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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
UNMC Physicians

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
988101 Nebraska Medical Center
Suite

City or town, state or country, and ZIP + 4
Omaha, NE 681988101

D Employer identification number
47-0785575

E Telephone number
(402) 559-9789

G Gross receipts $ 225,502,525

F Name and address of principal officer
MR TROY K WILHELM
988101 NEBRASKA MEDICAL CENTER
OMAHA, NE 681988101

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW UNMCPHYSICIANS COM

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

L Year of formation 1995

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SUPPORT THE MISSION OF UNIVERSITY OF NEBRASKA MEDICAL CENTER, IMPROVE HEALTH OF NEBRASKA THROUGH EDUCATION, RESEARCH, THE HIGHEST QUALITY PATIENT CARE, AND OUTREACH TO UNDERSERVED POPULATIONS

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	0
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	1,460
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	7,893
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	2,181

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	0	0
	9 Program service revenue (Part VIII, line 2g)	216,358,275	223,222,106
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	384,618	426,118
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,935,711	1,854,301
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	218,678,604	225,502,525
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	46,570,240	44,761,077
	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)	128,925,952	130,264,432
	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)	44,804,318	42,736,149
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	220,300,510	217,761,658
	19 Revenue less expenses Subtract line 18 from line 12	-1,621,906	7,740,867

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	126,343,283	144,062,786
	21 Total liabilities (Part X, line 26)	37,696,797	44,161,267
	22 Net assets or fund balances Subtract line 21 from line 20	88,646,486	99,901,519

Part II Signature Block

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

Sign Here

****** | 2014-02-11
Signature of officer | Date

Troy K Wilhelm Chief Financial Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ KPMG LLP			Firm's EIN ▶	
Firm's address ▶ 1212 NORTH 96TH STREET SUITE 300 Omaha, NE 68114			Phone no (402) 348-1450	

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

SUPPORT THE MISSION OF THE UNIVERSITY OF NEBRASKA MEDICAL CENTER, AND ALSO TO IMPROVE THE HEALTH OF NEBRASKA THROUGH PREMIER EDUCATIONAL PROGRAMS, INNOVATIVE RESEARCH, THE HIGHEST QUALITY PATIENT CARE, AND OUTREACH TO UNDERSERVED POPULATIONS

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 $ 217,076,907 including grants of $ 44,761,077) (Revenue $ 225,076,407)

UNMC PHYSICIANS DIRECTS ITS RESOURCES TOWARD GIVING LEADING PHYSICIANS THE RESOURCES TO PROVIDE EXCELLENT HEALTHCARE TO PATIENTS ACROSS NEBRASKA AND BEYOND UNMC PHYSICIANS CONTINUES TO LEAD THE REGION THROUGH A FOCUSED MISSION INCLUDING EXCEPTIONAL PATIENT CARE, EDUCATION THAT EMPOWERS, CUTTING-EDGE RESEARCH AND AN EMPHASIS ON GIVING BACK TO THE COMMUNITY WITH MORE THAN 50 SPECIALTIES AND SUB-SPECIALTIES, UNMC PHYSICIANS PROVIDES SPECIALIZED SERVICES AND THE LATEST IN TREATMENT OPTIONS TO ITS PATIENTS OUR PHYSICIANS NOT ONLY TREAT PATIENTS, BUT THEY EDUCATE FUTURE PHYSICIANS MANY OF OUR DOCTORS TRAINED AND NOW TEACH AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER THEY, ALONG WITH EXPERIENCED NURSES, ALLIED HEALTH PROFESSIONALS AND BUSINESS SUPPORT PERSONNEL ARE DEDICATED TO SERVING THE HEALTHCARE NEEDS OF OUR COMMUNITY CHARITABLE CARE IS A HIGH PRIORITY, AND WE MAKE TREATMENT AVAILABLE TO ALL PERSONS WHO PRESENT THEMSELVES FOR CARE, REGARDLESS OF RACE, CREED, LIFESTYLE, OR ABILITY TO PAY DURING FISCAL 2013, UNMC PHYSICIANS SERVED MORE THAN 368 THOUSAND PATIENTS IN ITS CLINICS AND OVER 240 THOUSAND PATIENTS THROUGH INPATIENT AND OTHER ANCILLARY SERVICE LINES IN ADDITION, UNMC PHYSICIANS SUPPORTS MANY COMMUNITY BASED HEALTH PROGRAMS SERVING THE POOR THROUGH DONATED FUNDS, SUPPLIES, PHYSICIAN TIME AND NURSE TIME UNMC PHYSICIANS PROVIDED MORE THAN 2 4 MILLION DOLLARS, AT COST, IN CHARITABLE CARE TO THE UNDERSERVED AND THOSE UNABLE TO PAY FOR MEDICALLY NECESSARY HEALTHCARE SERVICES IN ADDITION, OVER 26 PERCENT OF UNMC PHYSICIANS NET PATIENT SERVICE REVENUE CAME FROM GOVERNMENT FUNDED HEALTH INSURANCE PROGRAMS, SUCH AS MEDICAID, MEDICARE AND TRICARE WHILE THESE GOVERNMENT PROGRAMS DO NOT COVER THE FULL COST OF THE HEALTH SERVICES PROVIDED, UNMC PHYSICIANS TRANSFERRED OVER 33 MILLION DOLLARS TO THE COLLEGE OF MEDICINE AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER IN SUPPORT OF ITS CLINICAL, EDUCATION AND RESEARCH MISSION PLEASE SEE THE COMMUNITY BENEFIT REPORT FOR ADDITIONAL DETAILS AT WWW UNMCPHYSICIANS COM

