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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

C Name of organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
555 South 70th Street

City or town, state or country, and ZIP + 4
Lincoln, NE 68510

D Employer identification number
47-0379836

E Telephone number
(402) 219-8000

G Gross receipts $ 268,104,588

F Name and address of principal officer
KIM MOORE
555 South 70th Street
Lincoln, NE 68510

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

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

H(c) Group exemption number ▶ 0928

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

J Website: ▶ WWW SAINTELIZABETHONLINE COM

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

L Year of formation 1889

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
COMMUNITY SERVICE IS A CORE ACTIVITY FOR SAINT ELIZABETH ESSENTIAL INPATIENT & OUTPATIENT SERVICES ARE PROVIDED AS WELL AS SPECIALTIES IN NEONATAL, BURN, CANCER AND EMERGENCY

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	1,961
6	Total number of volunteers (estimate if necessary)	**6**	781
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,091,426
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	199,250

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,106,671	1,460,595
9	Program service revenue (Part VIII, line 2g)	251,194,465	248,785,321
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,791,188	14,253,846
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,155,603	3,559,993
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	267,247,927	268,059,755
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	150,287,996	579,043
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	88,402,056	84,793,657
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	132,715,048	155,066,141
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	371,405,100	240,438,841
19	Revenue less expenses Subtract line 18 from line 12	-104,157,173	27,620,914

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	375,302,046	413,166,832
21	Total liabilities (Part X, line 26)	99,635,526	89,283,447
22	Net assets or fund balances Subtract line 21 from line 20	275,666,520	323,883,385

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2013-09-25

JEANETTE WOJTALEWICZ CHI NE CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Pamela Krohn				P01210500

Firm's name ▶ CATHOLIC HEALTH INITIATIVES — Firm's EIN ▶ 47-0617373

Firm's address ▶ 198 INVERNESS DRIVE WEST
ENGLEWOOD, CO 80112

Phone no (303) 298-9100

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

THE ORGANIZATION'S MISSION 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 US TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS WE MOVE TOWARD THE CREATION OF HEALTHIER COMMUNITIES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 205,469,410 including grants of $ 579,043) (Revenue $ 248,785,321)

SEE SCHEDULE H

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 205,469,410

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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	12		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,961		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 13		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KIM MOORE PRESIDENT/CEO	58 00 2 00	X		X				0	417,353	75,657
(2) RICK LANGE BOARD CHAIR	1 00 0	X		X				0	0	0
(3) ROBERT CALDWELL BOARD SECRETARY	1 00 0	X		X				0	0	0
(4) RUSSELL BAYER BOARD VICE CHAIR	1 00 0	X		X				0	0	0
(5) STEVE NAVIN BOARD TREASURER	1 00 0	X		X				0	0	0
(6) DR JUAN FRANCO BOARD MEMBER	1 00 0	X						0	0	0
(7) ERIC PIERSON MD BOARD MEMBER/CHIEF OF STAFF	4 00 0	X						0	0	0
(8) KEITH MAY BOARD MEMBER	1 00 0	X						0	0	0
(9) MARK J BUTLER MD VICE-CHIEF OF STAFF	4 00 40 00	X						0	246,679	46,594
(10) NATALIE PEETZ BOARD MEMBER	1 00 0	X						0	0	0
(11) ROBERT BARTH BOARD MEMBER	1 00 0	X						0	0	0
(12) ROBERT LANIK CHI NE CEO - BOARD MEMBER	3 00 57 00	X						0	1,024,255	47,149
(13) SISTER MAURITA SOUKUP BOARD MEMBER	1 00 1 00	X						0	0	0
(14) DOUGLAS KUCERA VP FINANCE	58 00 2 00			X				233,343	0	31,365
(15) CARY WARD MD VP MEDICAL AFFAIRS	60 00 0 00				X			0	439,807	42,850
(16) ELIZABETH RAETZ VP NURSING	60 00 0				X			222,122	0	47,750
(17) PATRICK GILLES VP CLINICAL/SUPPORT	60 00 0				X			278,647	0	38,762

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DONNA HAMMACK CHIEF DEVELOPMENT OFFICER-FOUNDATION	1 00 50 00					X		166,741	0	35,516
(19) GARY WHITE PHARMACIST	45 00 0					X		139,477	0	28,295
(20) JOYCE BECK THAYER COUNTY ADMINISTRATOR	55 00 0					X		143,544	0	25,507
(21) KURT CLYNE DIRECTOR PHARMACY	50 00 0					X		140,752	0	23,992
(22) NANCY GONDRINGER DIRECTOR PERIOPERATIVE SERVICE	50 00 0					X		151,588	0	26,164
(23) CHARLOTTE LIGGETT VP STRATEGY & PLANNING	0 00 60 00						X	0	249,597	38,885
(24) JEANETTE WOJTALEWICZ Former CFO	0 00 60 00						X	0	461,968	43,750
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								1,476,214	2,839,659	552,236

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 ▶ 39

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK HEALTHCARE SUPPORT SERVICES 1101 MARKET STREET PHILADELPHIA PA 19107	DIETARY SERVICES	2,703,082
LINCOLN ANESTHESIOLOGY GROUP PC 575 SOUTH 70TH STREET PO BOX 6067 LINCOLN NE 68506	ANESTHESIOLOGY SERVICES	1,485,702
GRAHAM CONSTRUCTION INC 13210 CENTENNIAL ROAD SUITE 1 OMAHA NE 68138	CONSTRUCTION SERVICES	1,266,198
LINCOLN MEDICAL EDUCATION PARTNERSHIP 4600 VALLEY ROAD LINCOLN NE 68510	CONSULTING SERVICES	629,649
HEALTHCARE SUPPORT SERVICES LLC PO BOX 9804 GRAND ISLAND NE 68803	LAUNDRY SERVICES	579,630

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 ▶ 26

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	1,278,384			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	182,211			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,460,595			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	900099	246,218,343	246,218,343		
	b	RENTAL INCOME	900099	946,557	946,557		
	c	EQUITY CHANGES OF UNCONSOLIDATED ORGS	900099	821,338	821,338		
	d	MEDICAL SERVICES	621300	268,061	268,061		
	e	WELLNESS SERVICES	900099	105,876	105,876		
	f	All other program service revenue		425,146	425,146	0	0
	g	**Total.** Add lines 2a–2f		248,785,321			
	3	Investment income (including dividends, interest, and other similar amounts)		5,485,983		-1,448	5,487,431
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	10,753				
	b	Less rental expenses	413				
	c	Rental income or (loss)	10,340	0			
	d	Net rental income or (loss)		10,340		10,340	0
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	8,653,287	158,996			
	b	Less cost or other basis and sales expenses		44,420			
	c	Gain or (loss)	8,653,287	114,576			
	d	Net gain or (loss)		8,767,863			8,767,863
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722100	1,047,101			1,047,101
	b	DURABLE MEDICAL EQUIPMENT	446199	1,536,112		691,894	844,218
	c	SERVICES SOLD	900099	371,912		331,473	40,439
	d	All other revenue		594,528	0	59,167	535,361
	e	**Total.** Add lines 11a–11d		3,549,653			
	12	**Total revenue.** See Instructions		268,059,755	248,785,321	1,091,426	16,722,413

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	455,247	455,247		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	123,796	123,796		
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	937,996	93,800	844,196	
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	63,547,969	60,890,055	2,657,914	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,734,321	3,734,321		
9 Other employee benefits	11,821,794	10,911,974	909,820	
10 Payroll taxes	4,751,577	4,507,208	244,369	
11 Fees for services (non-employees)				
a Management	0			
b Legal	428,375		428,375	
c Accounting	0			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	28,774,180	21,654,456	7,119,724	0
12 Advertising and promotion	1,474,401	4,134	1,470,267	
13 Office expenses	9,206,029	8,762,469	443,560	
14 Information technology	14,914,622	14,914,622		
15 Royalties . .	0			
16 Occupancy	4,155,551	4,095,429	60,122	
17 Travel	274,206	213,022	61,184	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	31,244	17,428	13,816	
20 Interest	3,354,244	3,354,244		
21 Payments to affiliates	20,119,044		20,119,044	
22 Depreciation, depletion, and amortization	10,305,142	10,278,744	26,398	
23 Insurance	1,112,551	1,112,551		
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 BAD DEBTS	11,425,612	11,425,612		
b DUES & SUBSCRIPTIONS	341,562	156,792	184,770	
c MEDICAL SUPPLIES	47,019,644	46,972,344	47,300	
d REPAIRS & MAINTENANCE	940,298	939,417	881	
e All other expenses	1,189,436	851,745	337,691	0
25 **Total functional expenses.** Add lines 1 through 24e	240,438,841	205,469,410	34,969,431	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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		4,752	1	4,703
	2	Savings and temporary cash investments		13,713,353	2	9,304,724
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		39,003,054	4	33,447,031
	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		5,546,825	8	5,824,270
	9	Prepaid expenses and deferred charges		295,936	9	287,336
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 220,200,148			
	b	Less accumulated depreciation	10b 127,241,186	99,783,752	10c	92,958,962
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		214,487,470	12	250,789,135
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		2,466,904	15	20,550,671
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		375,302,046	16	413,166,832
Liabilities	17	Accounts payable and accrued expenses		15,266,057	17	14,283,159
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	0
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		84,369,469	25	75,000,288
	26	**Total liabilities.** Add lines 17 through 25		99,635,526	26	89,283,447
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		275,666,520	27	323,883,385
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			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		275,666,520	33	323,883,385
	34	Total liabilities and net assets/fund balances		375,302,046	34	413,166,832

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	268,059,755
2	Total expenses (must equal Part IX, column (A), line 25)	2	240,438,841
3	Revenue less expenses Subtract line 2 from line 1	3	27,620,914
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	275,666,520
5	Net unrealized gains (losses) on investments	5	9,217,043
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	11,378,908
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	323,883,385

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	**Employer identification number**
SAINT ELIZABETH REGIONAL MEDICAL CENTER	47-0379836

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		14,256
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			14,256
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	THE PORTION OF ORGANIZATION DUES THAT ARE RELATED TO LOBBYING ARE AS FOLLOWS NEBRASKA HOSPITAL ASSOCIATION - $6,740 AMERICAN HOSPITAL ASSOCIATION - $5,415 CATHOLIC HEALTHCARE ASSOCIATION - $2,101

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		179,532		179,532
b Buildings		129,051,337	57,125,594	71,925,743
c Leasehold improvements		1,664,708	1,055,133	609,575
d Equipment		80,135,592	65,124,785	15,010,807
e Other		9,168,979	3,935,674	5,233,305
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				92,958,962

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other		
(A) CHI OIP - FIXED INCOME	123,759,482	
(B) CHI OIP - EQUITY SECURITIES	127,029,653	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	250,789,135	

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
INTERCOMPANY PAYABLES	69,485,676
ENVIRONMENTAL REMEDIATION LIABILITY	2,985,631
ACCRUED CAPITAL	1,991,658
PENSION LIABILITY	529,949
UNCLAIMED PROPERTY	7,374
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	75,000,288

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

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	SAINT ELIZABETH REGIONAL 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 "

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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
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a		No
	☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b		No
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	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 eligibile 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)		3,906	5,218,824		5,218,824	2 280 %
b Medicaid (from Worksheet 3, column a)		14,247	21,606,329	7,908,571	13,697,758	5 980 %
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0 %
d **Total** Financial Assistance and Means-Tested Government Programs	0	18,153	26,825,153	7,908,571	18,916,582	8 260 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	12	89,377	861,910	68,458	793,452	0 350 %
f Health professions education (from Worksheet 5)	4	1,408	248,035		248,035	0 110 %
g Subsidized health services (from Worksheet 6)					0	0 %
h Research (from Worksheet 7)					0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	9	681	644,192		644,192	0 280 %
j **Total.** Other Benefits	25	91,466	1,754,137	68,458	1,685,679	0 740 %
k **Total.** Add lines 7d and 7j	25	109,619	28,579,290	7,977,029	20,602,261	9 000 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1		950		950	0 %
2	Economic development	1		33,167		33,167	0 010 %
3	Community support	1	224	21,115		21,115	0 %
4	Environmental improvements					0	0 %
5	Leadership development and training for community members					0	0 %
6	Coalition building	1		25,016		25,016	0 010 %
7	Community health improvement advocacy					0	0 %
8	Workforce development					0	0 %
9	Other					0	0 %
10	**Total**	4	224	80,248	0	80,248	0 030 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	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	11,425,612		
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	0		
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	74,363,918
6	Enter Medicare allowable costs of care relating to payments on line 5	6	89,050,425
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-14,686,507
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	LINCOLN CK LEASING LLC	ONCOLOGY EQUIPMENT	53 76 %	0 %	32 26 %
2	SUPERIOR MEDICAL IMAGING LLC	OUTPATIENT IMAGING CENTER	51 %	0 %	49 %
3	NEBRASKA SURGERY CENTER LLC	AMBULATORY SURGERY CENTER	36 9 %	0 %	63 1 %
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	SAINT ELIZABETH REGIONAL MEDICAL CENTER 555 SOUTH 70TH STREET LINCOLN, NE 68510 WWW SAINTELIZABETHONLINE COM	X	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)

Name of hospital facility or facility reporting group SAINT ELIZABETH REGIONAL MEDICAL CENTER

