,174,295	16,013	1,696,200	37,096
LARRY BROWN MD	(i)	0	0	0	0	0	0	0
	(ii)	316,479	0	26,324	18,641	27,066	388,510	0
MARTIN HICKEY MD	(i)	0	0	40,889	0	0	40,889	40,889
	(ii)	0	0	149,105	0	0	149,105	149,105
MARTIN M MANCUSO MD	(i)	0	0	0	0	0	0	0
	(ii)	347,042	0	61,035	7,500	16,329	431,906	0
MICHAEL EGGER MD	(i)	325,516	0	27,290	17,500	26,761	397,067	0
	(ii)	0	0	0	0	0	0	0
MYLES GART MD	(i)	39,642	0	3,662	2,167	290	45,761	0
	(ii)	144,558	0	13,355	7,904	1,058	166,875	0
NANCY WALLACE	(i)	45,408	22,412	14,118	72,370	2,373	156,681	4,128
	(ii)	165,585	81,728	51,483	263,906	8,653	571,355	15,053
PATRICIA MASEK	(i)	28,006	13,250	11,527	13,924	3,449	70,156	2,715
	(ii)	102,126	48,319	42,033	50,776	12,577	255,831	9,899

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
PAUL EBMEIER	(i)	0	0	0	0	0	0	0
	(ii)	211,292	110,956	79,842	1,063	16,707	419,860	22,752
PAUL EDGETT	(i)	0	0	0	0	0	0	0
	(ii)	440,982	214,258	79,137	64,715	21,785	820,877	57,444
PAUL STRAWHECKER	(i)	40,231	14,317	5,133	3,442	3,562	66,685	1,027
	(ii)	146,708	52,207	18,719	12,550	12,988	243,172	3,746
RICHARD II HACHTEN	(i)	184,201	140,745	147,686	640,903	3,501	1,117,036	126,090
	(ii)	671,711	513,244	538,555	2,337,132	12,768	4,073,410	459,805
RICHARD ROLSTON MD	(i)	97,350	58,361	16,330	369,218	4,719	545,978	8,755
	(ii)	355,001	212,822	59,548	1,346,398	17,209	1,990,978	31,925
RICK MILLER MD	(i)	51,912	36,652	18,862	240,210	6,188	353,824	7,851
	(ii)	189,302	133,656	68,783	875,954	22,566	1,290,261	28,629
SCOTT WOOTEN	(i)	82,273	57,211	29,117	338,082	4,316	510,999	12,628
	(ii)	300,017	208,628	106,178	1,232,859	15,739	1,863,421	46,050
SHEREE KEELY	(i)	29,507	11,363	6,920	10,709	2,457	60,956	2,660
	(ii)	107,601	41,437	25,233	39,051	8,959	222,281	9,698

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Employer identification number
47-0376615

Part I Types of Property

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

29

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

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

Yes

No

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2012)

Part II

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

Identifier	Return Reference	Explanation
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=USGA MEGA PACKAGE #2	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=USGA MEGA PACKAGE #1	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=O KOBOJI	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=CHICAGO CUBS	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=CELINE DION	

Additional Data

Software ID: 12000266
Software Version: v2012.1.0
EIN: 47-0376615
Name: ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
USGA MEGA PACKAGE Other ▶ (#2)	X	1	3,900	MARKET VALUE
USGA MEGA PACKAGE Other ▶ (#1)	X	1	3,900	MARKET VALUE
Other ▶ (OKOBOJI)	X	1	2,200	MARKET VALUE
CHICAGO Other ▶ (CUBS)	X	1	1,170	MARKET VALUE

Part I, Types of Property, lines 25-28

Other ▶ (CELINE
DION)
Other ▶ (MAN
BASKET)
SECURITY
SOLUTIONS,
INC -
BASIC
SYSTEM
Other ▶ (INSTALL)
Other ▶ (THE PUPPY)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	1,150	MARKET VALUE
X	1	1,026	MARKET VALUE
X	1	845	MARKET VALUE
X	1	750	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
UPSTREAM BEER MAKING Other ▶ (<u>EXPERIENCE</u>)	X	1	750	MARKET VALUE
OMAHA Other ▶ (<u>SYMPHONY</u>)	X	1	710	MARKET VALUE
RUFF WATERS- TREE AND Other ▶ (<u>PLANTING</u>)	X	1	650	MARKET VALUE
Other ▶ (<u>IPAD</u>)	X	1	640	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
PLAYERS CLUB GOLF FOURSOME Other ▶ (<u>AND HOTEL</u>)	X	1	605	MARKET VALUE
Other ▶ (<u>STAYCATION</u>)	X	1	520	MARKET VALUE
VERA BRADLEY COMFORTER SET AND BREAKFAST Other ▶ (<u>TRAY</u>)	X	1	460	MARKET VALUE
USGA TWO TICKETS/WEEK Other ▶ (<u>PASS</u>)	X	1	446	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
FIRE PIT, SNACKS AND Other ▶ (ACCESSORIES)	X	1	415	MARKET VALUE
DR RUMA'S Other ▶ (ART)	X	1	400	MARKET VALUE
DESIGNER Other ▶ (VASE)	X	1	300	MARKET VALUE
SHADOW RIDGE COUNTRY CLUB - FOURSOME Other ▶ (OF GOLF)	X	1	275	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
FRAMED NEBRASKA PHOTOGRAPH - SUNRISE AND OMAHA WORLD HERALD NEBRASKA PHOTOGRAPHY				
Other ▶ (<u>BOOK</u>)	X	1	275	MARKET VALUE
SNORE & ROAR HOTEL AND ZOO				
Other ▶ (<u>PACKAGE</u>)	X	1	260	MARKET VALUE
TASTE OF				
Other ▶ (<u>OMAHA #1</u>)	X	1	254	MARKET VALUE
THE WHISTLING GOURMET - PERSONAL CHEF				
Other ▶ (<u>SERVICE</u>)	X	1	250	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
TWO COLLEGE WORLD SERIES TICKETS - CLUB LEVEL, 1ST				
Other ▶ (<u>BASELINE</u>)	X	1	250	MARKET VALUE
TAILGATING COLEMAN				
Other ▶ (<u>GRILL</u>)	X	1	250	MARKET VALUE
SHORELINE GOLF OUTING FOR FOUR				
Other ▶ (<u>WITH CART</u>)	X	1	250	MARKET VALUE
GLASS AND TILE				
Other ▶ (<u>MIRROR</u>)	X	1	250	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
Other ▶ (<u>LAP QUILT</u>) SPARTINA PURSE AND	X	1	250	MARKET VALUE
Other ▶ (<u>SCARF</u>) BEACH CHAIRS, SUMMER	X	1	245	MARKET VALUE
Other ▶ (<u>BAG & HAT</u>) PRIMAVERA GLASS ON COPPER	X	1	220	MARKET VALUE
Other ▶ (<u>PEDASTAL</u>)	X	1	220	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
(2) TICKETS ADDAMS FAMILY PLAY AND SPENCER'S				
Other ▶ (<u>GIFT CARD</u>)	X	1	220	MARKET VALUE
WEIGHT MANAGEMENT				
Other ▶ (<u>BASKET</u>)	X	1	190	MARKET VALUE
TASTE OF				
Other ▶ (<u>OMAHA #2</u>)	X	1	185	MARKET VALUE
MOTHER - DAUGHTER				
Other ▶ (<u>BASKET</u>)	X	1	185	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
Other ▶ (<u>WINE TRIO</u>) OMAHA STORM CHASERS & TEXAS	X	1	180	MARKET VALUE
Other ▶ (<u>ROADHOUSE</u>) COMMUNITY PLAYHOUSE TICKETS FOR TWO AND \$100 SULLIVAN'S	X	1	180	MARKET VALUE
Other ▶ (<u>GIFT CARD</u>) LIED LODGE AND CONFERENCE CENTER AT ARBOR DAY FARM - ONE NIGHT STAY, BREAKFAST FOR TWO WITH TREE	X	1	180	MARKET VALUE
Other ▶ (<u>AD</u>)	X	1	175	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
TUSSEY'S WINE AND DINE FOR Other ▶ (<u>FOUR</u>)	X	1	170	MARKET VALUE
RED NECK BASKET & Other ▶ (<u>ALPINE INN</u>)	X	1	170	MARKET VALUE
BALLET BIRTHDAY PARTY, PRINCESS COSTUME AND Other ▶ (<u>ACCESSORIES</u>)	X	1	160	MARKET VALUE
BRONCO TICKETS - 2 PRE- SEASON Other ▶ (<u>TICKETS</u>)	X	1	160	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
YMCA CAMP, ESTES PARK LODGE - 2 Other ▶ (NIGHT STAY)	X	1	160	MARKET VALUE
CABELA'S Other ▶ (GIFT CARD)	X	1	150	MARKET VALUE
FRAMED PHOTOGRAPH - MOUNTAIN Other ▶ (REFLECTION)	X	1	150	MARKET VALUE
PORSCHE GT-2 CLUB COUPE Other ▶ (RACING)	X	1	150	MARKET VALUE