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** ▶ 217,076,907

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	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**		No
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**		
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	87		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,460		
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** 20		
	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** 0		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

▶MR TROY K WILHELM 988101 NEBRASKA MEDICAL CENTER OMAHA, NE (402) 559-9789

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								8,399,509	5,157,796	1,039,810

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 ▶ 290

			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
THE NEBRASKA MEDICAL CENTER , 988145 NEBRASKA MEDICAL CENTER OMAHA NE 681988145	MEDICAL CALL CENTER	321,300
NEUROLOGY LLP , 8901 W DODGE RD SUITE 210 OMAHA NE 68114	Physician Svcs	200,000
APEX PRINT TECHNOLOGIES LLC , PO BOX 9201 MINNEAPOLIS MN 554809201	STMT PRINTING & MAIL	171,455
ADP , PO BOX 842875 BOSTON MA 022842875	PAYROLL SERVICES	176,811
OPTUMINSIGHT , 2771 MOMENTUM PLACE CHICAGO IL 60689	CLAIMS MANAGER	203,984
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 ▶ 7		

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶	0			
Program Service Revenue		Business Code				
	2a	PATIENT SVC REVENUE 621400	148,941,461	148,941,461		
	b	OTHER CONTRACTUAL REVENUE 900099	74,280,645	74,280,645		
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	223,222,106			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶	426,118		7,893	418,225
	4	Income from investment of tax-exempt bond proceeds . . ▶	0			
	5	Royalties . . . . . ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss) 0 / 0				
	d	Net rental income or (loss) . . . . . ▶	0			
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) . . . . . ▶	0			
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	DEPARTMENTAL MISC DEPOSITS 561000	1,854,301	1,854,301		
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶	1,854,301			
	12	**Total revenue.** See Instructions . . . . . ▶	225,502,525	225,076,407	7,893	418,225

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	39,357,909	39,357,909		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	5,403,168	5,403,168		
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	4,847,613	4,847,613		
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	102,502,815	102,502,815		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,029,725	11,029,725		
9 Other employee benefits	7,487,942	7,487,942		
10 Payroll taxes	4,396,337	4,396,337		
11 Fees for services (non-employees)				
a Management	0			
b Legal	180,253		180,253	
c Accounting	119,966		119,966	
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)	488,129	488,129		
12 Advertising and promotion	215,547	215,547		
13 Office expenses	0			
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	3,658,737	3,658,737		
17 Travel	133,252	133,252		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	100,948	100,948		
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	2,250,033	2,250,033		
23 Insurance	2,524,384	2,139,852	384,532	0
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 DEAN & DEPT DEVELOPMENT FUND	9,758,050	9,758,050		
b CONTRACTED PHYSICIAN SVC	2,076,330	2,076,330		
c PROVISION FOR BAD DEBT EXPENSE	8,097,351	8,097,351		
d MEDICAL SUPPLIES/EQUIPMENT	4,402,759	4,402,759		
e All other expenses	8,730,410	8,730,410		
25 **Total functional expenses.** Add lines 1 through 24e	217,761,658	217,076,907	684,751	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)				