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

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

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
2

	Name and address	Type of Facility (describe)
1	NEBRASKA SURGERY CENTER LLC 625 SOUTH 70TH STREET LINCOLN,NE 68510	AMBULATORY SURGICAL CENTER
2	SUPERIOR MEDICAL IMAGING LLC 5000 NORTH 26TH STREET LINCOLN,NE 68521	OUTPATIENT DIAGNOSTIC IMAGING CENTER
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	SAINT ELIZABETH REGIONAL MEDICAL CENTER PROVIDES FREE AND DISCOUNTED CARE TO PATIENTS WITH A FINANCIAL NEED THE AMOUNT OF ANY SUCH FREE OR DISCOUNTED CARE PROVIDED BY SAINT ELIZABETH REGIONAL MEDICAL CENTER TAKES INTO CONSIDERATION THE MEDICAL NECESSITY OF THE CARE, THE PATIENT'S HOUSEHOLD SIZE, INCOME, LIQUID ASSETS, AS WELL AS OTHER MEDICAL LIABILITIES WHEN CATHOLIC HEALTH INITIATIVES (THE ULTIMATE PARENT ORGANIZATION TO SAINT ELIZABETH REGIONAL 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 SAINT ELIZABETH REGIONAL 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 MAY BE SERIOUSLY DETRIMENTAL TO THE PATIENTS BASIC FINANCIAL WELL BEING AND SURVIVAL SUCH PATIENTS MAY BE EXTENDED DISCOUNTED OR FREE CARE BASED UPON THESE EXTENUATING FACTS AND CIRCUMSTANCES SAINT ELIZABETH REGIONAL MEDICAL CENTER'S ELIGIBILITY CRITERION FOR THE APPLICATION OF DISCOUNTS IS BASED UPON 130% OF THE ANNUALLY UPDATED HUD VERY-LOW INCOME GUIDELINES THE HUD GUIDELINES TAKE INTO CONSIDERATION FAMILY INCOMES THAT DO NOT EXCEED 50% OF THE MEDIAN FAMILY INCOME FOR A GEOGRAPHIC AREA AND UTILIZE A SLIDING SCALE APPROACH BASED UPON FAMILY INCOME AND SIZE
Costing Methodology used to calculate financial assistance	Schedule H, Part I, Line 7	A COST ACCOUNTING SYSTEM WAS NOT USED TO COMPUTE AMOUNTS IN THE TABLE, RATHER COSTS IN THE TABLE WERE COMPUTED USING THE ORGANIZATION'S COST-TO-CHARGE RATIO THE COST-TO-CHARGE RATIO COVERS ALL PATIENT SEGMENTS THE COST-TO-CHARGE RATIO FOR THE YEAR ENDED 6/30/13 WAS COMPUTED USING THE FOLLOWING FORMULA OPERATING EXPENSE (BEFORE RESTRUCTURING, IMPAIRMENT AND OTHER LOSSES) DIVIDED BY GROSS PATIENT REVENUE BASED ON THAT FORMULA, 21,606,329 /$59,670,030 RESULTS IN A 36 2097% COST-TO-CHARGE RATIO

Identifier	ReturnReference	Explanation
Bad Debt Expense excluded from financial assistance calculation	Schedule H, Part I, Line 7, column(f)	11,425,612
Subsidized Health Services	Schedule H, Part I, Line 7g	THERE ARE NO PHYSICIAN CLINICS INCLUDED IN SUBSIDIZED HEALTH SERVICES IN PART I, LINE 7G

Identifier	ReturnReference	Explanation
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 36 2097% WHEN DISCOUNTS ARE EXTENDED TO SELF-PAY PATIENTS, THESE PATIENT ACCOUNT DISCOUNTS ARE RECORDED AS A REDUCTION IN REVENUE, NOT AS BAD DEBT EXPENSE
Bad debt expense - methodology used to estimate amount as community benefit	Schedule H, Part III, Line 3	SAINT ELIZABETH REGIONAL 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

Identifier	ReturnReference	Explanation
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	SAINT ELIZABETH REGIONAL MEDICAL CENTER DOES NOT ISSUE SEPARATE COMPANY AUDITED FINANCIAL STATEMENTS HOWEVER, THE ORGANIZATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES THE CONSOLIDATED FOOTNOTE READS AS FOLLOWS "THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, TAKING INTO CONSIDERATION HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE AND OTHER COLLECTION INDICATORS MANAGEMENT ROUTINELY ASSESSES THE ADEQUACY OF THE ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THESE REVIEWS ARE USED TO MODIFY, AS NECESSARY, THE PROVISION FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE NET PATIENT ACCOUNTS RECEIVABLE AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, CHI FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY EACH FACILITY IN ACCORDANCE WITH ACCOUNTING STANDARDS UPDATE (ASU) NO 2011-07, PRESENTATION AND DISCLOSURE OF PATIENT SERVICES REVENUE, PROVISION FOR BAD DEBTS, AND ALLOWANCES FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTH ENTITIES, THE PROVISION FOR BAD DEBTS IS PRESENTED ON THE CONSOLIDATED STATEMENT OF OPERATIONS AS A DEDUCTION FROM PATIENT SERVICES REVENUES (NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS) SINCE CHI ACCEPTS AND TREATS ALL PATIENTS WITHOUT REGARD TO THE ABILITY TO PAY "
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	USING ESSENTIALLY THE SAME MEDICARE COST REPORT PRINCIPLES AS TO THE ALLOCATION OF GENERAL SERVICES COSTS AND "APPORTIONMENT" METHODS, THE "CHI WORKBOOK" CALCULATES A PAYERS' GROSS ALLOWABLE COSTS BY SERVICE (SO AS TO FACILITATE A CORRESPONDING COMPARISON BETWEEN GROSS ALLOWABLE COSTS AND ULTIMATE PAYMENTS RECEIVED) THE TERM "GROSS ALLOWABLE COSTS" MEANS COSTS BEFORE ANY DEDUCTIBLES OR CO-INSURANCE ARE SUBTRACTED SAINT ELIZABETH REGIONAL MEDICAL CENTER'S ULTIMATE REIMBURSEMENT WILL BE REDUCED BY ANY APPLICABLE COPAYMENT/ DEDUCTIBLE WHERE MEDICARE IS THE SECONDARY INSURER, AMOUNTS DUE FROM THE INSURED'S PRIMARY PAYER WERE NOT SUBTRACTED FROM MEDICARE ALLOWABLE COSTS BECAUSE THE AMOUNTS ARE TYPICALLY IMMATERIAL ALTHOUGH NOT PRESENTED ON THE MEDICARE COST REPORT, IN ORDER TO FACILITATE A MORE ACCURATE UNDERSTANDING OF THE "TRUE" COST OF SERVICES (FOR "SHORTFALL" PURPOSES) THE CHI WORKBOOK ALLOWS A HEALTH CARE FACILITY NOT TO OFFSET COSTS THAT MEDICARE CONSIDERS TO BE NON-ALLOWABLE, BUT FOR WHICH THE FACILITY CAN LEGITIMATELY ARGUE ARE RELATED TO THE CARE OF THE FACILITY'S PATIENTS IN ADDITION, ALTHOUGH NOT REPORTABLE ON THE MEDICARE COST REPORT, THE CHI WORKBOOK INCLUDES THE COST OF SERVICES THAT ARE PAID VIA A SET FEE-SCHEDULE RATHER THAN BEING REIMBURSED BASED ON COSTS (E G OUTPATIENT CLINICAL LABORATORY) FINALLY, THE CHI WORKBOOK ALLOWS A FACILITY TO INCLUDE OTHER HEALTH CARE SERVICES PERFORMED BY A SEPARATE FACILITY (SUCH AS A PHYSICIAN PRACTICE) THAT ARE MAINTAINED ON SEPARATE BOOKS AND RECORDS (AS OPPOSED TO THE MAIN FACILITY'S BOOKS AND RECORDS WHICH HAS ITS COSTS OF SERVICE INCLUDED WITHIN A COST REPORT) TRUE COSTS OF MEDICARE COMPUTED USING THIS METHODOLOGY TOTAL MEDICARE REVENUE $74,363,918 TOTAL MEDICARE COSTS $89,050,425 SURPLUS OR SHORTFALL ($14,686,507) SAINT ELIZABETH REGIONAL MEDICAL CENTER BELIEVES THAT EXCLUDING MEDICARE LOSSES FROM COMMUNITY BENEFIT MAKES THE OVERALL COMMUNITY BENEFIT REPORT MORE CREDIBLE FOR THESE REASONS UNLIKE SUBSIDIZED AREAS SUCH AS BURN UNITS OR BEHAVIORAL-HEALTH SERVICES, MEDICARE IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTH CARE ORGANIZATIONS IN FACT, FOR-PROFIT HOSPITALS FOCUS ON ATTRACTING PATIENTS WITH MEDICARE COVERAGE, ESPECIALLY IN THE CASE OF WELL-PAID SERVICES THAT INCLUDE CARDIAC AND ORTHOPEDICS SIGNIFICANT EFFORT AND RESOURCES ARE DEVOTED TO ENSURING THAT HOSPITALS ARE REIMBURSED APPROPRIATELY BY THE MEDICARE PROGRAM THE MEDICARE PAYMENT ADVISORY COMMISSION (MEDPAC), AN INDEPENDENT CONGRESSIONAL AGENCY, CAREFULLY STUDIES MEDICARE PAYMENT AND THE ACCESS TO CARE THAT MEDICARE BENEFICIARIES RECEIVE THE COMMISSION RECOMMENDS PAYMENT ADJUSTMENTS TO CONGRESS ACCORDINGLY THOUGH MEDICARE LOSSES ARE NOT INCLUDED BY CATHOLIC HOSPITALS AS COMMUNITY BENEFIT, THE CATHOLIC HEALTH ASSOCIATION GUIDELINES ALLOW HOSPITALS TO COUNT AS COMMUNITY BENEFIT SOME PROGRAMS THAT SPECIFICALLY SERVE THE MEDICARE POPULATION FOR INSTANCE, IF HOSPITALS OPERATE PROGRAMS FOR PATIENTS WITH MEDICARE BENEFITS THAT RESPOND TO IDENTIFIED COMMUNITY NEEDS, GENERATE LOSSES FOR THE HOSPITAL, AND MEET OTHER CRITERIA, THESE PROGRAMS CAN BE INCLUDED IN THE CHA FRAMEWORK IN CATEGORY C AS "SUBSIDIZED HEALTH SERVICES " MEDICARE LOSSES ARE DIFFERENT FROM MEDICAID LOSSES, WHICH ARE COUNTED IN THE CHA COMMUNITY BENEFIT FRAMEWORK, BECAUSE MEDICAID REIMBURSEMENTS GENERALLY DO NOT RECEIVE THE LEVEL OF ATTENTION PAID TO MEDICARE REIMBURSEMENT MEDICAID PAYMENT IS LARGELY DRIVEN BY WHAT STATES CAN AFFORD TO PAY, AND IS TYPICALLY SUBSTANTIALLY LESS THAN WHAT MEDICARE PAYS

Identifier	ReturnReference	Explanation
Collection practices for patients eligible for financial assistance	Schedule H, Part III, Line 9b	SAINT ELIZABETH REGIONAL MEDICAL CENTER'S DEBT COLLECTION POLICY PROVIDES THAT SAINT ELIZABETH REGIONAL MEDICAL CENTER WILL PERFORM A REASONABLE REVIEW OF EACH INPATIENT ACCOUNT PRIOR TO TURNING AN ACCOUNT FOR TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT, TO ASSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (E G MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH SAINT ELIZABETH REGIONAL MEDICAL CENTER'S COMMUNITY ASSISTANCE POLICY AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY PATIENT ACCOUNT THAT IS SUBSEQUENTLY DETERMINED TO MEET THE SAINT ELIZABETH REGIONAL MEDICAL CENTER COMMUNITY ASSISTANCE POLICY IS REQUIRED TO BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT TO SAINT ELIZABETH REGIONAL MEDICAL CENTER FOR APPROPRIATE FOLLOW-UP SAINT ELIZABETH REGIONAL MEDICAL CENTER REQUIRES ITS THIRD-PARTY COLLECTION AGENTS TO INCLUDE A MESSAGE ON ALL STATEMENTS INDICATING THAT IF A PATIENT OR PATIENT GUARANTOR MEETS CERTAIN STIPULATED INCOME REQUIREMENTS, THE PATIENT OR PATIENT GUARANTOR MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE 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
Community Served by Needs Assessment	Schedule H, Part V Section B, Line 3	(1) SAINT ELIZABETH REGIONAL MEDICAL CENTER - REPRESENTATIVES FROM SAINT ELIZABETH PARTICIPATED IN THE MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIP (MAPP) PROCESS IN COOPERATION WITH THE LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT THE RESULT OF THE MAPP PROCESS IS THE DEVELOPMENT OF A COMMUNITY HEALTH IMPROVEMENT PLAN FOR THE CITY OF LINCOLN AND LANCASTER COUNTY AS PART OF THE MAPP PROCESS, THE LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT FORMED A STEERING COMMITTEE THE 25 MEMBER COMMITTEE IS A BROAD-BASED REPRESENTATION OF THE HEALTH DEPARTMENT'S COMMUNITY PARTNERS AND STAKEHOLDERS THEIR ROLE IS TO ASSIST THE HEALTH DEPARTMENT IN THE FACILIATION OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, THE IDENTIFICATION OF COMMUNITY PRIORITY HEALTH NEEDS, AND IN THE DEVELOPMENT OF THE COMMUNITY HEALTH IMPROVEMENT PLAN ,

Identifier	ReturnReference	Explanation
Used federal poverty guidelines (FPG) to determine eligibility	Schedule H, Part V Section B, Line 10	(1) SAINT ELIZABETH REGIONAL MEDICAL CENTER - HUD LOW INCOME GUIDELINES USED,
Used FPG to determine eligibility for providing discounted care criteria	Schedule H, Part V Section B, Line 11	(1) SAINT ELIZABETH REGIONAL MEDICAL CENTER - HUD LOW INCOME GUIDELINES USED ,