Part I, Types of Property, lines 25-28

Other ▶ (SALON TEEZ -CUT, COLOR AND HAIR PRODUCTS)

Other ▶ (TASTE OF OMAHA #3)

Other ▶ (GONE FISHIN' BASKET)

Other ▶ (CAMPING BASKET)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	150	MARKET VALUE
X	1	145	MARKET VALUE
X	1	130	MARKET VALUE
X	1	130	MARKET VALUE

Part I, Types of Property, lines 25-28

MOM, I'M BORED
SUMMER FAMILY
Other (BASKET)
NEBRASKA
Other (BASKET)
M & M GUY -
Other (BROWN)
SIGNATURE
FACIAL BY
Other (GINA LEISE)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	127	MARKET VALUE
X	1	125	MARKET VALUE
X	1	125	MARKET VALUE
X	1	125	MARKET VALUE

Part I, Types of Property, lines 25-28

TEEN
Other ▶ (BASKET)
FIFTH
AVENUE
PURSE BY
Other ▶ (THIRTY ONE)
HAPPY
EVERYTHING
Other ▶ (PLATE)
CHRISTMAS
Other ▶ (BASKET)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	125	MARKET VALUE
X	1	125	MARKET VALUE
X	1	120	MARKET VALUE
X	1	120	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
FAMILY FUN CENTER & SORTINO'S				
Other ▶ (PIZZA)	X	1	115	MARKET VALUE
POSTER - ALBERT				
Other ▶ (EINSTEIN)	X	1	115	MARKET VALUE
MOCHA CROSSBODY CLUTCH AND				
Other ▶ (BRACELET)	X	1	115	MARKET VALUE
HARLEY MUGS				
Other ▶ (BASKET)	X	1	110	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
Other ► (WENNINGHOFF SPRING BASKET, \$20 GIFT CARD & WEATHER STATION)	X	1	110	MARKET VALUE
Other ► (ARTISAN APPLE SMOKED BACON WITH PAN AND PRESS)	X	1	105	MARKET VALUE
Other ► (2009 EGELHOFF CABERNET SAUVIGNON AND 2011 EGELHOFF RIESLING)	X	1	105	MARKET VALUE
Other ► (SPA BATH SET)	X	1	102	MARKET VALUE

Part I, Types of Property, lines 25-28

Other ▶ (WINE
SUITCASE)

Other ▶ (ARTISAN
CHOCOLATE
BASKET)

Other ▶ (WOODEN
WINE CORK
LETTERS)

Other ▶ (BABY
BASKET)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	100	MARKET VALUE
X	1	100	MARKET VALUE
X	1	100	MARKET VALUE
X	1	100	MARKET VALUE

Part I, Types of Property, lines 25-28

DOG
Other ▶ (BASKET)
FRAMED
FISHING
PRINT FROM
Other ▶ (BASS PRO)
HANDY
Other ▶ (TOOLS)
GARDEN
Other ▶ (ART)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	100	MARKET VALUE
X	1	100	MARKET VALUE
X	1	100	MARKET VALUE
X	1	100	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
CUSTOM DESIGNED FAMILY TREE WITH Other ▶ (FRAME)	X	1	100	MARKET VALUE
ART BY TERRY Other ▶ (WEBBER)	X	1	100	MARKET VALUE
FRAMED CHRIST THE REDEEMER Other ▶ (PRINT)	X	1	100	MARKET VALUE
2 MONTH MEMBERSHIP TO VICTORY BOXING CLUB AND COMMUNITY Other ▶ (CENTER)	X	1	100	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
ALPACA FARM TOUR FOR				
Other ▶ (CHILDREN)	X	1	100	MARKET VALUE
LOLIA BATH				
Other ▶ (SET)	X	1	100	MARKET VALUE
BLUE GLITZ PURSE, SCARF AND				
Other ▶ (BRACELET)	X	1	100	MARKET VALUE
TOTE WITH ZEBRA				
Other ▶ (ACCESSORIES)	X	1	100	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
SIGNATURE DRINK #1 - STRAWBERRY Other ▶ (<u>HEAVEN</u>)	X	1	100	MARKET VALUE
SIGNATURE DRINK #2 - STRAWBERRY Other ▶ (<u>HEAVEN</u>)	X	1	100	MARKET VALUE
AQUA TOTS SWIM Other ▶ (<u>SCHOOL</u>)	X	1	95	MARKET VALUE
TAKE ME OUT TO THE BALLGAME Other ▶ (<u>BASKET</u>)	X	1	95	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
Other ▶ (PRINCESS CHAIR AND ACCESSORIES)	X	1	90	MARKET VALUE
Other ▶ (LUCKY BUCKET BREWERY BASKET AND TOUR)	X	1	90	MARKET VALUE
Other ▶ (PURSE, SCARF AND \$25 GIFT CERTIFICATE)	X	1	90	MARKET VALUE
Other ▶ (STEADMAN PHOTOGRAPHY PACKAGE)	X	1	85	MARKET VALUE

Part I, Types of Property, lines 25-28

Other ▶ (MIKASA
FLUTES, SET
OF EIGHT)
GIFTS
CARDS TO
THREE
LOCAL
Other ▶ (RESTAURANTS)
ZEBRA
THEMED
Other ▶ (BASKET)
DOG
THEMED
QUILT AND
Other ▶ (DOG)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	80	MARKET VALUE
X	1	80	MARKET VALUE
X	1	80	MARKET VALUE
X	1	80	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
VERA BRADLEY COOLER TOTE AND Other ▶ (<u>TUMBLER</u>)	X	1	80	MARKET VALUE
TANNING & NAIL SPA GIFT Other ▶ (<u>CERTIFICATES</u>)	X	1	76	MARKET VALUE
Other ▶ (<u>WINE RACK</u>)	X	1	75	MARKET VALUE
C WHITE PHOTOGRAPHY GIFT Other ▶ (<u>CERTIFICATE</u>)	X	1	75	MARKET VALUE

Part I, Types of Property, lines 25-28

Other ▶ (OWEN'S
MOWING
SERVICE)
Other ▶ (SANTA AND
ELF
CHRISTMAS
VISIT)
Other ▶ (SILVER
ZEBRA
PRINT WINE
TOTE)
Other ▶ (MARGARITA
AND SALSA
BASKET)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	75	MARKET VALUE
X	1	75	MARKET VALUE
X	1	70	MARKET VALUE
X	1	70	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
Other ▶ (TASTE OF ITALIAN, OMAHA STYLE)	X	1	70	MARKET VALUE
Other ▶ (FAMILY GAME BASKET AND PIZZA)	X	1	70	MARKET VALUE
Other ▶ (TEAVANA GIFT SET WITH TEA SET)	X	1	70	MARKET VALUE
Other ▶ (POSTER - LOVE IS GREAT)	X	1	70	MARKET VALUE

Part I, Types of Property, lines 25-28

Other ▶ (SANDALS
AND DAVID
AUBREY
BRACELET)
Other ▶ (HOMEMADE
JAMS FOR A
YEAR
BASKET)
Other ▶ (HAND KNIT
WRAP)
Other ▶ (AROMATHERAPY
BATH SET)