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		26,343,859	1	38,686,942
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		37,262,099	4	39,868,952
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		640,586	7	653,798
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		499,381	9	722,864
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 37,033,923			
	b	Less accumulated depreciation	10b 18,022,332	20,539,683	10c	19,011,591
	11	Investments—publicly traded securities		37,843,306	11	40,868,443
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	1,049,651
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		3,214,369	15	3,200,545
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		126,343,283	16	144,062,786
Liabilities	17	Accounts payable and accrued expenses		23,388,728	17	26,500,011
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		14,308,069	25	17,661,256
	26	**Total liabilities.** Add lines 17 through 25		37,696,797	26	44,161,267
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		88,646,486	27	99,901,519
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		88,646,486	33	99,901,519
	34	Total liabilities and net assets/fund balances		126,343,283	34	144,062,786

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	225,502,525
2	Total expenses (must equal Part IX, column (A), line 25)	2	217,761,658
3	Revenue less expenses Subtract line 2 from line 1	3	7,740,867
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	88,646,486
5	Net unrealized gains (losses) on investments	5	3,514,166
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	99,901,519

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 47-0785575
Name: UNMC Physicians

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHARLES A ENKE DIRECTOR	30 0 30 0	X						267,284	223,472	24,778
KEVIN L GARVIN DIRECTOR	30 0 30 0	X						413,675	214,854	33,284
CARL V SMITH CHAIR/PRESIDENT	30 0 30 0	X		X				304,763	233,432	26,939
CRAIG W WALKER DIRECTOR	30 0 30 0	X						334,538	234,805	38,797
STEVEN WENGEL DIRECTOR	30 0 30 0	X						65,795	231,284	24,960
Lynell Klassen DIRECTOR	30 0 30 0	X						81,193	269,395	27,307
ROBERT MUELLEMAN SECRETARY-TREASURER/DEPT CHAIR	30 0 30 0	X		X				268,796	174,811	43,660
MICHAEL SITORIUS VICE CHAIR/DEPARTMENT CHAIR	30 0 30 0	X		X				64,308	238,827	28,706
JOHN SPARKS DIRECTOR	1 0 40 0	X						0	216,766	21,734
DEBRA ROMBERGER DIRECTOR	30 0 30 0	X						1,429	44,584	6,895
THOMAS HEJKAL DIRECTOR	30 0 30 0	X						219,050	195,574	22,351
STEVE HINRICHS DIRECTOR	30 0 30 0	X						222,169	213,917	38,070
DAVID W MERCER DIRECTOR	30 0 30 0	X						470,250	218,341	39,395
DANIEL MURMAN DIRECTOR	30 0 30 0	X						121,799	100,160	21,998
MATTHEW MORMINO DIRECTOR	30 0 30 0	X						342,688	114,538	44,404
Steven Lisco Director	30 0 30 0	X						208,324	157,177	26,423
Dwight Jones Director	30 0 30 0	X							121,070	11,304
Quan Nguyen DIRECTOR	40 0 0 0	X						0	0	0
Troy Plumb DIRECTOR	40 0 0 0	X						164,038	90,895	26,083
Julie Vose DIRECTOR	40 0 0 0	X						210,653	154,925	17,363
CORY D SHAW EXEC VP/CEO	30 0 10 0			X				216,648	165,025	21,171
TROY WILHELM CFO	30 0 10 0			X				267,112	0	18,819
DENNIS BIERLE COO	30 0 10 0			X				233,705	0	23,632
CARIN BORG ADMINISTRATOR	20 0 20 0				X			106,263	105,331	28,583
HAROLD MAURER PHYSICIAN/CHANCELLOR	10 0 40 0				X			102,558	480,454	32,144

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LISA RUNCO ADMINISTRATOR	20 0 20 0				X			92,893	89,800	27,118
BRYAN SCHWAHN ADMINISTRATOR	20 0 20 0				X			108,492	78,408	33,270
DAVID MELLIGER administrator	20 0 20 0				X			78,776	82,628	25,378
ALAN LANGNAS PHYSICIAN	50 0 10 0					X		787,801	97,888	42,106
WILLIAM THORELL PHYSICIAN	50 0 10 0					X		574,704	80,253	44,210
PETER LENNARSON PHYSICIAN	50 0 10 0					X		504,985	79,160	45,078
WENDY JEAN WARD PHYSICIAN	50 0 10 0					X		601,015	75,948	44,132
Michael Moulton PHYSICIAN	50 0 10 0					X		432,855	105,340	79,463
Kenneth Follett DIRECTOR	30 0 30 0						X	361,011	189,218	43,540
Daniel Lydiatt DIRECTOR	30 0 30 0						X	169,939	79,516	6,715