Identifier	ReturnReference	Explanation
Means used to determine amounts billed	Schedule H, Part V Section B, Line 20d	(1) SAINT ELIZABETH REGIONAL MEDICAL CENTER - A 40% DISCOUNT IS PROVIDED BASED ON THE AVERAGE OF MANAGED CARE DISCOUNTS ,
LINES 2, 4-6 COMMUNITY BUILDING ACTIVITIES, NEEDS ASSESSMENT, PROMOTION OF HEALTH, ETC	SCHEDULE H, PART VI	ORGANIZATION'S MISSION, VISION, AND TAX-EXEMPT PURPOSE THE MISSION OF SAINT ELIZABETH REGIONAL MEDICAL CENTER ("SERMC") IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH BY BRINGING IT NEW LIFE, ENERGY, AND VIABILITY IN THE TWENTY-FIRST CENTURY FIDELITY TO THE GOSPEL URGES US TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS IT MOVES TOWARD THE CREATION OF HEALTHIER COMMUNITIES SAINT ELIZABETH REGIONAL MEDICAL CENTER STRONGLY BELIEVES IN THE CORE CHI VALUES OF REVERENCE - RESPECTING DIVERSE VIEWPOINTS AND WORKING TOGETHER INTEGRITY - BEING OPEN AND HONEST IN ALL OF OUR INTERACTIONS COMPASSION - CARING FOR THE WHOLE PERSON AND THE GREATER GOOD OF OTHERS EXCELLENCE - DOING OUR BEST WORK, PROVIDING QUALITY CARE AND SERVICE, ACHIEVING OUR GOALS SAINT ELIZABETH REGIONAL MEDICAL CENTER WAS ORIGINALLY FORMED AS LINCOLN'S FIRST HOSPITAL IN 1889 BY THE SISTERS OF ST FRANCIS OF PERPETUAL ADORATION FOR THE PURPOSE OF PROVIDING MEDICAL CARE AS THE FIRST CATHOLIC HOSPITAL TO SERVE THE COMMUNITY, SERMC HAS SINCE JOINED WITH OTHER RELIGIOUS CONGREGATIONS TO FORM CATHOLIC HEALTH INITIATIVES IN ADDITION TO BEING A PART OF CATHOLIC HEALTH INITIATIVES, SERMC IS A PART OF CHI NEBRASKA, AN AFFILIATION OF FIVE ACUTE CARE HOSPITALS, ONE DESIGNATED AS CRITICAL ACCESS BY THE MEDICARE PROGRAM, A HOME CARE AGENCY PROVIDING HOME HEALTH, HOSPICE, INFUSION THERAPY, PRIVATE DUTY IN HOME CARE AND OTHER IN HOME RELATED SERVICES, A PHYSICIANS GROUP AND PRACTICES WITH PROVIDERS REPRESENTING MORE THAN 50 PRIMARY, SPECIALTY, AND URGENT CARE PRACTICES WITHIN NEBRASKA SAINT ELIZABETH REGIONAL MEDICAL CENTER PROVIDES ESSENTIAL HEALTH CARE SERVICES BY MAINTAINING A 260 BED MEDICAL CENTER WITH 44 OUTPATIENT BEDS DESIGNED TO PROVIDE THE HIGHEST QUALITY MEDICAL CARE WHILE EMBRACING TRADITIONS RICH IN SPIRITUALITY THE REGIONS' MOST INNOVATIVE AND HOLISTIC CARE IS AVAILABLE THROUGH ASSOCIATION WITH MORE THAN 500 PHYSICIANS, MANY OF WHOM WHO ARE BOARD CERTIFIED, AS WELL AS A PHYSICIAN NETWORK OF FAMILY AND SPECIALTY CLINICS IN LINCOLN AND THE SURROUNDING AREAS IN ADDITION TO THE SERVICES PROVIDED LOCALLY, SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS COMMITTED ITS EXPERTISE IN WOUND CARE TO OTHER COMMUNITIES AND PROVIDERS A FOCUS ON DELIVERING EXCEPTIONAL PATIENT CARE IN A STATE-OF-THE-ART ENVIRONMENT WITH EXPERIENCED MEDICAL PROFESSIONALS HAS DRIVEN SERMC TO GO BEYOND THE BASICS AND PROVIDE SERVICE LINES DESIGNED TO PROVIDE SPECIALTY CARE IN THE LOCAL COMMUNITY SAINT ELIZABETH REGIONAL MEDICAL CENTER IS INCLUDED IN THE OFFICIAL CATHOLIC DIRECTORY AS A TAX-EXEMPT HOSPITAL SAINT ELIZABETH REGIONAL MEDICAL CENTER IS GOVERNED BY A BOARD OF DIRECTORS THAT IS COMPRISED OF INDEPENDENT COMMUNITY REPRESENTATIVES SAINT ELIZABETH REGIONAL MEDICAL CENTER IS ACCREDITED BY THE JOINT COMMISSION - A SEAL OF APPROVAL THAT INDICATES THAT SERMC MEETS STRICT PERFORMANCE STANDARDS, PROVIDES HIGH QUALITY PATIENT CARE, AND DEMONSTRATES ACCOUNTABILITY IN THE RAPIDLY CHANGING FIELD OF HEALTHCARE SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS BEEN RANKED AS A 100 TOP HOSPITALÂ® IN THE NATION FOUR TIMES IN THE "OVERALL" CATEGORY BY THOMPSON REUTERS SAINT ELIZABETH REGIONAL MEDICAL CENTER ALSO HOLDS THE PRESTIGIOUS DESIGNATION AS A MAGNET HOSPITAL, THE HIGHEST AWARD IN NURSING, BY THE AMERICAN NURSES CREDENTIALING CENTER SAINT ELIZABETH REGIONAL MEDICAL CENTER EXCELS IN THE TREATMENT AREAS OF NEWBORN AND PEDIATRIC CARE, WOMEN'S HEALTH, CARDIOLOGY, EMERGENCY MEDICINE, ORTHOPEDICS, NEUROSCIENCE, ONCOLOGY, REHABILITATION, AND BURN AND WOUND CARE, AND IS LEADING THE WAY IN PREVENTION AND WELLNESS SAINT ELIZABETH REGIONAL MEDICAL CENTER'S SERVICES ARE PROVIDED TO THE COMMUNITY ON A NON-DISCRIMINATORY BASIS THE HOSPITAL OPERATES A 24-HOUR EMERGENCY DEPARTMENT ("ED") 365 DAYS A YEAR THE EMERGENCY ROOM IS OPEN TO ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS AN OPEN MEDICAL STAFF AND PARTICIPATES IN A VARIETY OF PROGRAMS INTENDED TO BENEFIT THE POPULATIONS WITHIN ITS SERVICE AREA, AS WELL AS THE INDIVIDUALS ENTERING INTO THE SERVICE AREA THESE PROGRAMS INCLUDE MEDICARE, MEDICAID, TRICARE (FORMERLY KNOWN AS THE CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES), WORKERS COMPENSATION, AND OTHER DISCOUNTED HEALTH INSURANCE PROGRAMS THIS PARTICIPATION PROVIDES ACCESS TO A LOCAL HEALTH CARE PROVIDER FOR THE COMMUNITY THE HEALTHCARE COMMUNITY SAINT ELIZABETH REGIONAL MEDICAL CENTER IN LINCOLN, NEBRASKA SERVES A PRIMARY AND SECONDARY MARKET AREA COMPRISED OF 17 COUNTIES IN SOUTHEAST NEBRASKA LINCOLN, THE CAPITAL OF NEBRASKA, IS LOCATED IN THE CENTRAL PART OF LANCASTER COUNTY LINCOLN AND LANCASTER COUNTY ARE ALSO SERVED BY PEOPLES HEALTH CENTER, A FEDERALLY QUALIFIED HEALTH CENTER, AN ADDITIONAL ACUTE CARE HOSPITAL WITH TWO CAMPUSES - BRYAN HEALTH AND TWO SPECIALTY HOSPITALS LANCASTER COUNTY IS SERMC'S PRIMARY SERVICE AREA AND HAS A POPULATION OF APPROXIMATELY 289,800 FROM 2000 TO 2010, LANCASTER COUNTY'S POPULATION INCREASED BY 14 8% THE COUNTY'S POPULATION AGED 62 OR OLDER INCREASED BY 27% SAINT ELIZABETH REGIONAL MEDICAL CENTER ACCEPTS MEDICARE AND MEDICAID AND SERVICES ARE NOT DENIED TO PATIENTS WHO DO NOT HAVE INSURANCE SAINT ELIZABETH REGIONAL MEDICAL CENTER MAINTAINS AN ACTIVE CHARITY CARE PROGRAM FOR FINANCIAL HARDSHIP ASSISTANCE DURING 2013, SERMC SERVED PATIENTS FROM 79 COUNTIES, DUE IN A LARGE PART TO ITS NEONATAL INTENSIVE CARE UNIT AND BURN SERVICES WITHIN SERMC'S PRIMARY SERVICE AREA, THE AVERAGE 2013 HOUSEHOLD INCOME IS $64,445 HOWEVER, THE U S CENSUS BUREAU ESTIMATES 14 3% OF RESIDENTS HAVE AN INCOME BELOW POVERTY LEVEL (SOURCE 2008-2012 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES) OUT OF THE 2013 POPULATION, 24 3% IS UNDER 18 YEARS OF AGE, WHILE 13 3% IS 65 YEARS OF AGE OR OLDER THE RACE OF THE POPULATION IS MOSTLY CAUCASIAN, WHICH MAKES UP 83 3%, 3 5% IS BLACK, 6 5% IS HISPANIC, 3 6% IS ASIAN, AND THE REMAINING 3 1% IS ALL OTHER RACES AND ETHNICITIES WITHIN THE POPULATION LANCASTER COUNTY MEDICAID ENROLLMENT FOR 2014 IS PROJECTED TO BE APPROXIMATELY 29,481, OR 9 9% OF THE TOTAL POPULATION THE UNINSURED POPULATION IS PROJECTED TO TOTAL APPROXIMATELY 35,357 OR 11 9% OF THE POPULATION COMMUNITY SERVICE HAS ALWAYS BEEN AT THE CORE OF SERMC'S ACTIVITIES EACH YEAR, SERVICES AND PROGRAMS ARE EXPANDED TO PROMOTE HEALTHY COMMUNITIES THROUGH INNOVATIVE PROGRAMS, COLLABORATIONS, AND PARTNERSHIPS THE PROGRAMS AND SERVICES NOT ONLY SERVE THE COMMUNITY, BUT ALSO REDUCE THE BURDENS ON THE GOVERNMENT FOR EXAMPLE, IF SERMC DID NOT PROVIDE CHARITY CARE, THE BURDEN OF PROVIDING CHARITY CARE WOULD FALL ON GOVERNMENT-SUPPORTED INSTITUTIONS DIVERSITY AT SAINT ELIZABETH REGIONAL MEDICAL CENTER LINCOLN RANKS AMONG THE TOP 15 SITES FOR REFUGEE RELOCATION IN THE UNITED STATES THE U S OFFICE OF REFUGEE RESETTLEMENT HAS DESIGNATED LINCOLN AS A PREFERRED COMMUNITY FOR NEWLY-ARRIVED REFUGEES IN ADDITION TO REFUGEES, LINCOLN IS ALSO HOME TO EXISTING ETHNIC MINORITY POPULATIONS FOR THESE REASONS, LINCOLN IS RICH IN CULTURAL AND ETHNIC DIVERSITY THIS DIVERSITY POSES NOT ONLY CHALLENGES---MULTIPLE LANGUAGES, CULTURAL DIFFERENCES, ETC--- BUT ALSO EXCITING OPPORTUNITIES FOR THOSE WILLING TO EMBRACE IT SAINT ELIZABETH REGIONAL MEDICAL CENTER CHOOSES TO EMBRACE THIS DIVERSITY IN NUMEROUS WAYS SOME OF THESE WAYS INCLUDE LANGUAGES LANGUAGES FOR WHICH INTERPRETERS WERE MOST FREQUENTLY DRAWN UPON AT SERMC OVER THE PAST YEAR (IN ORDER OF HIGHEST TO LOWEST FREQUENCY) INCLUDED 1) SPANISH, 2) ARABIC, 3) VIETNAMESE, 4) RUSSIAN, 5) SIGN LANGUAGE, 6) KURDISH INTERPRETERS OF MANY OTHER FOREIGN LANGUAGES WERE ALSO USED INTERMITTENTLY DURING THE YEAR AS NEEDED SAINT ELIZABETH REGIONAL MEDICAL CENTER RECOGNIZES THAT COMMUNICATION THROUGH A SHARED LANGUAGE IS CRITICAL FOR PATIENTS TO UNDERSTAND THEIR CAREGIVERS FROM UNDERSTANDING MEDICAL DIAGNOSES, TO TREATMENT AND MEDICATION OPTIONS, TO HOW TO CONTINUE CARE AFTER LEAVING THE SERMC MEDICAL CENTER, COMMUNICATION IS ESSENTIAL SAINT ELIZABETH REGIONAL MEDICAL CENTER'S LIMITED ENGLISH PROFICIENCY (LEP) PATIENTS AND FAMILIES HAVE A RIGHT TO RECEIVE THE MOST ACCURATE MEDICAL AND OTHER INFORMATION RELATED TO THEIR CARE, TO HAVE OPPORTUNITIES TO ASK QUESTIONS AND ADDRESS CONCERNS, AS WELL AS TO BE PROVIDED THE OPPORTUNITY FOR INFORMED PARTICIPATION IN DECISIONS REGARDING THEIR HEALTHCARE (SEE CONTINUATION #1)