(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
X	1	70	MARKET VALUE
X	1	60	MARKET VALUE
X	1	60	MARKET VALUE
X	1	60	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
CHOCOLATIER BLUE - CHOCOLATES AND GIFT Other ▶ (<u>CARD</u>)	X	1	52	MARKET VALUE
BEYOND THE VINE GIFT CARD AND MOLESKIN WINE Other ▶ (<u>JOURNAL</u>)	X	1	50	MARKET VALUE
11-WORTH CAF? GIFT Other ▶ (<u>CERTIFICATE</u>)	X	1	50	MARKET VALUE
DEFY GRAVITY GIFT CERTIFICATE WITH Other ▶ (<u>BACKPACK</u>)	X	1	50	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
CHILD'S SOCCER Other ▶ (BASKET)	X	1	50	MARKET VALUE
GIFT CERTIFICATE FOR HARLEY MUGS Other ▶ (BASKET)	X	1	50	MARKET VALUE
HANDCRAFTED Other ▶ (METAL SIGN)	X	1	50	MARKET VALUE
(2) AKSARBEN THEATER TICKETS & JONES Other ▶ (BROS)	X	1	50	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
11-WORTH CAF? GIFT CERTIFICATES				
11-WORTH CAF? GIFT CARD WITH BOXING				
Other ▶ (MEMBERSHIP)	X	1	50	MARKET VALUE
ROBE AND				
Other ▶ (ACCESSORIES)	X	1	50	MARKET VALUE
RAINY DAY TEA TIME				
Other ▶ (BASKET)	X	1	50	MARKET VALUE
RHINESTONE BRACELET				
Other ▶ (WITH BEAR)	X	1	50	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
Hanging wine rack with Other ▶ (<u>GLASSES</u>)	X	1	40	MARKET VALUE
MIKASA cheers flutes, set Other ▶ (<u>OF FOUR</u>)	X	1	40	MARKET VALUE
OMAHA steaks gift certificate with barbecue Other ▶ (<u>GRILL SET</u>)	X	1	40	MARKET VALUE
Frog and Other ▶ (<u>BLANKET</u>)	X	1	40	MARKET VALUE

Part I, Types of Property, lines 25-28

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
SURH LUCHEL NAPA VALLEY Other (WINE)	X	1	35	MARKET VALUE
IOWA Other (PLATE)	X	1	30	MARKET VALUE
JULIE SETTERHOLM COPPER Other (NECKLACE)	X	1	30	MARKET VALUE
FRAMED VERSE FOR 35 YEAR Other (OLD)	X	1	25	MARKET VALUE

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization ALEGENT HEALTH - IMMANUEL MEDICAL CENTER	Employer identification number 47-0376615
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Identifier	Return Reference	Explanation
PAYMENTS TO VENDORS	FORM 990, PART V, LINE 1C	PAYMENTS TO VENDORS FOR ENTITIES THAT ARE PART OF THE ALEGENT CREIGHTON HEALTH SYSTEM ARE MADE BY ALEGENT CREIGHTON HEALTH, THEREFORE NO FORM 1099S ARE ISSUED BY ALEGENT HEALTH-IMMANUEL MEDICAL CENTER. ALEGENT CREIGHTON HEALTH FILES THE FORM 1099S AND COMPLIES WITH THE BACKUP WITHHOLDING RULES FOR REPORTABLE PAYMENTS TO VENDORS AND GAMING WINNINGS. THE 1099S ISSUED BY ALEGENT CREIGHTON HEALTH ON BEHALF OF ALEGENT HEALTH-IMMANUEL MEDICAL CENTER ARE REPORTED TO THE IRS.

Identifier	Return Reference	Explanation
EMLOYEES OF ALEGENT HEALTH-IMMANUEL MEDICAL CENTER	FORM 990, PART V, LINE 2A	THE EMPLOYEES LISTED IN PART I, LINE 5 AND PART V, LINE 2A ARE EMPLOYED BY ALEGENT HEALTH-IMMANUEL MEDICAL CENTER. HOWEVER, THROUGH A COMMON PAY AGENT AGREEMENT, THE EMPLOYEES ARE PAID BY ALEGENT CREIGHTON HEALTH AND PAYROLL EXPENSES ARE ALLOCATED TO ALEGENT HEALTH-IMMANUEL MEDICAL CENTER.

Identifier	Return Reference	Explanation
Family/business relationships amongst interested persons	Form 990, Part VI, Section A, Line 2	PAUL EDGETT III AND SR PHYLLIS HUGHES - BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	THE SOLE MEMBER OF THE CORPORATION SHALL BE IMMANUEL HEALTH SYSTEMS (IHS) IMMANUEL HEALTH SYSTEMS SHALL NOT HAVE ANY VOTING RIGHTS AS A MEMBER OF THE CORPORATION

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	THE BUSINESS AND AFFAIRS OF THE CORPORATION SHALL BE MANAGED BY OR UNDER THE DIRECTION OF THE ALEGENT CREIGHTON HEALTH BOARD OF DIRECTORS, AND THE CORPORATION HEREBY DELEGATES TO THE ALEGENT CREIGHTON HEALTH BOARD OF DIRECTORS, TO THE EXTENT PERMITTED BY LAW, COMPLETE GOVERNANCE AUTHORITY OVER IT, SUBJECT ONLY TO THE APPROVAL POWERS OF THE ALEGENT CREIGHTON HEALTH CORPORATE MEMBERS SET FORTH IN THE ARTICLES OF INCORPORATION AND BYLAWS DIRECTORS SHALL BE APPOINTED BY THE ALEGENT CREIGHTON HEALTH BOARD IMMEDIATELY FOLLOWING THE APPOINTMENT AND RATIFICATION BY ALEGENT CREIGHTON HEALTH CORPORATE MEMBERS OF THE ALEGENT CREIGHTON HEALTH DIRECTORS PURSUANT TO THE ARTICLES OF INCORPORATION AND BYLAWS OF ALEGENT CREIGHTON HEALTH THE ALEGENT CREIGHTON HEALTH BOARD SHALL APPOINT DIRECTORS SUCH THAT, AT ALL TIMES, ALL OF THE PERSONS SERVING AS ALEGENT CREIGHTON HEALTH DIRECTORS ALSO SHALL BE SERVING AS DIRECTORS OF THE CORPORATION

Identifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	THE FOLLOWING ACTIONS SHALL BE EFFECTIVE ONLY IF APPROVED BY THE ALEGENT BOARD AND BY BOTH IMMANUEL HEALTH SYSTEMS (IHS) AND CATHOLIC HEALTH INITIATIVES (CHI) IN THEIR CAPACITIES AS ALEGENT CORPORATE MEMBERS A ADOPTION OR AMENDMENT OF THE UNIFIED PHILOSOPHY AND MISSION OF THE CORPORATION, B SALE, LEASE, TRANSFER, ENCUMBRANCE OR DISPOSITION OF THE TANGIBLE PROPERTY OR INVESTMENTS OF THE CORPORATION HAVING A FAIR MARKET VALUE IN ANY INDIVIDUAL TRANSACTION IN EXCESS OF \$3 MILLION OR SUCH GREATER AMOUNT AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, PROVIDED THAT TRANSFERS OF INVESTMENTS BETWEEN THE CORPORATION AND ANOTHER PARTICIPANT SHALL NOT REQUIRE THE APPROVAL OF CHI AND IHS, AND PROVIDED FURTHER THAT APPROVAL OF CHI AND IHS SHALL NOT BE REQUIRED FOR ANY TRANSFER OF ASSETS TO CHI BY THE CORPORATION PURSUANT TO THE TERMS OF THE ALEGENT FINANCING AGREEMENT (AFA), C INCURRENCE, ASSUMPTION OR GUARANTY BY THE CORPORATION IN ANY INDIVIDUAL TRANSACTION OF LONG-TERM INDEBTEDNESS, INCLUDING CAPITAL LEASES, OUTSTANDING FOR MORE THAN 365 DAYS, IN EXCESS OF THE GREATER OF \$2 MILLION OR 2% OF THE TOTAL LONG-TERM INDEBTEDNESS OF ALL THE PARTICIPANTS, OR SUCH GREATER AMOUNT AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, D MERGER, DISSOLUTION, CONSOLIDATION OR SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION EXCEPT FOR A MERGER IN WHICH (I) THE CORPORATION IS THE SURVIVING ENTITY, AND (II) THE TOTAL BOOK VALUE OF THE ASSETS OF THE MERGING ENTITY DOES NOT EXCEED 2% OF THE TOTAL BOOK VALUE OF THE ASSETS OF ALL THE PARTICIPANTS, OR SUCH GREATER VALUE AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, AND E NOTWITHSTANDING ANY OTHER PROVISIONS IN THE BYLAWS TO THE CONTRARY THE ACTIONS THAT CAN BE TAKEN WITHOUT THE APPROVAL OF IHS AND CHI INCLUDE, WITHOUT LIMITATION (I) TERMINATION OF THE AFA IN ACCORDANCE WITH ITS TERMS (II) FORMATION OF THE UNIFIED ALEGENT CREIGHTON HEALTH SYSTEM (AS THAT TERM IS DEFINED IN THE AFA) (III) PREPAYMENT BY THE CORPORATION OF THE FULL AMOUNTS OUTSTANDING ON ITS NOTES TO CHI UNDER THE AFA, FOR PURPOSES OF EXERCISING THE RIGHTS OF TERMINATION OF THE AFA, OR FORMATION OF THE UNIFIED ALEGENT CREIGHTON HEALTH SYSTEM CREDIT, AND THE TAKING OF ALL ACTIONS NECESSARY OR APPROPRIATE TO OBTAIN FUNDING OR OTHERWISE MAKE ARRANGEMENTS TO PREPAY SUCH NOTES INCLUDING WITHOUT LIMITATION INCURRENCE OF INDEBTEDNESS NECESSARY OR APPROPRIATE TO PREPAY THE NOTES OUTSTANDING