Identifier	ReturnReference	Explanation
LINES 2,4-6 COMMUNITY BUILDING ACTIVITIES, NEEDS ASSESSMENT, PROMOTION OF HEALTH, ETC	SCHEDULE H, PART VI	(CONTINUATION #1) INTERPRETIVE SERVICES INTERPRETERS SAINT ELIZABETH REGIONAL MEDICAL CENTER PROVIDES IN-PERSON, PROFESSIONAL, AND MEDICALLY-TRAINED INTERPRETERS FOR ITS PATIENTS AND THEIR FAMILIES FROM UPON FIRST CONTACT WITH THE PATIENTS UNTIL THEY LEAVE THE MEDICAL CENTER THERE IS NO CHARGE TO THE PATIENTS FOR THESE SERVICES FOR LANGUAGES AND DIALECTS FOR WHICH INTERPRETERS ARE RARE IN LINCOLN, SERMC IS WORKING HARD TO IDENTIFY ADDITIONAL COMMUNITY RESOURCES OR MAY USE A SPECIAL BLUE PHONE THAT IS AVAILABLE IN ALL CARE AREAS AND OTHER APPROPRIATE LOCATIONS INSIDE SERMC PHONE SERVICE IN EMERGENCY AND URGENT SITUATIONS, SERMC HAS 60 BLUE-COLORED, DUAL-HAND SET TELEPHONES FROM CYRACOM, CALLED CLEARLINK PHONES THE PHONES ARE LOCATED IN KEY AREAS THROUGHOUT THE MEDICAL CENTER * THE DUAL HANDSETS ALLOW THE PATIENT AND CAREGIVER TO SIMULTANEOUSLY HEAR INTERPRETED INFORMATION, QUESTIONS AND ANSWERS, ETC * THERE'S A "SPEAKER PHONE" OPTION SO FAMILIES OR ADDITIONAL CLINICAL PEOPLE CAN ALSO HEAR * THE PHONES ALLOW ONE-BUTTON CONNECTION TO AN EXCELLENT LANGUAGE INTERPRETATION SERVICE WITH 500 LANGUAGES AND VARIOUS DIALECTS AVAILABLE VIDEO SERVICE A MARTTI (MY ACCESSIBLE REAL-TIME TRUSTED INTERPRETER) VIDEO SERVICE IS ALSO AVAILABLE FREE OF CHARGE THIS ALLOWS FOR IMMEDIATE ACCESS TO FOREIGN LANGUAGES OR SIGN LANGUAGE INTERPRETATION USING A VIDEO EXCHANGE SERVICE POLICY SAINT ELIZABETH REGIONAL MEDICAL CENTER IS KEEPING IN LINE WITH ITS MISSION TO PROVIDE SERVICES IN A MANNER THAT IS RESPECTFUL TO EACH PERSON AND RECOGNIZES THAT EVERY PERSON HAS THE RIGHT TO COMMUNICATE IN THEIR LANGUAGE OF CHOICE TO THIS END, SERMC WILL PROVIDE RESOURCES THAT ENSURE EFFECTIVE COMMUNICATION BETWEEN HEALTHCARE PROVIDERS AND LIMITED ENGLISH PROFICIENCY (LEP) PATIENTS SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS A POLICY THAT CLEARLY DETAILS THIS DIVERSITY COUNCIL SAINT ELIZABETH REGIONAL MEDICAL CENTER DIVERSITY COUNCIL SERVES AS AN ADVISORY COUNCIL, REPORTING TO THE EXECUTIVE COUNCIL AT SERMC THE DIVERSITY TEAM HOPES TO CREATE A WORK ATMOSPHERE AT SERMC WHERE ASSOCIATES DELIVER CARE IN A CULTURALLY-COMPETENT MANNER, LEARN TO VALUE THE STRENGTHS INHERENT IN A DIVERSE WORK FORCE, AND WHERE PATIENTS ARE TREATED IN A MANNER RESPECTFUL OF THEIR RACIAL AND ETHNIC BACKGROUNDS WITH THIS IN MIND, SERMC HAS FORMULATED THE FOLLOWING GOALS 1 TO PROMOTE EDUCATION AIMED AT FOSTERING AN ENLIGHTENED WORKFORCE IN REGARD TO CULTURAL DIVERSITY ISSUES 2 TO DEVELOP A HEALTHY RESPECT AND APPRECIATION FOR THE CULTURAL DIFFERENCES IN OUR WORKFORCE AND COMMUNITY 3 TO BECOME THE EMPLOYER OF CHOICE FOR RACIAL AND ETHNIC MINORITIES 4 TO BECOME THE HEALTH SYSTEM OF CHOICE FOR RACIAL AND ETHNIC MINORITIES SEEKING CARE 5 TO PROMOTE POLICIES THAT ARE CULTURALLY SENSITIVE SAINT ELIZABETH REGIONAL MEDICAL CENTER'S DIVERSITY COUNCIL IS A WONDERFUL MIXTURE OF INDIVIDUALS WHO WORK IN VARIOUS POSITIONS WITHIN THE MEDICAL CENTER AS WELL AS A NUMBER OF MEMBERS FROM THE COMMUNITY DIVERSITY AMBASSADORS SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS A LARGE GROUP OF DIVERSITY AMBASSADORS THAT REPRESENT THE NUMEROUS DEPARTMENTS WITHIN THE MEDICAL CENTER AND SOME CLINICS THEIR PRIMARY GOAL IS TO HELP SERMC BETTER UNDERSTAND AND APPRECIATE THE DIVERSE CULTURES IT SERVES, INCLUDING PATIENTS, VISITORS, AND ASSOCIATES THESE AMBASSADORS ARE PROVIDED WITH QUARTERLY TRAINING SESSIONS AND MONTHLY MATERIALS SO THEY CAN SHARE WITH THEIR CO-WORKERS THE MATERIALS VARY FROM FUN AND CONVERSATION-STIMULATING QUICK QUIZZES TO A MONTHLY CALENDAR OF HOLIDAYS AND RECOGNITIONS AMONG VARIOUS CULTURES OF THE WORLD SAINT ELIZABETH REGIONAL MEDICAL CENTER ROUTINELY PARTNERS WITH BRYAN HEALTH, AND OTHER FACILITIES WITHIN LINCOLN, ON PROJECTS MENTIONED ELSEWHERE IN THIS COMMUNITY BENEFIT NARRATIVE ADDITIONALLY, SERMC'S RELATIONSHIP WITH CHI AND CHI NEBRASKA ALLOW IT TO CHANNEL RESOURCES TO OTHER FACILITIES WITHIN ITS AFFILIATED GROUPS TO REACH OUT AND PROVIDE HEALTH SERVICES IN UNDERSERVED AREAS THROUGHOUT THE AREAS THAT CHI HAS A PRESENCE WITHIN IN THE UNITED STATES TO BRING HEALTHCARE SERVICES TO THOSE WHO MIGHT NOT OTHERWISE HAVE ACCESS TO A LOCAL HEALTH CARE PROVIDER COMMUNITY BENEFIT APPROACH SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS A LONG-STANDING TRADITION OF PROVIDING EXCELLENT HEALTH CARE TO ALL PEOPLE SAINT ELIZABETH REGIONAL MEDICAL CENTER ARE EQUALLY COMMITTED TO IMPROVING THE QUALITY OF LIFE IN THE COMMUNITIES IT SERVES BY PARTNERING WITH INDIVIDUALS, ORGANIZATIONS AND ELECTED OFFICIALS TO ANTICIPATE, IDENTIFY, AND MEET THE CHANGING HEALTH NEEDS OF LINCOLN AND THE SURROUNDING COMMUNITIES IN THIS LAST FISCAL YEAR, SERMC PARTICIPATED IN A COLLABORATIVE PROCESS COORDINATED THROUGH THE LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT A STEERING COMMITTEE WAS FORMED BY THE HEALTH DEPARTMENT TO ASSIST THEM IN THE FACILITATION OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, IDENTIFICATION OF COMMUNITY PRIORITY HEALTH NEEDS, AND IN THE DEVELOPMENT AND IMPLEMENTATION OF STRATEGIES TO MEET THE IDENTIFIED PRIORITY HEALTH NEEDS THE STEERING COMMITTEE FOCUSED THEIR EFFORTS ON ACCESS TO CARE, BEHAVIORAL HEALTH CARE, CHRONIC DISEASE PREVENTION, AND INJURY PREVENTION WORKING COMMITTEES HAVE BEEN ESTABLISHED TO FURTHER DEFINE THE NEEDS AND IDENTIFY STRATEGIES TO ADDRESS THOSE NEEDS WHILE THIS IS A COMMUNITY BASED APPROACH IS BEING DEVELOPED TO ADDRESS THESE ISSUES, SERMC CONTINUES TO WORK CLOSELY WITH COMMUNITY LEADERS ON AN ONGOING BASIS TO DEVELOP MORE IMMEDIATE RESPONSES TO COMMUNITY HEALTH NEEDS ACCESS TO HEALTHCARE SERVICES IS A PRIORITY FOR SERMC WAYS IN WHICH SERMC HELPS TO MEET THOSE NEEDS INCLUDES CARE FOR THE UNINSURED AND UNDERINSURED SAINT ELIZABETH REGIONAL MEDICAL CENTER MAINTAINS AN ACTIVE CHARITY CARE PROGRAM WHICH AFFORDS PATIENTS THE ACCESS TO "NEEDED SERVICES", AND IS MONITORED BY A TEAM OF REPRESENTATIVES WHO MEET MONTHLY TO REVIEW PATIENT APPLICATIONS FOR FINANCIAL HARDSHIP ASSISTANCE TO SUPPLEMENT THE TEAM, PATIENT SERVICE REPRESENTATIVES ARE SPECIALLY TRAINED IN HANDLING FINANCIAL HARDSHIP AND CHARITY CASES DURING FISCAL YEAR 2013, SERMC REVIEWED PATIENT ACCOUNTS ON 6,286 PERSONS, WHICH RESULTED IN $15,807,614 IN BILLED CHARGES BEING WRITTEN OFF TO CHARITY CARE THE COST TO SERMC TO PROVIDE THIS CHARITY CARE WAS $5,218,824 IN ADDITION TO ITS CHARITY CARE PROGRAMS, SERMC HAS FINANCIAL ASSISTANCE POLICIES AND PROGRAMS FOR LOW INCOME PERSONS, PROVIDES ACCESS TO FULL RECOURSE LOANS, AND DISCOUNTS ON SELF-PAY ACCOUNTS AND SELF-PAY BALANCES DUE AFTER INSURANCE SETTLEMENTS PEOPLES HEALTH CENTER SAINT ELIZABETH REGIONAL MEDICAL CENTER IS A SUPPORTER OF THE PEOPLE'S HEALTH CENTER (PHC) IN LINCOLN, NEBRASKA IN FISCAL YEAR 2013, SERMC CONTRIBUTED $27,000 TOWARD ITS OPERATIONS AND ALSO SPENT $30,000 TO ARRANGE PHYSICIAN CALL COVERAGE THE PEOPLE'S HEALTH CENTER PROVIDES AFFORDABLE, COMPREHENSIVE, ACCESSIBLE, CULTURALLY APPROPRIATE, COST-EFFECTIVE PRIMARY HEALTH CARE THE CENTER SERVES THE PEOPLE OF THE LINCOLN, NEBRASKA AREA, ESPECIALLY THOSE INDIVIDUALS AND FAMILIES WITH LIMITED RESOURCES OR WITH OTHER BARRIERS TO HEALTH CARE TO IMPROVE THEIR OVERALL HEALTH STATUS THE PEOPLE'S HEALTH CENTER HAS BEEN DESIGNATED AS A FEDERALLY QUALIFIED HEALTH CENTER (FQHC) BY THE BUREAU OF PRIMARY HEALTH CARE (BPHC) IN FISCAL YEAR 2013, PEOPLE'S HEALTH CENTER SAW 9,259 INDIVIDUAL PATIENTS FOR 30,986 VISITS PEOPLE'S HEALTH CENTER PROVIDED 22,068 MEDICAL VISITS, 7,054 DENTAL SERVICE VISITS, 494 BEHAVIORAL HEALTH VISITS, AND 1,370 SUPPORT SERVICE VISITS (CASE MANAGEMENT, INTERPRETATION, MEDICATION ASSISTANCE, AND HEALTH EDUCATION) CLINIC WITH A HEART DURING FISCAL YEAR 2013, SERMC PROVIDED DONATIONS IN THE AMOUNT OF $15,000 TO CLINIC WITH A HEART TO ASSIST WITH OPERATIONS CLINIC WITH A HEART IS A FAITH BASED ORGANIZATION THAT SERVES THE UNINSURED AND UNDERINSURED THROUGH A MINISTRY OF HEALTHCARE VOLUNTEERS PROVIDE FREE HEALTHCARE TO RECIPIENTS AND SERVE AS A GATEWAY TO OTHER HUMAN SERVICE AGENCIES, HELPING THEM IN FINDING AN APPROPRIATE HEALTHCARE HOME NEBRASKA MISSION OF MERCY IN FISCAL YEAR 2013, SERMC PROVIDED A DONATION OF $50,000 TO THE NEBRASKA MISSION OF MERCY DENTAL CARE PROGRAM THIS PROGRAM PROVIDES FREE ACCESS TO CRITICAL DENTAL CARE WHILE PLACING A HIGH PRIORITY ON PATIENTS SUFFERING FROM DENTAL INFECTIONS OR PAIN IT ALSO PROVIDES BASIC DENTAL EDUCATION AND AWARENESS TO PATIENTS PARTNERSHIP FOR A HEALTHY LINCOLN SAINT ELIZABETH REGIONAL MEDICAL CENTER SUPPORTED THE PARTNERSHIP FOR A HEALTHY LINCOLN IN FISCAL YEAR 2013 WITH A $50,000 CONTRIBUTION THE PARTNERSHIP WORKS ON COMMUNITY-WIDE EDUCATION AND POLICY CHANGE TO PROMOTE HEALTH AND FITNESS IN LINCOLN'S SCHOOLS AND AMONG THE CITIZENS OF LINCOLN (SEE CONTINUATION #2)
LINES 2,4-6 COMMUNITY BUILDING ACTIVITIES, NEEDS ASSESSMENT, PROMOTION OF HEALTH, ETC	SCHEDULE H, PART VI	(CONTINUATION #2) LINCOLN MEDICAL EDUCATION PARTNERSHIP (LMEP) DURING FISCAL YEAR 2013, SERMC PROVIDED $100,000 IN SUPPORT TO THE LINCOLN MEDICAL EDUCATION PARTNERSHIP LINCOLN MEDICAL EDUCATION PARTNERSHIP IS A COMMUNITY-BASED RESIDENCY PROGRAM FOR MEDICAL SCHOOL GRADUATES INTERESTED IN FAMILY PRACTICE AND IS SUPPORTED BY 250 COMMUNITY PHYSICIANS WHO VOLUNTEER MORE THAN 40,000 HOURS PER YEAR AS FACULTY MEMBERS LINCOLN MEDICAL EDUCATION PARTNERSHIP HELPS THE LINCOLN COMMUNITY ATTRACT, TRAIN AND RETAIN NEW PHYSICIANS QUALITATIVE DESCRIPTION OF COMMUNITY BENEFIT PROVIDING ACCESS TO CARE AT SERMC, MANY PATIENTS AND EMPLOYEES SPEAK A LANGUAGE OTHER THAN ENGLISH AT HOME KNOWING THAT LANGUAGE BARRIERS CAN DRAMATICALLY IMPACT ACCESS TO MEDICAL CARE AND IMPAIR HEALTH OUTCOMES, SERMC PROVIDES FREE MEDICAL INTERPRETATION SERVICES TO ANY PATIENT OR EMPLOYEE UPON REQUEST PROMOTING HEALTH AND WELLNESS SAINT ELIZABETH REGIONAL MEDICAL CENTER HELPS SUPPORT COMMUNITY HEALTH IMPROVEMENT WITH FREE OR REDUCED CHARGE CLASSES, AND BY SUPPORTING PROGRAMS SUCH AS THE COMMUNITY ASTHMA EDUCATION INITIATIVE, NEONATAL INTENSIVE CARE UNIT FOLLOW-UP CLINIC, SPECIAL MEDICAL CAMPS FOR CHILDREN WITH BURNS OR HEART PROBLEMS, AND MORE CLASSES OFFERED IN THE COMMUNITY INCLUDE LEG PAIN CLASSES, KNEE PAIN CLASSES, PAIN MANAGEMENT CLASSES, WOMEN'S HEALTH CLASSES, PROSTATE HEALTH CLASSES, GRIEF SUPPORT CLASSES, CARDIOPULMONARY RESUSCITATION (CPR), FIRST AID, AND AUTOMATED EXTERNAL DEFIBRILLATOR (AED) CLASSES, CHILDBIRTH EDUCATION CLASSES, AND WIDE VARIETY OF WELLNESS AND COMMUNITY EDUCATION CLASSES WHICH INCLUDES CLASSES ON TOPICS SUCH AS DIABETES, ARTHRITIS, SKIN CANCER, SMOKING CESSATION, EMPHYSEMA AND CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD), ROBOTIC SURGERY, SURGICAL WEIGHT LOSS, HEALTHY WEIGHT LOSS, BLOOD SCREENINGS AND MANY MORE HEALTH PROFESSIONAL EDUCATION HEALTH PROFESSIONAL EDUCATION AT SERMC SUPPORTS TRAINING OF STUDENTS IN PHARMACY, NURSING, AND OTHER MEDICAL PROFESSIONS, AS WELL AS SUPPORTING LINCOLN MEDICAL EDUCATION PARTNERSHIP SAINT ELIZABETH REGIONAL MEDICAL CENTER BELIEVES HIGHLY TRAINED PERSONNEL PROVIDE QUALITY CARE DURING 2012, OVER 800 HEALTHCARE STUDENTS (OVER 700 OF THESE WERE NURSING STUDENTS) RECEIVED HANDS-ON EDUCATION INSIDE SERMC IN EFFORTS TO ADVANCE THE HEALTHCARE PROFESSION HEALTHCARE STUDENTS THAT BENEFITED FROM THE HANDS-ON EDUCATION INCLUDED * NURSING, EXTERNS, PRECEPTOR SHIPS, SHADOWING, MASTER'S NURSING STUDENTS, DNP NURSING AND REGULAR NURSING STUDENTS * RESPIRATORY * RADIOLOGY, INCLUDING ULTRASOUND, MRI, CT * CARDIOLOGY, INCLUDING ECHO CARDIOLOGY, AND VASCULAR * PHARMACY * PHYSICAL THERAPY * EXERCISE SCIENCE EXTERNS * LAB * HEALTH INFORMATION MANAGEMENT * DIETICIANS * OCCUPATIONAL THERAPY * OTHER EXTERNS RESEARCH AND CLINICAL TRIALS SAINT ELIZABETH REGIONAL MEDICAL CENTER PARTICIPATES IN MEDICAL RESEARCH AND CLINICAL TRIALS TO GIVE PATIENTS ACCESS TO CUTTING-EDGE TREATMENT OPTIONS AND ENABLE THEM TO PARTICIPATE IN THE LATEST ADVANCEMENTS IN MEDICINE CANCER THROUGH THE MEDICAL CENTER'S RELATIONSHIP WITH THE CANCER RESOURCE CENTER AND ITS AFFILIATION WITH THE MISSOURI VALLEY COMMUNITY COOPERATIVE ONCOLOGY PROGRAM, SERMC'S PATIENTS HAVE ACCESS TO ALL OF THE MAJOR CLINICAL TRIALS FOR CANCER CARE CATHOLIC HEALTH INITIATIVES (INCLUDING SERMC) IS ALSO THE RECIPIENT OF A GRANT PROVIDED BY THE NATIONAL CANCER INSTITUTE ("NCI"), ENABLING SERMC TO BRING CANCER CARE TO LOCAL COMMUNITIES THROUGH THE NCI COMMUNITY CANCER CENTERS PROGRAM THIS GRANT HAS ALLOWED SERMC TO BRING CANCER GENETIC COUNSELING, ADDITIONAL CLINICAL TRIALS, COMMUNITY OUTREACH, AND CANCER NURSE NAVIGATION SERVICES TO CANCER PATIENTS IN OUR COMMUNITY WITH ADDITIONAL FUNDS THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA), SERMC IS NOW ABLE TO PROVIDE SMOKING CESSATION, SURVIVORSHIP AND CAREGIVER SUPPORT TO THE COMMUNITY THIS PROVIDES A FULL COMPLEMENT OF CANCER SERVICES FOR PATIENTS BURN AND WOUND SAINT ELIZABETH REGIONAL MEDICAL CENTER'S BURN CENTER RESEARCHERS ARE CONTINUALLY FINDING NEW AND MORE SUCCESSFUL WAYS TO TREAT BURNS AND THEN SHARING THESE FINDINGS AT NATIONAL CONFERENCES HEART CARE CARDIOLOGISTS IN SERMC'S HEART CENTER PARTICIPATE IN A NUMBER OF NATIONAL STUDIES, INCLUDING EXPLORING THE ADVANTAGES OF COATED STENTS AND IMPROVING CARE FOR PATIENTS IMPLANTED WITH ELECTRO PHYSIOLOGY DEVICES NICU NEWBORNS AND OTHER INFANTS WITH SPECIAL MEDICAL NEED BENEFIT REGULARLY FROM NATIONAL STUDIES UNDERTAKEN IN THE NEONATAL INTENSIVE CARE UNIT TO IMPROVE BREATHING ISSUES OR OTHER DEVELOPMENTAL CONCERNS THIS LEVEL OF RESEARCH IS GOOD NEWS FOR PATIENTS WHO DO NOT HAVE TO TRAVEL TO OTHER CITIES OR STATES TO BENEFIT FROM RESEARCH, STUDIES, AND CLINICAL TRIALS, WHICH ARE NOW AVAILABLE IN LINCOLN AT SERMC LIVING OUR HEALTHCARE MISSION AT SERMC, THE HEALTHCARE MISSION GOES BEYOND HELPING PEOPLE OVERCOME ILLNESSES OR INJURIES AND PROVIDING A HEALING ENVIRONMENT FOR THEM TO DO SO FOR SERMC, ITS UNIQUE AND ENDURING MISSION GUIDES THE ORGANIZATION TO ALSO REACH OUT TO THE COMMUNITY IT SERVES WITH INNOVATIVE AND SUPPORTIVE PROGRAMS AND SERVICES, AS WELL AS TO PARTNER WITH COMMUNITY AGENCIES AND ORGANIZATIONS TO STRENGTHEN THEIR HEALTH PROGRAMS AS A CATHOLIC HEALTHCARE PROVIDER, SERMC ALSO CARES FOR ALL PERSONS, INCLUDING THOSE MOST IN NEED, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES ALL DEPARTMENTS IN SERMC'S MEDICAL CENTER AND CLINICS PERFORM MISSION PROJECTS DURING THE YEAR HERE ARE SOME EXAMPLES OF HOW SERMC LIVES ITS HEALTHCARE MISSION THE "KIDS AGAINST HUNGER" NATIONAL CAMPAIGN PACKAGES NUTRITIOUS MEALS FOR THOUSANDS OF HUNGRY FAMILIES AROUND THE WORLD ADULTS AND CHILDREN HELP SCOOP SPECIALLY-FORMULATED RICE-SOY CASSEROLE INGREDIENTS INTO UNIQUELY DESIGNED SEALED BAGS WHICH ARE THEN SHIPPED OVERSEAS BY OTHER CHARITABLE ORGANIZATIONS TO MORE THAN 40 NATIONS RANGING FROM ARGENTINA TO ZIMBABWE DEPARTMENTS "ADOPT" FAMILIES OVER THE HOLIDAYS, PROVIDING THANKSGIVING AND CHRISTMAS MEALS, AS WELL AS PROVIDING CHRISTMAS GIFTS FOR THOSE FAMILIES IN NEED AND THEIR CHILDREN EMPLOYEES SUPPORTED VARIOUS LOCAL ORGANIZATIONS BY VOLUNTEERING FOR ORGANIZATIONS SUCH AS CLINIC WITH A HEART, MATT TALBOT KITCHEN, AND PEOPLE'S CITY MISSION, AMONG OTHERS NEONATAL INTENSIVE CARE UNIT AND MATERNAL TRANSPORT & OUTREACH EDUCATION PROGRAM SAINT ELIZABETH REGIONAL MEDICAL CENTER PROVIDES OUTREACH EDUCATION TO OUR COMMUNITY REFERRAL HOSPITALS IN THE SPECIFIC AREA OF NEONATAL INTENSIVE CARE UNIT AND MATERNAL TRANSPORT THE OUTREACH EDUCATORS (NNP'S, RN'S, NEONATOLOGISTS, OBSTETRICIANS, AND MATERNAL FETAL SPECIALISTS) PROVIDE PERTINENT TRAINING THAT ALLOWS THE MEDICAL PERSONNEL IN THESE SMALLER AREA HOSPITALS TO PROVIDE THE HIGH QUALITY OF CARE AND STABILIZATION NEEDED IN ORDER FOR OUR TEAM TO TRANSPORT THESE HIGH RISK MOTHERS AND INFANTS FROM A 22 COUNTY AREA BY GROUND AMBULANCE OR HELICOPTER L&D BRIDGES PROGRAM SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS A TEAM OF NURSES WHO VOLUNTEER THEIR TIME TO ASSIST FAMILIES THROUGH PALLIATIVE CARE CHOICES WHEN THEIR BABY HAS EXPIRED OR WILL EXPIRE AFTER DELIVERY THEY EXTEND THIS SUPPORT DURING THE FIRST YEAR AFTER DELIVERY WITH PERIODIC TELEPHONE CALLS AND THROUGH THE CREATION OF A MEMORY RECORD THESE NURSES CONDUCT SENSITIVITY TRAINING FOR HEALTH CARE PROVIDERS AND PLAN AN ANNUAL MEMORIAL SERVICE FOR FAMILIES WHO HAVE EXPERIENCED A LOSS OF A BABY THEIR MOST RECENT ACCOMPLISHMENT IS A GUIDE TO MORTUARY PLANNING THAT OUTLINES ALL COSTS, SERVICE OPTIONS, AND BURIAL CHOICES BY THE LOCAL FUNERAL HOMES IN OUR COMMUNITY THEIR SERVICES WERE INSTRUMENTAL IN A LEGISLATIVE CHANGE IN THE BIRTH CERTIFICATE PROCESS TO ACKNOWLEDGE THE STILLBORN BABY HIGH TECH PARTNERSHIPS SAINT ELIZABETH REGIONAL MEDICAL CENTER IS HELPING EMERGENCY MEDICAL SERVICES PEOPLE IN ALL CORNERS OF THE STATE STAY CURRENT WITH THE LATEST MEDICAL KNOWLEDGE THROUGH THE USE OF TECHNOLOGY IN THE EVER-CHANGING WORLD OF MEDICINE, SERMC USES SOME OF THE MOST MODERN TECHNOLOGY TO HELP EDUCATE EMERGENCY SERVICE PROVIDERS IN THE STATE AMBULANCE EMTS, PARAMEDICS, FIRE AND RESCUE TEAMS, AND OTHERS CAN STAY CURRENT WITH MEDICAL ADVANCEMENTS VIA A LIVE VIDEO LINK AND THE FACE-TO-FACE COMMUNICATION IT OFFERS VIA THE TELEHEALTH NETWORK

Identifier	ReturnReference	Explanation
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	SAINT ELIZABETH REGIONAL MEDICAL CENTER INCLUDES INFORMATION CONCERNING ITS FINANCIAL ASSISTANCE POLICY ON ITS WEBSITE IN ADDITION, SAINT ELIZABETH REGIONAL MEDICAL CENTER PROMINENTLY DISPLAYS ITS FINANCIAL ASSISTANCE POLICY IN BOTH ENGLISH AND SPANISH IN OBVIOUS LOCATIONS THROUGHOUT THE HOSPITALS, INCLUDING THE EMERGENCY ROOMS AND OTHER PATIENT INTAKE AREAS, AS WELL AS IN SAINT ELIZABETH REGIONAL MEDICAL CENTER OUTPATIENT FACILITIES IN ADDITION, SAINT ELIZABETH REGIONAL MEDICAL CENTER REGISTRATION CLERKS ARE TRAINED TO PROVIDE CONSULTATION TO THOSE WHO HAVE NO INSURANCE OR POTENTIALLY INADEQUATE INSURANCE CONCERNING THEIR FINANCIAL OPTIONS INCLUDING APPLICATION FOR MEDICAID AND FOR FINANCIAL ASSISTANCE UNDER SAINT ELIZABETH REGIONAL MEDICAL CENTER'S FINANCIAL ASSISTANCE POLICY UPON REGISTRATION (AND ONCE ALL EMTALA REQUIREMENTS ARE MET), PATIENTS WHO ARE IDENTIFIED AS UNINSURED (AND NOT COVERED BY MEDICARE OR MEDICAID) ARE PROVIDED WITH A PACKET OF INFORMATION THAT ADDRESSES THE FINANCIAL ASSISTANCE POLICY AND PROCEDURES INCLUDING AN APPLICATION FOR ASSISTANCE SAINT ELIZABETH REGIONAL MEDICAL CENTER REGISTRATION CLERKS READ THE ORGANIZATION'S MEDICAL ASSISTANCE POLICY TO THOSE WHO APPEAR TO BE INCAPABLE OF READING, AND PROVIDE TRANSLATORS FOR NON-ENGLISH-SPEAKING INDIVIDUALS SAINT ELIZABETH REGIONAL MEDICAL CENTER'S STAFF WILL ALSO ASSIST THE PATIENT/GUARANTOR WITH APPLYING FOR OTHER AVAILABLE COVERAGE (SUCH AS MEDICAID), IF NECESSARY COUNSELORS ASSIST MEDICARE ELIGIBLE PATIENTS IN ENROLLMENT BY PROVIDING REFERRALS TO THE APPROPRIATE GOVERNMENT AGENCIES
Affiliated health care system	Schedule H, Part VI, Line 6	SAINT ELIZABETH REGIONAL 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 SAINT ELIZABETH REGIONAL MEDICAL CENTER OPERATES WITH ITS WHOLLY OWNED AFFILIATES AND COMMUNITY PARTNERS, ALONG WITH ITS FUNDRAISING ARM, SAINT ELIZABETH FOUNDATION, TO SERVE THE HEALTH CARE NEEDS OF THE LINCOLN, NE COMMUNITIES