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	THE ORGANIZATION'S ACCOUNTING PERSONNEL WORK WITH THE CHI TAX DEPARTMENT TO PREPARE THE FORM 990 AND THE FINANCE STAFF CONSULTS WITH EXECUTIVE MANAGEMENT REGARDING THE ITEMS OF INTEREST (I.E. CONFLICTS, POLITICAL ACTIVITIES, ETC) OF WHICH THEY WOULD HAVE FIRSTHAND KNOWLEDGE. AFTER COMPLETION OF THE FORM 990, A DRAFT COPY IS REVIEWED BY FINANCE AND EITHER THE DIRECTOR OF FINANCE OR CFO FOR ANY POTENTIAL ERRORS, OMISSIONS, OR CLARIFICATIONS NEEDED FOR PROPER PRESENTATION. AFTER FINAL CHANGES ARE MADE TO THE FORM 990, THE FINAL RETURN IS THEN PROVIDED TO THE BOARD MEMBERS PRIOR TO THE BOARD MEETING DATE. AT THE NEXT BOARD MEETING, THE FORM 990 IS AN AGENDA ITEM WHEREBY THE BOARD HAS AN OPPORTUNITY TO ASK QUESTIONS OR OBTAIN CLARIFICATION OF THE FORM 990 INFORMATION. SUBSEQUENT TO THE RETURN BEING PROVIDED TO THE BOARD, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING. ANY SUCH CHANGES ARE NOT RE-SUBMITTED TO THE BOARD.

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	WRITTEN CONFLICT OF INTEREST POLICY - ALEGENT HEALTH-IMMANUEL MEDICAL CENTER HAS ADOPTED THE CONFLICT OF INTEREST POLICY AND CONFLICT INVESTIGATION PROCESS OF ALEGENT CREIGHTON HEALTH, THE PARENT CORPORATION OF THE ALEGENT CREIGHTON HEALTH SYSTEM. ANNUAL COMPLETION OF THE DISCLOSURE STATEMENT IS REQUIRED BY THE BOARD OF DIRECTORS. STATED DISCLOSURES ARE INVESTIGATED BY THE ALEGENT CREIGHTON HEALTH COMPLIANCE OFFICER AND REPORTED TO THE CONFLICTS OF INTEREST COMMITTEE. THE CONFLICTS OF INTEREST COMMITTEE REVIEWS THE INVESTIGATION AND MAKES RECOMMENDATIONS TO THE GOVERNANCE COMMITTEE. THE GOVERNANCE COMMITTEE MAKES THE FINAL DETERMINATION OF WHETHER OR NOT THERE IS A DISQUALIFYING EVENT AND COMMUNICATES IT TO THE BOARD OF DIRECTORS. AT ANY TIME A BOARD MEMBER OR KEY EMPLOYEE MAY DECLARE A CONFLICT OF INTEREST AND RECUSE HIS/HERSELF FROM THE DISCUSSION. THE INDIVIDUAL IS ALSO REQUIRED TO DISCLOSE ANY KNOWN OR POSSIBLE CONFLICTS OF INTEREST THAT ARISE DURING THE CALENDAR YEAR.

Identifier	Return Reference	Explanation
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	THE GOVERNING BOARD OF ALEGENT CREIGHTON HEALTH ENGAGED THE SERVICES OF AN INDEPENDENT CONSULTING FIRM THAT HOLDS ITSELF OUT TO THE PUBLIC AS A COMPENSATION CONSULTANT THAT IS QUALIFIED TO AND REGULARLY PERFORMS EXECUTIVE AND OFFICER COMPENSATION STUDIES THE CONSULTING FIRM CONDUCTED A REVIEW AND ANALYSIS OF THE TOTAL COMPENSATION PAID TO THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION, BASED ON COMPARABLE COMPENSATION FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS AND DETERMINED THAT THE COMPENSATION WAS REASONABLE THE CONSULTING FIRM ISSUED AN OPINION LETTER AS TO THE REASONABLENESS OF THE TOTAL COMPENSATION PAID TO EMPLOYEES IDENTIFIED AS DISQUALIFIED PERSONS THE OPINION LETTER SETTING FORTH THE FINDINGS WAS REVIEWED AND APPROVED BY THE COMPENSATION COMMITTEE OF THE GOVERNING BOARD CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING WITH RESPECT TO DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENTS WERE MAINTAINED THIS PROCESS WAS USED FOR THE FOLLOWING EMPLOYEES PRESIDENT AND CHIEF EXECUTIVE OFFICER SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER CHIEF EXECUTIVE OFFICER ALEGENT CREIGHTON CLINIC SENIOR VICE PRESIDENT AND CHIEF OPERATIONS OFFICER SENIOR VICE PRESIDENT STRATEGY AND TECHNOLOGY VICE PRESIDENT OPERATIONS (BERGAN MERCY & MERCY) VICE PRESIDENT OPERATIONS (IMMANUEL) VICE PRESIDENT OPERATIONS (LAKESIDE) VICE PRESIDENT OPERATIONS (MIDLANDS) MEDICAL DIRECTORS

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	SEE DISCLOSURE FOR 15A

Identifier	Return Reference	Explanation
WRITTEN POLICY FOR JOINT VENTURE AGREEMENTS	FORM 990, PART VI, LINE 16A	ALEAGENT CREIGHTON HEALTH HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES. HOWEVER, ALEAGENT CREIGHTON HEALTH'S SYSTEM-WIDE JOINT VENTURE MODEL 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 PURPOSE 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 PARTNER'S 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.

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	THE CONFLICT OF INTEREST POLICY IS MADE AVAILABLE TO THE PUBLIC ON THE WEBSITE AT WWW.ALEGENTCREIGHTON.COM. ALEGENT HEALTH-IMMANUEL MEDICAL CENTER DOES NOT MAKE THE FINANCIAL STATEMENTS OR GOVERNING DOCUMENTS AVAILABLE TO THE PUBLIC. HOWEVER, THE ARTICLES OF INCORPORATION ARE AVAILABLE AT WWW.SOS.STATE.NE.US

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990 , Part XI, Line 9	JOINT OPERATING AGREEMENT - CAPITAL - 1540000, NET ASSETS RELEASED FROM RESTRICTIONS - -88504,

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Employer identification number
47-0376615

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

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

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
See Additional Data Table									

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

No

1s

Yes

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

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

Schedule R (Form 990) 2012

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

[illegible]