Identifier	ReturnReference	Explanation
State filing of community benefit report	Schedule H, Part VI, Line 7	NE
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, LINE 7	THE COMMUNITY BENEFITS REPORT IS NOT REQUIRED TO BE FILED WITH THE STATE OF NEBRASKA, HOWEVER, SAINT ELIZABETH REGIONAL MEDICAL CENTER VOLUNTARILY PARTICIPATES WITH THE NEBRASKA HOSPITAL ASSOCIATIONS ANNUAL COMPILATION OF COMMUNITY BENEFIT REPORTS WHICH ARE PROVIDED TO FEDERAL AND STATE OFFICIALS, LEGISLATORS AND OTHER INTERESTED PARTIES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 18

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) PATIENT HARDSHIP ASSISTANCE	238	0	45,716	FMV	MEDICATION,FOOD,ETC
(2) EMPLOYEE ASSISTANCE	134	0	61,280	FMV	RENT,UTILITIES,ETC
(3) SCHOLARSHIPS	27	16,800	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
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	GRANTS INCLUDED IN PART II ARE TO COMMUNITY ORGANIZATIONS THAT ENGAGE IN ACTIVITIES THAT BENEFIT THE COMMUNITY AT LARGE NO CONSIDERATION IS RECEIVED IN EXCHANGE FOR THESE CONTRIBUTIONS, AS THEY ARE CONSIDERED TO BE A GIFT TO BE USED BY THE RECIPIENTS IN ACCORDANCE WITH THEIR CHARITABLE PURPOSES AS SUCH, USE OF THE FUNDS GIVEN TO THE GRANTEES IS NOT MONITORED BEYOND DISTRIBUTION GRANTS INCLUDED IN PART III ARE TO INDIVIDUALS NEEDING FINANCIAL ASSISTANCE PATIENT HARDSHIP CHARGES ARE BILLED DIRECTLY TO SERMC, AND EMPLOYEES ARE REQUIRED TO PROVIDE COPIES OF INVOICES, ETC FOR EMPLOYEE ASSISTANCE PAYMENT ELIGIBILITY, THESE PROCEDURES ENSURE PROPER USE OF THE FUNDS SCHOLARSHIP RECIPIENTS ARE REQUIRED TO SUBMIT A LETTER CERTIFYING HIS/HER ADMISSION TO A HEALTH CARE CAREER PROGRAM WITH THE APPLICATION THE FUNDS ARE PAID DIRECTLY TO THE RECIPIENTS AND CAN BE USED FOR TUITION, BOOKS, SUPPLIES, OR OTHER EXPENSES THAT MAY BE INCURRED WITH THEIR SCHOOLING

Additional Data Return to Form

Software ID: 12000266
Software Version: v2012.1.0
EIN: 47-0379836
Name: SAINT ELIZABETH REGIONAL MEDICAL CENTER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CENTER FOR PEOPLE IN NEED INC3901 N 27TH ST UNIT 1 LINCOLN,NE 68521	06-1669552	501(C)(3)	59,857	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
HEALTH PARTNERS INITIATIVE4600 VALLEY RD STE 250 LINCOLN,NE 68510	36-3832796	501(C)(3)	55,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
DOWNTOWN LINCOLN FOUNDATION206 S 13TH ST STE 101 LINCOLN,NE 68508	36-3774978	501(C)(3)	30,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
NEBRASKA MISSION OF MERCY908 N HOWARD AVE STE 106 GRAND ISLAND,NE 688033529	27-3385904	501(C)(3)	25,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION INC7272 GREENVILLE AVE DALLAS,TX 75231	13-5613797	501(C)(3)	20,250	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
AMERICAN CANCER SOCIETY HIGH PLAINS DIVISION INC1100 PENNSYLVANIA AVENUE KANSAS CITY,MO 64105	74-1185665	501(C)(3)	19,540	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CATHOLIC SOCIAL SERVICES2241 O ST LINCOLN,NE 68510	47-0751554	501(C)(3)	18,500	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
CLINIC WITH A HEART INC 1701 S 17TH ST STE 4G LINCOLN,NE 68502	20-2850139	501(C)(3)	16,500	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NEBRASKA SPORTS COUNCILPO BOX 29366 LINCOLN,NE 68529	36-3354207	501(C)(3)	15,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
UNITED WAY OF LINCOLN AND LANCASTER COUNTY 238 S 13TH ST LINCOLN,NE 68508	47-0376624	501(C)(3)	14,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
TEAMMATES MENTORING PROGRAM6801 O ST LINCOLN,NE 68510	47-0840990	501(C)(3)	12,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
PIUS X HIGH SCHOOL6000 A ST LINCOLN,NE 685105005	47-0426529	501(C)(3)	10,400	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
PEOPLES HEALTH CENTER 1021 N 27TH ST LINCOLN,NE 68503	41-2056863	501(C)(3)	27,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
LINCOLN CHILDRENS ZOO 1222 S 27TH ST LINCOLN,NE 68502	47-0482255	501(C)(3)	10,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NEBRASKA HOSPITAL ASSN RESEARCH & EDUCATIONAL FOUNDATION3255 SALT CREEK CIR STE 100 LINCOLN,NE 68504	47-6058269	501(C)(3)	9,250	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
NEBRASKA STATE STROKE ASSOCIATION6900 L ST LINCOLN,NE 68510	36-3428710	501(C)(3)	6,500	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LINCOLN-LANCASTER COUNTY CHILD ADVOCACY CENTER5025 GARLAND ST LINCOLN,NE 68504	47-0793765	501(C)(3)	6,000	0	N/A	N/A	PROMOTE HEALTHY COMMUNITIES
SAINT ELIZABETH FOUNDATION555 S 70TH ST LINCOLN,NE 68510	47-0625523	501(C)(3)	12,000	0	N/A	N/A	EQUIPMENT-OPERATIONS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Travel for companions	Schedule J, Part I, Line 1a	DURING THE YEAR THE ORGANIZATION PROVIDED REIMBURSEMENT TO BOARD MEMBERS FOR SPOUSAL TRAVEL THE REIMBURSEMENTS WERE REPORTED ON THE INDIVIDUALS' 2012 FORMS 1099 AS TAXABLE COMPENSATION
Arrangement used to establish the top management official's compensation	Schedule J, Part I, Line 3	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL WAS ESTABLISHED AND PAID BY CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION CHI USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION (1) COMPENSATION COMMITTEE, (2) INDEPENDENT COMPENSATION CONSULTANT, (3) WRITTEN EMPLOYMENT CONTRACTS, (4) COMPENSATION SURVEY OR STUDY, (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
SEVERANCE OR CHANGE-OF-CONTROL PAYMENTS	SCHEDULE J, PART I, LINE 4A	POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES ("CHI") AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING THE MBO CEOS THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	DURING THE 2012 CALENDAR YEAR CATHOLIC HEALTH INITIATIVES ("CHI"), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR MBO CEOS AND OTHER CHI EMPLOYEES AT THE LEVEL OF SENIOR VICE PRESIDENT AND ABOVE THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN ROBERT LANIK KIM MOORE DURING 2012 THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN KIM MOORE - $28,800 DURING 2012 THE FOLLOWING DISTRIBUTIONS WERE MADE BY CHI FROM THE DEFERRED COMPENSATION PLAN ROBERT LANIK - $152,674 DUE TO THE "SUPER" VESTING RULES UNDER THE CHI DEFERRED COMPENSATION PLAN, PARTICIPANTS WHO HAVE MET CERTAIN REQUIREMENTS SUCH AS TERMINATION, AGE, OR YEARS OF SERVICE ARE ELIGIBLE TO RECEIVE THEIR 2012 CONTRIBUTIONS IN CASH THESE CASH PAYOUTS ARE INCLUDED IN THE PARTICIPANT'S REPORTABLE COMPENSATION IN COLUMN (III) OTHER REPORTABLE COMPENSATION ON SCHEDULE J PART II DURING 2012, THE FOLLOWING CONTRIBUTIONS THAT WOULD HAVE BEEN MADE BY CHI TO THE DEFERRED COMPENSATION PLAN WERE PAID IN CASH ROBERT LANIK - $66,797 IN ADDITION, PRIOR TO THE 2009 CALENDAR YEAR, SAINT ELIZABETH REGIONAL MEDICAL CENTER ("SERMC") MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN ELIGIBILITY WAS LIMITED TO CERTAIN VICE PRESIDENTS THE PLAN CONTRIBUTED 5% OF SALARY INTO A DEFERRED INCOME ACCOUNT MANAGED BY ALLIANCE BENEFIT GROUP THE PLAN WAS FROZEN AT THE BEGINNING OF 2009, AND THUS NO CONTRIBUTIONS OR DISTRIBUTIONS WERE MADE BY SERMC TO THE DEFERRED COMPENSATION PLAN DURING 2012

Additional Data

Return to Form

Software ID: 12000266
Software Version: v2012.1.0
EIN: 47-0379836
Name: SAINT ELIZABETH REGIONAL MEDICAL CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
CARY WARD MD	(I)	0	0	0	25,596	0	25,596	0
	(II)	374,518	54,328	10,961	0	17,254	457,061	0
CHARLOTTE LIGGETT	(I)	0	0	0	0	0	0	0
	(II)	209,680	30,205	9,712	31,797	7,088	288,482	0
DONNA HAMMACK	(I)	151,332	10,138	5,271	21,211	14,305	202,257	0
	(II)	0	0	0	0	0	0	0
DOUGLAS KUCERA	(I)	196,542	27,567	9,234	18,445	12,920	264,708	0
	(II)	0	0	0	0	0	0	0
ELIZABETH RAETZ	(I)	188,134	24,816	9,172	28,322	19,428	269,872	0
	(II)	0	0	0	0	0	0	0
GARY WHITE	(I)	126,467	12,000	1,010	14,155	14,140	167,772	0
	(II)	0	0	0	0	0	0	0
JEANETTE WOJTALEWICZ	(I)	0	0	0	0	0	0	0
	(II)	374,006	78,622	9,340	25,596	18,154	505,718	0
JOYCE BECK	(I)	131,619	0	11,925	11,275	14,232	169,051	0
	(II)	0	0	0	0	0	0	0
KIM MOORE	(I)	0	0	0	0	0	0	0
	(II)	319,730	73,120	24,503	61,896	13,761	493,010	0
KURT CLYNE	(I)	129,857	10,189	706	17,103	6,889	164,744	0
	(II)	0	0	0	0	0	0	0
MARK J BUTLER MD	(I)	0	0	0	0	0	0	0
	(II)	185,848	52,572	8,259	28,096	18,498	293,273	0
NANCY GONDRINGER	(I)	141,536	9,270	782	18,669	7,495	177,752	0
	(II)	0	0	0	0	0	0	0
PATRICK GILLES	(I)	234,166	34,563	9,918	25,596	13,166	317,409	0
	(II)	0	0	0	0	0	0	0
ROBERT LANIK	(I)	0	0	0	0	0	0	0
	(II)	584,152	188,534	251,569	33,096	14,053	1,071,404	152,674

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

Identifier	Return Reference	Explanation
Delegate broad authority to a committee	Form 990, Part VI, Section A, Line 1a	PURSUANT TO SECTION 8 6 OF THE BYLAWS OF SAINT ELIZABETH REGIONAL MEDICAL CENTER, THE EXECUTIVE COMMITTEE IS COMPOSED OF THE BOARD CHAIR, THE BOARD VICE CHAIR, THE PRESIDENT AND CEO, THE SECRETARY, AND THE TREASURER OF THE CORPORATION, EACH OF WHOM SHALL SERVE AS AN EX OFFICIO VOTING MEMBER OF THE EXECUTIVE COMMITTEE EACH INDIVIDUAL APPOINTED TO THE EXECUTIVE COMMITTEE SHALL SERVE FOR A TERM OF ONE YEAR OR UNTIL HIS OR HER SUCCESSOR IS DULY APPOINTED BY THE BOARD OF DIRECTORS PURSUANT TO SECTION 8 1 OF THE CORPORATION'S BYLAWS, COMMITTEES, SUCH AS THE EXECUTIVE COMMITTEE, THAT ARE GRANTED AUTHORITY TO ACT ON BEHALF OF THE BOARD OF DIRECTORS MAY INCLUDE ONLY DIRECTORS OF THE CORPORATION FURTHER, PURSUANT TO SECTION 8 6 OF THE CORPORATION'S BYLAWS, THE EXECUTIVE COMMITTEE HAS AND MAY EXERCISE SUCH POWERS AS MAY BE DELEGATED TO IT BY THE BOARD OF DIRECTORS THE EXECUTIVE COMMITTEE ALSO POSSESSES THE POWER TO TRANSACT ROUTINE BUSINESS OF THE CORPORATION IN THE INTERIM PERIOD BETWEEN REGULARLY SCHEDULED MEETINGS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	ACCORDING TO THE ORGANIZATION'S BYLAWS, THE ENTITY'S SOLE CORPORATE MEMBER IS CHI NEBRASKA, A NEBRASKA NON-PROFIT CORPORATION

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	ACCORDING TO THE ORGANIZATION'S BYLAWS, DIRECTORS SHALL BE APPOINTED OR REFUSED BY THE CORPORATE MEMBER THE CORPORATE MEMBER MAY APPOINT ONE OR MORE INDIVIDUALS TO THE BOARD OF DIRECTORS, AND MAY AT ANY TIME REMOVE, WITH OR WITHOUT CAUSE, ANY MEMBER OF THE BOARD OF DIRECTORS ACCORDING TO THE ORGANIZATION'S BYLAWS, DIRECTORS OF THE CORPORATION SHALL BE APPOINTED BY THE CORPORATE MEMBER NO LATER THAN JUNE 30 OF EACH YEAR THE NAMES AND QUALIFICATIONS OF EACH INDIVIDUAL ACCEPTED BY THE BOARD OF DIRECTORS SHALL BE SUBMITTED TO THE CORPORATE MEMBER, WHO SHALL APPOINT OR REFUSE EACH NOMINEE IN ACCORDANCE WITH THE CORPORATE MEMBER'S BYLAWS AND WITH ENDORSEMENT OF THE SENIOR VICE PRESIDENT OF OPERATIONS THE CORPORATE MEMBER MAY UNILATERALLY APPOINT ONE OR MORE INDIVIDUALS TO THE BOARD OF DIRECTORS SHOULD THE BOARD FAIL TO FURNISH THE CORPORATE MEMBER WITH A LIST OF INDIVIDUALS QUALIFIED TO SERVE ON THE BOARD OF DIRECTORS OF THE CORPORATION

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

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	CHI NEBRASKA'S (THE ORGANIZATION'S CORPORATE MEMBER) CFO IS RESPONSIBLE FOR REVIEWING THE FINAL TAX RETURN PREPARED BY THE CHI TAX DEPARTMENT FOR ANY POTENTIAL ERRORS, OMISSIONS, OR CLARIFICATIONS NEEDED FOR PROPER PRESENTATION AFTER THE FINAL CHANGES ARE MADE TO THE FORM 990, THE RETURNS ARE POSTED TO A SECURED BOARD COLLABORATION SITE FOR REVIEW BY THE BOARD MEMBERS SUBSEQUENT TO DISTRIBUTION TO THE BOARD, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AND STATE AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING ANY SUCH CHANGES ARE NOT RE-SUBMITTED TO THE BOARD

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	THE ORGANIZATION HAS A CONFLICT OF INTEREST POLICY THAT IT FOLLOWS WITH RESPECT TO ITS INTERESTED PERSONS THE FOLLOWING DESCRIBES THE ORGANIZATION'S CONFLICT OF INTEREST MONITORING PROCEDURES DISCLOSURE, REVIEW AND INITIAL DETERMINATION 1 GENERAL OBLIGATION EACH SAINT ELIZABETH ASSOCIATE MUST PROMPTLY AND FULLY REPORT TO THE ASSOCIATE'S DIRECT MANAGER OR SUPERVISOR ANY SITUATION OR CIRCUMSTANCE THAT MAY CREATE A CONFLICT OF INTEREST THE ASSOCIATE MUST REPORT THE ACTUAL OR POTENTIAL CONFLICT AS SOON AS THE ASSOCIATE BECOMES AWARE OF IT IN ANY SITUATION WHEN THE ASSOCIATE MAY BE IN DOUBT, THE ASSOCIATE IS TO MAKE A FULL DISCLOSURE SO AS TO PERMIT AN IMPARTIAL AND OBJECTIVE DETERMINATION TO BE MADE 2 DISCLOSURE UPON INITIAL HIRING AT THE TIME OF INITIAL HIRING, A SAINT ELIZABETH HUMAN RESOURCES (''HR'') REPRESENTATIVE SHALL REVIEW THIS POLICY WITH THE ASSOCIATE AND HAVE THE ASSOCIATE COMPLETE AND SIGN A CONFLICT OF INTEREST DISCLOSURE STATEMENT THE COMPLETED AND SIGNED DISCLOSURE STATEMENT SHALL BE MAINTAINED IN THE ASSOCIATES' HR FILE 3 ANNUAL DISCLOSURE STATEMENT THE FOLLOWING PROVISION APPLIES TO AN ASSOCIATE WHO IS A DIRECTOR AND ABOVE OR A KEY ASSOCIATE KEY ASSOCIATES INCLUDE ASSOCIATES OF THE FOLLOWING DEPARTMENTS ADMINISTRATION, PATIENT ACCOUNTING, INFORMATION TECHNOLOGY, PROCUREMENT, CASE MANAGEMENT, CLINICAL NURSE SPECIALISTS, MARKETING, FINANCE, AND PERFORMANCE IMPROVEMENT OTHER DEPARTMENTS INVOLVED IN FINANCIAL DECISION MAKING MAY ALSO BE INCLUDED AS KEY ASSOCIATES, AT THE DIRECTOR'S DISCRETION AT THE TIME OF THE ASSOCIATE'S ANNUAL EVALUATION, THE ASSOCIATE'S DIRECT MANAGER OR SUPERVISOR SHALL REVIEW THIS POLICY WITH THE ASSOCIATE AND HAVE THE ASSOCIATE COMPLETE AND SIGN A CONFLICT OF INTEREST DISCLOSURE STATEMENT THE COMPLETED AND SIGNED DISCLOSURE STATEMENT SHALL BE MAINTAINED IN THE ASSOCIATE'S HR FILE ASSOCIATES WHO ARE NOT DIRECTORS AND ABOVE OR KEY ASSOCIATES ARE SUBJECT TO THE GENERAL OBLIGATION ABOVE 4 REVIEW, EVALUATION AND INITIAL DETERMINATION ANY QUESTION ABOUT AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST SHOULD FIRST BE PRESENTED BY THE ASSOCIATE TO THE ASSOCIATES' DIRECT MANAGER OR SUPERVISOR FOR REVIEW AND DETERMINATION IF THE ASSOCIATE DOES NOT IDENTIFY OR RECOGNIZE THE CONFLICT OR THE NEED TO REQUEST A REVIEW, THE MANAGER, WHO BECOMES AWARE OF A SITUATION THAT INVOLVES THE ASSOCIATE AND PRESENTS AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, SHOULD MAKE A DETERMINATION AND ADVISE THE ASSOCIATE OF SAME IF THE ASSOCIATE AND THE MANAGER DO NOT AGREE ABOUT THE APPLICABILITY OF THIS POLICY, OR IF THE ASSOCIATE SEEKS AN EXCEPTION OR EXEMPTION FROM THIS POLICY, THE MANAGER SHALL CONSULT WITH THE MANAGER'S VICE PRESIDENT (OR HIGHER IF THE MANAGER IS A VICE PRESIDENT) TO REACH A DETERMINATION IF THE MATTER REMAINS UNRESOLVED, IT SHALL BE REFERRED TO THE SAINT ELIZABETH VICE PRESIDENT OF HUMAN RESOURCES AND THE SAINT ELIZABETH CORPORATE RESPONSIBILITY OFFICER FOR DETERMINATION IF THE SAINT ELIZABETH VICE PRESIDENT OF HUMAN RESOURCES AND THE SAINT ELIZABETH CORPORATE RESPONSIBILITY OFFICER ARE UNABLE TO REACH AGREEMENT, THE MATTER SHALL BE REFERRED TO THE SAINT ELIZABETH'S ASSIGNED CHI LEGAL COUNSEL, WHOSE DECISION SHALL BE FINAL EACH DECISION MAKER MAY INVESTIGATE AND CONSIDER THE CIRCUMSTANCES SURROUNDING THE POTENTIAL OR ACTUAL CONFLICT OF INTEREST, INCLUDING INTERVIEWING THE ASSOCIATE, AS THE DECISION MAKER DEEMS NECESSARY OR APPROPRIATE TO MAKE AN INFORMED DECISION 5 CONSIDERATIONS AMONG THE FACTORS THAT SHOULD BE CONSIDERED IN DETERMINING WHETHER A CONFLICT EXISTS ARE THE NATURE AND MAGNITUDE OF THE OPPORTUNITY, TRANSACTION OR ARRANGEMENT, THE DEGREE TO WHICH IT IS RELATED TO SAINT ELIZABETH'S BUSINESS, WHETHER THE INDIVIDUAL WITH THE CONFLICT IS THE ULTIMATE DECISION MAKER OR HOLDS SIGNIFICANT INFLUENCE OVER THE ULTIMATE DECISION MAKER (I E, INDEPENDENCE OF THE DECISION MAKING PROCESS), THE UNIQUE NATURE OF THE OPPORTUNITY, TRANSACTION OR ARRANGEMENT, THE EXISTENCE OF OTHER VIABLE ALTERNATIVES AND THE QUALITY OF THOSE ALTERNATIVES, AND WHAT IS CUSTOMARY AND REASONABLE IN THE HEALTHCARE INDUSTRY 6 WRITING REQUIRED ANY ASSOCIATE REQUEST FOR AN EXCEPTION OR EXEMPTION FROM THIS POLICY, AS WELL AS THE FINAL DECISION THEREON, SHALL BE IN WRITING COPIES OF ALL SUCH DOCUMENTS SHALL BE MAINTAINED IN THE ASSOCIATE'S HR FILE 7 POLICY VIOLATIONS IF AN ASSOCIATE FAILS TO DISCLOSE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, OR ALL MATERIAL FACTS SURROUNDING AN ACTUAL OR POTENTIAL CONFLICT, OR FAILS TO ABIDE BY THE FINAL DECISION REGARDING THE CONFLICT AS REQUIRED BY THIS POLICY, THE ASSOCIATE MAY BE SUBJECT TO DISCIPLINARY ACTION, INCLUDING TERMINATION

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

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	COMPENSATION FOR OTHER OFFICERS IS COMPARED TO A STUDY COMPLETED BY HR ADVANTAGE AND IS APPROVED BY THE PRESIDENT/CEO COMPENSATION FOR KEY EMPLOYEES IS COMPARED TO A STUDY COMPLETED BY MSA AND IS APPROVED BY THE INDIVIDUAL'S SUPERVISING VICE PRESIDENT THE BOARD OF DIRECTORS ALSO OVERSEES AND APPROVES THE COMPENSATION SETTING PROCESS TO ENSURE REASONABLENESS AND COMPLIANCE WITH THE ORGANIZATION'S COMPENSATION PHILOSOPHY, THIS PROCESS WAS LAST UNDERTAKEN FOR FY13 COMPENSATION IN MAY 2013

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

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 ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST FROM THE ADMINISTRATION DEPARTMENT IN ADDITION, THE ARTICLES OF INCORPORATION ARE AVAILABLE FROM THE NEBRASKA SECRETARY OF STATE WEBSITE (HTTP://WWW SOS NE GOV/BUSINESS) THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW CATHOLICHEALTHINIT ORG OR AT WWW DACBOND ORG

Identifier	Return Reference	Explanation
Other Expenses	Form 990, Part IX, Line 11g	CONTRACT SERVICES - TOTAL EXPENSE 20400271, PROGRAM SERVICE EXPENSE 15352540, MANAGEMENT AND GENERAL EXPENSES 5047731, FUNDRAISING EXPENSES , OTHER CONTRACTED PROFESSIONALS - TOTAL EXPENSE 5644500, PROGRAM SERVICE EXPENSE 4247856, MANAGEMENT AND GENERAL EXPENSES 1396644, FUNDRAISING EXPENSES , PURCHASED SERVICES - TOTAL EXPENSE 1702800, PROGRAM SERVICE EXPENSE 1281469, MANAGEMENT AND GENERAL EXPENSES 421331, FUNDRAISING EXPENSES , MEDICAL DIRECTOR FEES - TOTAL EXPENSE 525653, PROGRAM SERVICE EXPENSE 395588, MANAGEMENT AND GENERAL EXPENSES 130065, FUNDRAISING EXPENSES , CONTRACT LABOR - TOTAL EXPENSE 399788, PROGRAM SERVICE EXPENSE 300867, MANAGEMENT AND GENERAL EXPENSES 98921, FUNDRAISING EXPENSES , CONSULTING - TOTAL EXPENSE 101168, PROGRAM SERVICE EXPENSE 76136, MANAGEMENT AND GENERAL EXPENSES 25032, FUNDRAISING EXPENSES ,