Software ID: 12000266

Software Version: v2012.1.0

EIN: 47-0376615

Name: ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Part VII

Supplemental Information

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

Identifier		Return Reference		Explanation								
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
AUDUBON LAND COMPANY LLC 5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 84-1513085	REAL ESTATE	CO	CHIC	RELATED	34,991	8,665,388		No	0		No	50 1 %
AVANTAS LLC 11128 JOHN GALT BLVD SUITE 400 OMAHA, NE 68137 39-2045003	STAFFING OF NURSES	NE	AHBMHS	RELATED	-210,405	4,806,071		No	-439,536		No	95 %
BERYWOOD OFFICE PROPERTIES LLC 400 BERYWOOD TRAIL CLEVELAND, TN 37312 62-1875199	PHYS OFFICE	TN	MHCS	RELATED	57,545	1,013,237		No	0	Yes		63 %
BLUEGRASS REGIONAL IMAGING CENTER 1218 SOUTH BROADWAY SUITE 310 LEXINGTON, KY 40504 61-1386736	DIAGNOSTIC	KY	SJHS	RELATED	308,428	3,317,191		No	0		No	65 %
CENTRAL NEBRASKA HOME CARE SERVICES PO BOX 1146-4510 SECOND AVENUE KEARNEY, NE 68848 47-0692112	HEALTHCARE SRVC	NE	NA	RELATED	228,435	675,251		No	0	Yes		100 %
CENTRAL NEBRASKA REHAB SERVICES 3004 W FAIDLEY AVE GRAND ISLAND, NE 68802 81-0653461	PHYSICAL THERAPY	NE	SFMC	RELATED	1,710,199	2,712,656		No	0		No	51 %
CHI OPERATING INVESTMENT PROGRAM LP 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0727942	INVESTMENTS	CO	CHI	UNRELATED	344,962,532	4,617,413,792		No	0	Yes		79 92 %
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 BALTIMORE, MD 21244 52-1958002	MEDICAL IMAGING	MD	SJMC	RELATED	423,167	2,174,155		No	0	Yes		51 %
NORTH RIVER SURGERY CENTER LLC 2209 WILDWOOD AVENUE SHERWOOD, AR 72120 71-0799771	AMBUL SURG CTR	AR	SVIMC	RELATED	81,071	1,077,536		No	0		No	57 45 %
O'DEA MEDICAL ARTS LIMITED PARTNERSHIP 7601 OSLER DRIVE TOWSON, MD 21204 52-1682964	REAL ESTATE	MD	TMI	RELATED	9,490	0		No	0	Yes		66 58 %
ORTHOCOLORADO LLC 11650 WEST 2ND PLACE LAKEWOOD, CO 80255 37-1577105	ORTHO HOSPITAL	CO	THC	RELATED	1,846,153	8,411,844		No	0		No	60 %
PENINSULA RADIATION ONCOLOGY LLC 315 MARTIN LUTHER KING JR WAY 111 TACOMA, WA 98405 87-0808610	HEALTHCARE SRVC	WA	FHS	RELATED	256,567	3,262,002		No	0		No	60 %
PENRAD IMAGING 1390 KELLY JOHNSON BLVD COLORADO SPRINGS, CO 80920 84-1072619	MEDICAL IMAGING	CO	CHIC	RELATED	715,094	3,489,436		No	0		No	70 %
RUXTON SURGICENTER LLC 8322 BELLONA AVENUE SUITE 201 BALTIMORE, MD 21204 52-2095835	SURGERY CENTER	MD	SJMC	RELATED	-69,345	0		No	0	Yes		51 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SAINT JOSEPH - SCA HOLDINGS LLC 1451 HARRDOSBURG ROAD LEXINGTON, KY 40504 45-3801157	OP SURGERY	DE	SJHS	RELATED	0	0		No	0	Yes		51 %
SCA PREMIER SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 72-1386840	SURGERY CENTER	KY	JH	RELATED	3,388	666,017		No	0	Yes		51 %
ST FRANCIS LAND COMPANY LLC 5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 26-3134100	REAL ESTATE	CO	CHIC	RELATED	-130,967	13,823,763		No	0		No	51 %
ST FRANCIS MEDICAL CENTER ASSOCIATES 1717 SOUTH J STREET TACOMA, WA 98405 91-1352698	MED OFFICE	WA	FHS	RELATED	238,717	1,907,063		No	0		No	58 46 %
ST JOSEPH-PAML LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 45-2116736	MGMT SVCS	KY	SJHS	RELATED	30,446	1,149,003		No	0	Yes		62 5 %
SUPERIOR MEDICAL IMAGING LLC 5000 NORTH 26TH STREET LINCOLN, NE 68521 26-2884555	OP DIAGNOSTICS	NE	SERMC	RELATED	-200,323	821,112		No	0	Yes		51 %
SURGERY CENTER OF LEXINGTON LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 62-1179539	SURGERY CENTER	DE	SJHS	RELATED	-200,318	4,079,584		No	0	Yes		51 %
SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 62-1179537	SURGERY CENTER	KY	JH	RELATED	-15,452	396,101		No	0	Yes		51 %
ALEGENT HEALTH NORTHWEST IMAGING CENTER LLC 3606 N 156TH STREET OMAHA, NE 68116 06-1786985	OP DIAGNOSTICS	NE	ACH	RELATED	116,752	776,649		No	0	Yes		51 %
BERGAN MERCY SURGERY CENTER LLC 7710 MERCY ROAD STE 100 OMAHA, NE 68124 20-8671994	AMBUL SURG CTR	NE	ACH	RELATED	142,085	3,294,472		No	0		No	63 94 %
LAKESIDE AMBULATORY SURGICAL CENTER LLC 17031 LAKESIDE HILLS DR OMAHA, NE 68130 20-4267902	AMBUL SURG CTR	NE	ACH	RELATED	3,465,880	1,951,221		No	0		No	51 6 %
LAKESIDE ENDOSCOPY CENTER LLC 17001 LAKESIDE HILLS PLZ STE 201 OMAHA, NE 68130 20-5544496	ENDOSCOPY SRVC	NE	ACH	RELATED	1,455,294	1,013,126		No	0		No	52 28 %
NEBRASKA SPINE HOSPITAL LLC 6901 N 72ND STREET OMAHA, NE 68122 27-0263191	SPINE HOSPITAL	NE	ACH	RELATED	10,501,730	17,301,869		No	0		No	51 %
PRAIRIE HEALTH VENTURES LLC 421 S 9TH ST 102 LINCOLN, NE 68508 20-4962103	TECH SERVICES	NE	AH-IMC	RELATED	1,011,804	5,564,586		No	68,565	Yes		62 7 %
SAINT JOSEPH-ANC HOME CARE SERVICES 1700 EDISON DRIVE SUITE 300 MILFORD, OH 45150 26-3330545	HOME HEALTH	KY	JH	RELATED	3,208,139	9,684,824		No	0		No	96 9 %