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990 , Part XI, Line 9	CHI CONNECT DEPRECIATION - 263538, TRANSFERRED NET ASSETS FROM SEHS - 11115370,

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ELIZABETH REGIONAL MEDICAL CENTER

Employer identification number
47-0379836

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	(g) No
See Additional Data Table							

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

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

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

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
(1) SAINT ELIZABETH FOUNDATION	R	212,055	COST
(2) SAINT ELIZABETH FOUNDATION	C	1,016,329	COST
(3) SAINT ELIZABETH HEALTH SERVICES	S	11,115,370	COST

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

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

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

Software ID: 12000266
Software Version: v2012.1.0
EIN: 47-0379836
Name: SAINT ELIZABETH REGIONAL MEDICAL CENTER

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Form 990, Schedule R, Part 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) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner? Yes	(j) No	(k) Percentage ownership
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

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							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) Disproprtionate 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 LUKE'S 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 LUKE'S 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 LUKE'S 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 LUKE'S 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

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								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	SJRMC	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 DENVILLE, 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	SVIMC	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

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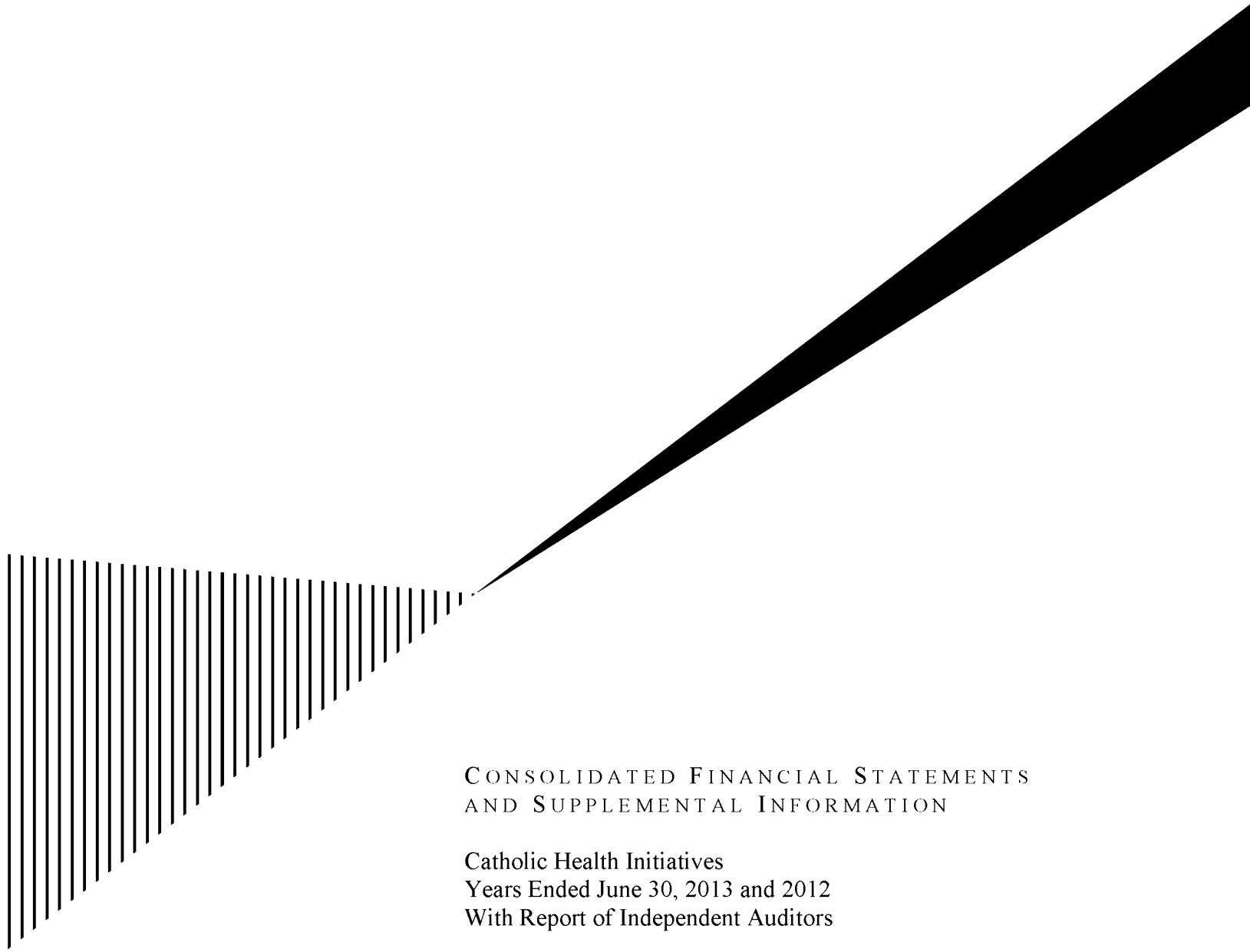
								Yes	No
THE TEXAS HEART INSTITUTE AT ST LUKE'S EPISCOPAL HOSPITAL DENTON A COOLEY B UILDING CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 90-0064009	CONDOMINIUM ASSOC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	
ALEGENT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC 12809 WEST DODGE ROAD 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	



CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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

Ernst & Young LLP

ERNST & YOUNG

Catholic Health Initiatives

Consolidated Financial Statements
and Supplemental Information

Years Ended June 30, 2013 and 2012

Contents

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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 Alegent Health–Bergan Mercy Health System, a wholly sponsored direct affiliate of CHI, which statements reflect total assets of $716 0 million as of June 30, 2012, and total revenues of $452 0 million for the year then ended Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Alegent Health–Bergan Mercy Health System is based solely on the report of other auditors We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

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

Opinion

In our opinion, based on our audits, and for 2012 the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Health Initiatives at June 30, 2013 and 2012, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

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

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

Ernst & Young LLP

September 17, 2013

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

	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					
	Attributable to CHI	Attributable to Noncontrolling Interest	Total	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
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	**1,265,455**	144,502
Increase (decrease) in cash and equivalents	**205,254**	(45,702)
Cash and equivalents at beginning of year	**403,972**	449,674
Cash and equivalents at end of year	**$ 609,226**	$ 403,972
Supplemental disclosures of cash flow information		
Cash paid during the year for interest, including amounts capitalized	**$ 199,413**	$ 151,837

See accompanying notes

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,

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

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	**$ (2,859,970)**	**$ (858,394)**	**$ (567,116)**	**$ (4,285,480)**

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

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

Investments and Assets Limited as to Use

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

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

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

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

1. Summary of Significant Accounting Policies (continued)

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

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

	2013	2012
Total notes receivable from related entities	**$ 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	**$ 430,888**	$ 605,094

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

Net Assets

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

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

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

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

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

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

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	**$ 1,181,491**	$ 1,076,452

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

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

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

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
	$ 1,260,000	$ 55,436	$ 217,709	$ 608,623	$ 2,141,768

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

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

4. Acquisitions and Divestitures (continued)

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

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

	JHSMH	Nebraska Heart	Total
Fiscal Year 2012			
Purchase consideration			
Cash	$ –	$ 131,127	$ 131,127
Equity interest in JHSMH	19,659	–	19,659
Gain on business combination	57,293	–	57,293
Fair market value of noncontrolling interests	181,551	–	181,551
	$ 258,503	$ 131,127	$ 389,630
Purchase price allocation			
Cash and investments	$ 275,764	$ 146	$ 275,910
Patient and other accounts receivable	123,040	9,815	132,855
Other current assets	33,011	3,079	36,090
Property and equipment	451,662	45,150	496,812
Intangible assets	–	10,123	10,123
Goodwill	–	69,786	69,786
Other assets	17,330	–	17,330
Current liabilities	(143,277)	(6,417)	(149,694)
Other liabilities	(87,459)	(555)	(88,014)
Debt	(411,568)	–	(411,568)
Net consideration/assets acquired	$ 258,503	$ 131,127	$ 389,630

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

Discontinued Operations

In 2012, CHI committed to a plan to sell the MBOs in Denville, New Jersey, Towson, Maryland, and Pierre, South Dakota The Towson MBO was sold to the University of Maryland Medical System effective on December 1, 2012, for preliminary sales proceeds of $154 0 million Contingent sales proceeds of $45 7 million have been placed in escrow pending final disposition of certain open items A final determination is expected by December 31, 2013 The Pierre MBO was sold to Avera Health effective January 1, 2013, for net sales proceeds of $50 0 million and a loss on disposition of $27 7 million In May 2013, CHI agreed to sell the Denville MBO to Prime

4. Acquisitions and Divestitures (continued)

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

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

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

The consolidated statements of cash flows include the use of $24 9 million and $45 4 million of operating, investing and financing activities related to discontinued operations for the years ended June 30, 2013 and 2012, respectively

5. Net Patient Services Revenues

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

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%

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)
	$ 7,099,006	$ 5,927,787

Net unrealized gains at June 30, 2013 and 2012, were $297 3 million and $144 0 million, respectively

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

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

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

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	–	–
	$ 1,899,436	$ 1,191,953	$ 695,765	$ 11,718
Liabilities				
Interest rate swaps	$ 271,634	$ –	$ 271,634	$ –
Deferred compensation liability	12,035	12,035	–	–
	$ 283,669	$ 12,035	$ 271,634	$ –

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	–	–
	$ 958,768	$ 433,305	$ 523,510	$ 1,953
Liabilities				
Interest rate swaps	$ 238,549	$ –	$ 238,549	$ –
Deferred compensation liability	10,852	10,852	–	–
	$ 249,401	$ 10,852	$ 238,549	$ –

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

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

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

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)

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

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

In October 2012, CHI issued $1 5 billion of par value long-term, fixed-rate, taxable bonds Proceeds were used to finance a wide array of strategic initiatives, including affiliations in key areas

In November 2011, CHI issued $809 2 million of fixed-rate, variable-rate and Windows variable-rate bonds (Windows) in the states of Colorado, Kentucky and Washington Proceeds were used to refund $223 5 million of existing debt and to redeem $116 8 million of commercial paper outstanding Concurrent with the issuance of these bonds, CHI converted $50 0 million of Ohio Series 2008C-2 bonds to bear interest at weekly rates Also, during November 2011, CHI redeemed $55 8 million of existing debt These redemptions resulted in a loss on extinguishment of $0 7 million

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

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

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

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

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

10. Retirement Plans (continued)

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

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

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

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

	2013			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable 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**

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
	$ 2,708,411	$ 1,666,688	$ 536,003	$ 505,720

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

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

10. Retirement Plans (continued)

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

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

11. Concentrations of Credit Risk

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

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

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

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

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)

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

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

13. Insurance Programs

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

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

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

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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

Ernst + Young LLP

September 17, 2013

Catholic Health Initiatives

Consolidating Balance Sheet

June 30, 2013
(In Thousands)

	MBOs	Corporate	Collab Health	FIIL	CHI Welfare Benefits Trust	Other	Eliminations and Adjustments	Consolidated
Assets								
Current assets								
Cash and equivalents	$ 263,377	$ 330,564	$ (190)	$ 53	$ 18,120	$ (2,698)	$ –	$ 609,226
Net patient accounts receivable, less allowance of $858,394	1,755,348	–	–	–	–	–	–	1,755,348
Other accounts receivable	165,547	107,082	7,620	9,892	11	25,533	(117,768)	197,917
Current portion of investments and assets limited as to use	4,829	–	6,868	–	–		–	11,697
Inventories	247,720	–	–	–	–	–	–	247,720
Assets held for sale	236,599	–	–	–	–	–	(20,822)	215,777
Prepaid and other	86,330	49,910	1,244	13	157	122	–	137,776
Total current assets	2,759,750	487,556	15,542	9,958	18,288	22,957	(138,590)	3,175,461
Investments and assets limited as to use								
Internally designated for capital and other funds	5,022,500	333,525	–	–	95,998	–	–	5,452,023
Mission and Ministry Fund	–	121,109	–	–	–	–	–	121,109
Capital Resource Pool	–	416,938	–	–	–	–	–	416,938
Held by trustees	16,726	–	–	–	–	–	–	16,726
Held for insurance purposes	57,904	–	16,053	751,928	–	–	–	825,885
Restricted by donors	265,652	673	–	–	–	–	–	266,325
Total investments and assets limited as to use	5,362,782	872,245	16,053	751,928	95,998	–	–	7,099,006
Property and equipment, net	7,034,446	750,192	784	–	–	818	–	7,786,240
Deferred financing costs	213	36,344	–	–	–	–	–	36,557
Investments in unconsolidated organizations	294,234	1,172,035	–	–	–	11,005	(1,060,458)	416,816
Intangible assets and goodwill, net	348,407	–	16,344	–	–	–	–	364,751
Notes receivable and other	118,174	3,000,584	201	23,723	–	4	(2,711,798)	430,888
Total assets	$ 15,918,006	$ 6,318,956	$ 48,924	$ 785,609	$ 114,286	$ 34,784	$ (3,910,846)	$ 19,309,719

Continued on following page

Catholic Health Initiatives

Consolidating Balance Sheet (continued)

June 30, 2013
(In Thousands)

	MBOs	Corporate	Collab Health	FIIL	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	FIIL	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	$ 487.252	$ (66.237)	$ (1.627)	$ 47.741	$ (2.482)	$ (13.236)	$ 38.292	$ 489.703
Excess of revenues over expenses attributable to noncontrolling interest	$ 5 972	$ (6 745)	$ 736	$ –	$ –	$ –	$ –	$ (37)
Excess (deficiency) of revenues over expenses attributable to CHI	$ 481 280	$ (59 492)	$ (2 363)	$ 47 741	$ (2 482)	$ (13 236)	$ 38 292	$ 489 740

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