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
ALTERNATIVE INSURANCE MANAGEMENT SERVICE 3900 OLYMPIC BOULEVARD SUITE 400 ERLANGER, KY 41018 84-1112049	MANAGEMENT SERVICES	CO	CHI	C CORPORATION	0	6,272,746	100 %	Yes	
AMERICAN NURSING CARE 1700 EDISON DRIVE MILFORD, OH 45150 31-1085414	HOME HEALTH	OH	CHS	C CORPORATION	5,118,606	51,920,207	100 %	Yes	
AMERIMED INC 1700 EDISON DRIVE MILFORD, OH 45150 31-1158699	HOME HEALTH	OH	ANC	C CORPORATION	2,134,392	14,669,219	100 %	Yes	
BC HOLDING COMPANY INC 1850 BLUEGRASS AVE LOUISVILLE, KY 40215 31-1542851	FITNESS CLUB	KY	JH	C CORPORATION	0	0	100 %	Yes	
CADUCEUS MEDICAL ASSOCIATES INC 5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570736	HEALTHCARE	TN	MHCS	C CORPORATION	0	1,008	100 %	Yes	
CAPTIVE MANAGEMENT INITIATIVES PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0663022	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-2269511	RESEARCH	CO	CIRI	C CORPORATION	-2,286,538	1,241,259	100 %	Yes	
CGH REALTY COMPANY INC 2500 BERNVILLE RD READING, PA 19603 23-2326801	REAL ESTATE	PA	SJHM	C CORPORATION	0	0	100 %	Yes	
COMCARE SERVICES 4231 W 16TH AVENUE DENVER, CO 80204 84-0904813	INACTIVE	CO	CHIC	C CORPORATION	0	0	100 %	Yes	
CONSOLIDATED HEALTH SERVICES 1700 EDISON DRIVE MILFORD, OH 45150 31-1378212	HOME HEALTH	OH	CHI	C CORPORATION	-879,467	52,379,487	100 %	Yes	
DES MOINES MEDICAL CENTER INC 1111 6TH AVENUE DES MOINES, IA 50314 42-0837382	REAL ESTATE	IA	CHI-IA CORP	C CORPORATION	61,204	1,064,032	92 98 %	Yes	
FIRST INITIATIVES INSURANCE LTD PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0203038	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
FRANCISCAN SERVICES INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2487967	HEALTHCARE	CO	CHI	C CORPORATION	-7,868	718,254	100 %	Yes	
GOOD SAMARITAN OUTREACH SERVICES PO BOX 1990 KEARNEY, NE 68848 47-0659440	MEDICAL CLINIC	NE	CHI NEBRASKA	C CORPORATION	-257,418	180,468	100 %	Yes	
HEALTH SYSTEMS ENTERPRISES INC PO BOX 1990 KEARNEY, NE 68848 47-0664558	MANAGEMENT	NE	GSH	C CORPORATION	87,278	1,377,820	100 %	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
HEALTHCARE MGMT SERVICES ORG INC 1149 MARKET ST TACOMA, WA 98402 91-1865474	HEALTH ORG	WA	FHS	C CORPORATION	0	0	100 %	Yes	
MEDQUEST 1301 15TH AVENUE WEST WILLISTON, ND 58801 45-0392137	SALE OF DME	ND	MMC WILLISTON	C CORPORATION	153,510	1,152,715	100 %	Yes	
MERCY PARK APARTMENTS LTD 1111 6TH AVENUE DES MOINES, IA 50314 42-1202422	HOUSING	IA	CHI-IA CORP	C CORPORATION	369,231	1,937,218	100 %	Yes	
MERCY SERVICES CORP 2700 STEWART PARKWAY ROSEBURG, OR 97470 93-0824308	RETAIL SALES	OR	MMC	C CORPORATION	-440,596	1,423,377	100 %	Yes	
MHSERVICES CORPORATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 43-1457881	DME	MO	SJPMC	C CORPORATION	0	0	100 %	Yes	
MOUNTAIN MANAGEMENT SERVICES INC 5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570739	MGMT SVC ORG	TN	MHCS	C CORPORATION	96,044	6,465,179	100 %	Yes	
NAZARETH ASSURANCE COMPANY PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 03-0304831	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
PATIENT TRANSPORT SERVICES INC 1700 EDISON DRIVE MILFORD, OH 45150 31-1100798	HOME HEALTH	OH	ANC	C CORPORATION	-164,340	5,488,275	100 %	Yes	
PHYSICIAN HEALTH SYSTEM NETWORK 1149 MARKET ST TACOMA, WA 98402 91-1746721	HEALTH ORG	WA	FHS	C CORPORATION	0	0	100 %	Yes	
SAINT CLARES PRIMARY CARE INC 66 FORD ROAD DENVER, NJ 07834 22-2441202	BILLING SERVICES	NJ	SCCC	C CORPORATION	-357,263	1,361,242	100 %	Yes	
SAMARITAN FAMILY CARE INC 40 W FOURTH ST 1700 DAYTON, OH 45402 31-1299450	HEALTHCARE	OH	SHP	C CORPORATION	0	0	100 %	Yes	
SJH SERVICES CORPORATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2307408	HEALTHCARE	CO	FSI	C CORPORATION	-197,039	3,331,737	100 %	Yes	
SJL PHYSICIAN MANAGEMENT SERVICES INC 424 LEWIS HARGETT CR 160 LEXINGTON, KY 40503 27-0164198	MANAGEMENT	KY	SJHS	C CORPORATION	0	0	100 %	Yes	
ST ANTHONY DEVELOPMENT COMPANY 1415 SOUTHGATE PENDLETON, OR 97801 93-1216943	ATHLETIC CLUB	OR	SAH	C CORPORATION	114,663	2,936,102	100 %	Yes	
ST VINCENT COMMUNITY HEALTH SERVICES INC TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0710785	HEALTHCARE	AR	SVPMC	C CORPORATION	2,408,638	15,225,732	100 %	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
ST JOSEPH DEVELOPMENT COMPANY INC 1717 SOUTH J STREET TACOMA, WA 98405 91-1480569	RENTAL	WA	FSI	C CORPORATION	655,478	12,357,418	100 %	Yes	
ST JOSEPH OFFICE PARK ASSOCIATION 1401 HARRODSBURG ROAD BLDG B70 LEXINGTON, KY 40504 61-1079899	MANAGEMENT	KY	SJHS	C CORPORATION	0	882,139	85 %	Yes	
TOWSON MANAGEMENT INC 7601 OSLER DRIVE TOWSON, MD 21204 52-1710750	MANAGEMENT SERVICES	MD	FSI	C CORPORATION	516,457	197,196	100 %	Yes	
COLLABHEALTH MANAGED SOLUTIONS INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-1222808	HOLDING CO	CO	CHI	C CORPORATION	0	23,806,707	100 %	Yes	
COLLABHEALTH PLAN SERVICES INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-1224037	ADMIN SERVICES	CO	CHMS	C CORPORATION	-1,082,933	38,272,608	100 %	Yes	
HIGHLINE MEDICAL GROUP 15811 AMBAUM BLVD SW 170 BURIEN, WA 98166 91-1407026	MEDICAL SERVICES	WA	HMC	C CORPORATION	-6,049,147	5,689,139	100 %	Yes	
SOUNDPATH HEALTH INC 32129 WEYERHAEUSER WAY S SUITE 201 FEDERAL WAY, WA 98001 42-1720801	INSURANCE	WA	CHPS	C CORPORATION	-154,741	10,976,973	55 6 %	Yes	
SLEHS HOLDINGS INC 6624 FANNIN SUITE 800 HOUSTON, TX 77030 76-0637138	HOLDING CO	TX	SLHS	C CORPORATION	1,425,313	33,114,103	100 %	Yes	
ST LUKE'S ANESTHESIOLOGY ASSOCIATES 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 46-1517163	MEDICAL CLINIC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	
SLMT PARKING INC 6624 FANNIN SUITE 800 HOUSTON, TX 77030 76-0637140	PARKING	TX	SLHS	C CORPORATION	1,117,934	13,768,221	100 %	Yes	
ST LUKE'S 6620 MAIN CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 30-0355517	CONDOMINIUM ASSOC	TX	SLPC	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S EPISCOPAL HOSPITAL PHYSICIAN HOSPITAL ORGANIZATION INC 6720 BERTNER HOUSTON, TX 77030 76-0377932	PHO	TX	SLMC	C CORPORATION	6	0	60 %	Yes	
ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 30-0355518	CONDOMINIUM ASSOC	TX	SLPC	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S MEDICAL TOWER CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 76-0298751	CONDOMINIUM ASSOC	TX	SLMTC	C CORPORATION	0	0	100 %	Yes	
SUGAR LAND DOCTOR GROUP 1317 LAKE POINTE PARKWAY SUGAR LAND, TX 77478 45-4270163	MEDICAL CLINIC	TX	SL CHS	C CORPORATION	-1,159,411	566,590	100 %	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
THE TEXAS HEART INSTITUTE AT ST LUKE'S EPISCOPAL HOSPITAL DENTON A COOLEY B UILDING CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 90-0064009	CONDOMINIUM ASSOC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	
ALEGT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC 12809 WEST DODGE ROAD OMAHA, NE 68154 47-0802396	MANAGED CARE	NE	ACH	C CORPORATION	5,312,313	4,520,865	100 %	Yes	
ALL SAINTS INSURANCE COMPANY SPC LTD PO BOX 69 GT 720 WEST BAY ROAD GEORGETOWN, GRAND CAYMAN KY- 1102 CJ	INSURANCE	CJ	SLHS	C CORPORATION	0	43,866,961	100 %	Yes	
VINTAGE DOCTOR GROUP 6624 FANNIN SUITE 1100 HOUSTON, TX 77030	MEDICAL CLINIC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	

TY 2012 Affiliated Group Schedule

Name: ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

EIN: 47-0376615

Software ID: 12000266

Software Version: v2012.1.0

Affiliated Group Business Name: ALEGENT HEALTH - IMMANUEL MEDICAL CENTER

Address. Either US or Foreign Type: 6901 NORTH 72ND STREET
OMAHA, NE 68154

EIN: 47-0376615

Electing Organization Checkbox: ☒

Total Grassroots Lobbying: 0

Total Direct Lobbying: 5,790

Total Lobbying Expenditures: 5,790

Other Exempt Purpose Expenditures: 222,686,051

Total Exempt Purpose Expenditures: 222,691,841

Lobbying Nontaxable Amount: 1,000,000

Grassroots Nontaxable Amount: 250,000

Tot Lobbying Grassroot Minus Non Tx: 0

Tot Lobby Expend Mns Lobbying Non Tx: 0

Share Of Excess Lobbying: 0

Affiliated Group Business Name: ALEGENT CREIGHTON HEALTH

Address. Either US or Foreign Type: 12809 WEST DODGE ROAD
OMAHA, NE 68154

EIN: 47-0757164

Electing Organization Checkbox: ☒

Total Grassroots Lobbying: 0

Total Direct Lobbying: 205,533

Total Lobbying Expenditures: 205,533

Other Exempt Purpose Expenditures: 442,531,237

Total Exempt Purpose Expenditures: 442,736,770

Lobbying Nontaxable Amount: 1,000,000

Grassroots Nontaxable Amount: 250,000

Tot Lobbying Grassroot Minus Non Tx: 0

Tot Lobby Expend Mns Lobbying Non Tx: 0

Share Of Excess Lobbying: 0

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

Catholic Health Initiatives
Years Ended June 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



Catholic Health Initiatives

Consolidated Financial Statements
and Supplemental Information

Years Ended June 30, 2013 and 2012

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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 U.S. 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 Alegacy 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 Alegacy 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

Catholic Health Initiatives

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	<u>\$ 19,309,719</u>	<u>\$ 15,012,386</u>

	June 30	
	2013	2012
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.

Catholic Health Initiatives

Consolidated Statements of Operations (In Thousands)

	Year Ended June 30	
	2013	2012
Revenues		
Net patient services revenues before provision for doubtful accounts	\$ 10,714,455	\$ 9,223,859
Provision for doubtful accounts	(821,465)	(708,458)
Net patient services revenues	9,892,990	8,515,401
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

Catholic Health Initiatives

Consolidated Statements of Changes in Net Assets (In Thousands)

	Unrestricted Net Assets			Temporarily	Permanently	Total Net
	Attributable	Attributable to	Total	Restricted Net	Restricted Net	Assets
	to CHI	Noncontrolling		Assets	Assets	
		Interest				
Balances, June 30, 2011	\$ 7,448,161	\$ 8,967	\$ 7,457,128	\$ 122,795	\$ 62,426	\$ 7,642,349
Excess of revenues over expenses	94,818	537	95,355	—	—	95,355
Net loss from discontinued operations	(45,095)	—	(45,095)	—	—	(45,095)
Increase in pension funded status	(618,141)	(878)	(619,019)	—	—	(619,019)
Temporarily and permanently restricted contributions	—	—	—	39,117	(122)	38,995
Net assets released from restriction for capital	18,119	—	18,119	(18,119)	—	—
Net assets released from restriction for operations	—	—	—	(19,689)	—	(19,689)
Investment income	232	—	232	1,007	47	1,286
KentuckyOne Health noncontrolling interest	—	181,551	181,551	—	—	181,551
Other changes in net assets	24,372	(9,314)	15,058	11,710	5,682	32,450
Net (decrease) increase in net assets	(525,695)	171,896	(353,799)	14,026	5,607	(334,166)
Balances, June 30, 2012	6,922,466	180,863	7,103,329	136,821	68,033	7,308,183
Excess of revenues over expenses	489,740	(37)	489,703	—	—	489,703
Net loss from discontinued operations	(108,594)	—	(108,594)	—	—	(108,594)
Decrease in pension funded status	483,468	2,082	485,550	—	—	485,550
Temporarily and permanently restricted contributions	—	—	—	33,056	(1,554)	31,502
Net assets released from restriction for capital	15,791	—	15,791	(15,791)	—	—
Net assets released from restriction for operations	—	—	—	(15,728)	—	(15,728)
Investment (loss) income	(45)	—	(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	(33,516)	(7,245)	(40,761)	(3,480)	(302)	(44,543)
Net increase (decrease) in net assets	846,844	(5,200)	841,644	77,703	18,595	937,942
Balances, June 30, 2013	\$ 7,769,310	\$ 175,663	\$ 7,944,973	\$ 214,524	\$ 86,628	\$ 8,246,125

See accompanying notes

Catholic Health Initiatives

Consolidated Statements of Cash Flows (In Thousands)

	Year Ended June 30	
	2013	2012
Operating activities		
Increase (decrease) in net assets	\$ 937,942	\$ (334,166)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	555,064	473,768
Provision for bad debts	821,465	708,458
Changes in equity of unconsolidated organizations	(19,056)	22,934
Net gains on sales of facilities and investments in unconsolidated organizations	(85,969)	(57,383)
Noncash operating expenses related to restructuring, impairment, and other losses	4,872	16,024
Loss on defeasance of bonds	17,998	70,555
(Increase) decrease in fair value of interest rate swaps	(98,799)	121,949
(Decrease) increase in unfunded pension liability	(484,049)	601,990
Net changes in current assets and liabilities		
Net patient and other accounts receivable	(1,067,716)	(883,703)
Other current assets	(6,725)	(10,992)
Current liabilities	89,868	2,771
Noncontrolling equity of acquisition of JHSMH	–	(181,551)
Other changes	193,461	(120,416)
Net cash provided by operating activities, before net change in investments and assets limited as to use	858,356	430,238
Net decrease in investments and assets limited as to use	474,258	286,773
Net cash provided by operating activities	1,332,614	717,011
Investing activities		
Purchases of property, equipment, and other capital assets	(1,285,330)	(861,034)
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	–	(130,982)
Purchase of JHSMH, net of cash acquired	–	(28,685)
Net cash proceeds from asset sales	218,002	22,159
Distributions from investments in unconsolidated organizations	35,224	40,214
Cash from net repayments of notes receivable	2,843	29,740
Other changes	35,306	21,373
Net cash used in investing activities	(2,392,815)	(907,215)

Catholic Health Initiatives

Consolidated Statements of Cash Flows (continued)

(In Thousands)

	Year Ended June 30	
	2013	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	<u>1,265,455</u>	<u>144,502</u>
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	<u>\$ 609,226</u>	<u>\$ 403,972</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest, including amounts capitalized	<u>\$ 199,413</u>	<u>\$ 151,837</u>

See accompanying notes

Catholic Health Initiatives

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,

Catholic Health Initiatives

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.

Catholic Health Initiatives

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 Allowance	Allowance for Bad Debt	Reserve for Charity	Total Accounts Receivable Allowances
Balance at July 1, 2011	\$ (1,543,707)	\$ (636,815)	\$ (124,547)	\$ (2,305,069)
Additions	(17,362,247)	(809,567)	(1,027,652)	(19,199,466)
Reductions	16,958,204	758,751	1,000,851	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	<u>\$ (2,859,970)</u>	<u>\$ (858,394)</u>	<u>\$ (567,116)</u>	<u>\$ (4,285,480)</u>

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

Catholic Health Initiatives

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

Catholic Health Initiatives

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.

Catholic Health Initiatives

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

Catholic Health Initiatives

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)

	<u>2013</u>	<u>2012</u>
Total notes receivable from related entities	\$ 188,275	\$ 465,400
Reinsurance recoverable on unpaid losses and loss 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	<u>\$ 430,888</u>	<u>\$ 605,094</u>

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

Catholic Health Initiatives

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

Catholic Health Initiatives

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.

Catholic Health Initiatives

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.

Catholic Health Initiatives

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

Catholic Health Initiatives

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 of Medicare	<u>\$ 1,181,491</u>	<u>\$ 1,076,452</u>

Catholic Health Initiatives

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

Catholic Health Initiatives

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.

Catholic Health Initiatives

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)

	2013					
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Other Investees	Total
Total assets	\$ 34,746	\$ 265,568	\$ 65,084	\$ 28,697	\$ 275,661	\$ 669,756
Total debt	33,106	24,408	11,998	12,535	60,474	142,521
Net assets	1,414	195,874	44,996	8,758	172,800	423,842
Net patient services revenues	–	260,204	138,577	34,197	167,914	600,892
Total revenues, net	6,309	353,484	142,775	37,065	310,439	850,072
Excess of revenues over expenses	872	34,633	44,385	4,241	29,416	113,547

	2012					
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Other Investees	Total
Total assets	\$ 29,557	\$ 259,753	\$ 58,575	\$ 19,997	\$ 140,714	\$ 508,596
Total debt	27,793	12,866	10,627	8,637	18,062	77,985
Net assets	1,160	195,293	42,396	8,462	76,977	324,288
Net patient services revenues	–	277,668	125,121	33,254	109,779	545,822
Total revenues, net	5,845	380,983	125,326	35,685	218,627	766,466
Excess of revenues over expenses	477	37,039	34,367	5,854	15,284	93,021

Catholic Health Initiatives

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	\$ —	\$ —	\$ 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
	<u>\$ 1,260,000</u>	<u>\$ 55,436</u>	<u>\$ 217,709</u>	<u>\$ 608,623</u>	<u>\$ 2,141,768</u>

	St. Luke's	Highline	UMC	Alegent	Total
Fiscal Year 2013					
Purchase price allocation					
Cash and investments	\$ 1,153,253	\$ 57,133	\$ 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)
	<u>\$ 1,260,000</u>	<u>\$ 55,436</u>	<u>\$ 217,709</u>	<u>\$ 608,623</u>	<u>\$ 2,141,768</u>

Catholic Health Initiatives

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.

Catholic Health Initiatives

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
	<u>\$ 258,503</u>	<u>\$ 131,127</u>	<u>\$ 389,630</u>
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	<u>\$ 258,503</u>	<u>\$ 131,127</u>	<u>\$ 389,630</u>

Catholic Health Initiatives

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 \$181.6 million was determined using valuation techniques including discounted cash flows. For the period from January 1 to June 30, 2012, JHSMH contributed \$477.1 million of operating revenues and \$62.2 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 Alegacy 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, Alegacy, 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

Catholic Health Initiatives

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):

	<u>2013</u>	<u>2012</u>
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	<u>\$ (108,594)</u>	<u>\$ (45,095)</u>

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

Catholic Health Initiatives

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%

Catholic Health Initiatives

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	\$ 244,077	\$ 153,459
CHI Investment Program	4,911,135	4,821,534
Marketable equity securities	858,537	315,064
Marketable fixed-income securities	773,069	477,440
Hedge funds and other investments	323,885	162,191
	7,110,703	5,929,688
Less current portion	(11,697)	(1,901)
	<u>\$ 7,099,006</u>	<u>\$ 5,927,787</u>

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

Catholic Health Initiatives

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 U S 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.

Catholic Health Initiatives

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	\$ 66,529	\$ 37,169
Included in nonoperating gains	488,824	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.

Catholic Health Initiatives

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.

Catholic Health Initiatives

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			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable 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	—	—
	<u>\$ 1,899,436</u>	<u>\$ 1,191,953</u>	<u>\$ 695,765</u>	<u>\$ 11,718</u>
Liabilities				
Interest rate swaps	\$ 271,634	\$ —	\$ 271,634	\$ —
Deferred compensation liability	12,035	12,035	—	—
	<u>\$ 283,669</u>	<u>\$ 12,035</u>	<u>\$ 271,634</u>	<u>\$ —</u>

Catholic Health Initiatives

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)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable 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 securities	477,440	900	476,540	—
Other investments	1,953	—	—	1,953
Deferred compensation assets				
Cash and short-term investments	10,852	10,852	—	—
	<u>\$ 958,768</u>	<u>\$ 433,305</u>	<u>\$ 523,510</u>	<u>\$ 1,953</u>
Liabilities				
Interest rate swaps	\$ 238,549	\$ —	\$ 238,549	\$ —
Deferred compensation liability	10,852	10,852	—	—
	<u>\$ 249,401</u>	<u>\$ 10,852</u>	<u>\$ 238,549</u>	<u>\$ —</u>

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

Catholic Health Initiatives

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

Catholic Health Initiatives

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			
Series 1997B, maturing through 2022	0.14%	\$ 9,200	\$ 18,900
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
Series 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			
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		\$ 6,334,985	\$ 3,778,709

Catholic Health Initiatives

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):

	<u>Amounts Due</u>
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.

Catholic Health Initiatives

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.

Catholic Health Initiatives

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.

Catholic Health Initiatives

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.

Catholic Health Initiatives

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		
Projected benefit obligation	\$ 3,877,485	\$ 3,601,231
Accumulated benefit obligation	3,844,708	3,428,819

Catholic Health Initiatives

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	174	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.

Catholic Health Initiatives

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	Quoted Prices	Other	
	as of	in Active	Observable	Unobservable
	June 30	Markets	Inputs	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	—
Alternative investments	657,194	—	—	657,194
	\$ 3,404,633	\$ 2,038,280	\$ 709,159	\$ 657,194

Catholic Health Initiatives

Notes to Consolidated Financial Statements (continued)

10. Retirement Plans (continued)

	2012			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Cash and short-term investments	\$ 128,098	\$ 117,585	\$ 10,513	\$ —
Marketable equity securities	1,318,456	1,318,456	—	—
Marketable fixed-income securities	756,137	230,647	525,490	—
Alternative investments	505,720	—	—	505,720
	<u>\$ 2,708,411</u>	<u>\$ 1,666,688</u>	<u>\$ 536,003</u>	<u>\$ 505,720</u>

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	<u>\$ 657,194</u>	<u>\$ 505,720</u>

Catholic Health Initiatives

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):

Year Ending June 30	<u>Estimated Payments</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:

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

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.

Catholic Health Initiatives

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.

Catholic Health Initiatives

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):

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

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.

Catholic Health Initiatives

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 \$1.0 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 \$1.0 million per claim. Unrelated commercial insurance carriers reinsure losses in excess of the per-claim 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 \$51.0 million and \$54.0 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

Catholic Health Initiatives

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.

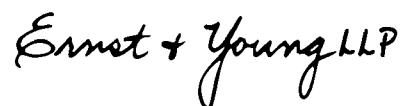
On July 1, 2013, CHI invested \$65.0 million in MedSynergies, Inc. (MedSynergies), a national physician management services organization. In conjunction with this investment, CHI and MedSynergies have entered into a partnership to create successful physician alignment within CHI, and to enhance patient retention and practice performance within the physician services line of business. The initial term of this agreement is 9 years.

Supplemental Information

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.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

September 17, 2013

Catholic Health Initiatives

Consolidating Balance Sheet

June 30, 2013

(In Thousands)

	MBOs	Corporate	Collab Health	FHIL	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

Catholic Health Initiatives

Consolidating Balance Sheet (continued)

June 30, 2013

(In Thousands)

	MBOs	Corporate	Collab Health	FHIL	CHI Welfare Benefits Trust	Other	Eliminations 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	50,660	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	48,078	8,917	499,288	—	—	—	616,652
Other liabilities	551,432	148,390	—	—	—	—	(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	\$ 6,318,956	\$ 48,924	\$ 785,609	\$ 114,286	\$ 34,784	\$ (3,910,846)	\$ 19,309,719

Catholic Health Initiatives

Consolidating Statement of Operations

Year Ended June 30, 2013

(In Thousands)

	MBOs	Corporate	Collab Health	FHLL	CHI Welfare Benefits Trust	Other	Eliminations and Adjustments	Consolidated
Revenues								
Net patient services revenues	\$ 10,021,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (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	<u>\$ 487,252</u>	<u>\$ (66,237)</u>	<u>\$ (1,627)</u>	<u>\$ 47,741</u>	<u>\$ (2,482)</u>	<u>\$ (13,236)</u>	<u>\$ 38,292</u>	<u>\$ 489,703</u>
Excess of revenues over expenses attributable to noncontrolling interest	<u>\$ 5,972</u>	<u>\$ (6,745)</u>	<u>\$ 736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37)</u>
Excess (deficiency) of revenues over expenses attributable to CHI	<u>\$ 481,280</u>	<u>\$ (59,492)</u>	<u>\$ (2,363)</u>	<u>\$ 47,741</u>	<u>\$ (2,482)</u>	<u>\$ (13,236)</u>	<u>\$ 38,292</u>	<u>\$ 489,740</u>

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