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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
UNMC Physicians

Employer identification number
47-0785575

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 ")		442,860	345,357	0	0	788,217
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	187,261,214	204,777,880	218,271,919	218,294,260	225,076,407	1,053,681,680
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 **Total.** Add lines 1 through 5	187,261,214	205,220,740	218,617,276	218,294,260	225,076,407	1,054,469,897
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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	25,842,227	25,069,283	31,518,323	35,899,279	53,348,364	171,677,476
c Add lines 7a and 7b	25,842,227	25,069,283	31,518,323	35,899,279	53,348,364	171,677,476
8 **Public support** (Subtract line 7c from line 6)						882,792,421

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	187,261,214	205,220,740	218,617,276	218,294,260	225,076,407	1,054,469,897
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	506,601	403,495	430,515	384,618	426,118	2,151,347
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975					2,181	2,181
c Add lines 10a and 10b	506,601	403,495	430,515	384,618	428,299	2,153,528
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)		-1,743,803				-1,743,803
13 **Total support.** (Add lines 9, 10c, 11, and 12)	187,767,815	203,880,432	219,047,791	218,678,878	225,504,706	1,054,879,622

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	83 687 %
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	86 432 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	0 204 %
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	0 260 %

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

LOSS IN JOINT VENTURE IN 2009 (1,743,803)

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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
UNMC Physicians

Employer identification number
47-0785575

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		2,358,686		2,358,686
b Buildings		4,416,180	496,015	3,920,165
c Leasehold improvements		12,991,308	4,285,398	8,705,910
d Equipment		17,267,749	13,240,919	4,026,830
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				19,011,591

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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
FEES PAYABLE TO UNMC	12,870,614
RESERVE FOR SELF INSURANCE	4,040,642
EDUCATION BUILDING COMMITMENT	750,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	17,661,256

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	179,409,282
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	3,514,166		
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	3,514,166
3	Subtract line **2e** from line **1**			3	175,895,116
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	49,607,409		
c	Add lines **4a** and **4b**			4c	49,607,409
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	225,502,525

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

1	Total expenses and losses per audited financial statements			1	168,154,249
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	168,154,249
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	49,607,409		
c	Add lines **4a** and **4b**			4c	49,607,409
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	217,761,658

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
Part XI, Line 4B		8,097,351 Bad Debt Expense Reclass 5,403,168 CHARITY CARE RECLASS 36,106,890 TRANSFER TO UNMC ---------- 49,607,409
EXPLANATION TO THE ORGANIZATION'S FINANCIAL STATEMENTS (FIN 48)	PART X, LINE 2	FASB INTERPRETATION NO 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (FIN 48) IS NOT APPLICABLE TO UNMC PHYSICIANS AS THEY ARE CONSIDERED A GOVERNMENTAL ENTITY FOR ACCOUNTING PURPOSES
Part XII, Line 4B		8,097,351 Bad Debt Expense Reclass 5,403,168 CHARITY CARE RECLASS 36,106,890 TRANSFER TO UNMC ---------- 49,607,409

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

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

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

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

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

	(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
	Sub-Saharan Africa			Program Services	SEE PART IV	10,671
3a	Sub-total					10,671
b	Total from continuation sheets to Part I					
c	**Totals** (add lines 3a and 3b)					10,671

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

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

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

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

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

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

Part IV Foreign Forms

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

Part V Supplemental Information

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

Identifier	ReturnReference	Explanation
GENERAL INFORMATION ON ACTIVITIES OUTSIDE THE U S	PART I, LINE 3	UNMC FINANCIALLY SUPPORTS UNMC COLLEGE OF MEDICINE'S MEDICAL RESIDENT ROTATION PROGRAM STUDENTS DO A MONTHLY ROTATION IN SOUTH AFRICA WORKING IN LOCAL HOSPITALS AND CLINICS UNMC PHYSICIANS PAID $10,671 FOR THE MEDICAL RESIDENT HOUSING

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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
UNMC Physicians

Employer identification number
47-0785575

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	Yes	
	☐ 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	Yes	
	☐ 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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,570,674		2,570,674	1 170 %
b Medicaid (from Worksheet 3, column a)			24,621,703	15,200,463	9,421,241	4 300 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			2,123	1,630	494	
d **Total** Financial Assistance and Means-Tested Government Programs			27,194,500	15,202,093	11,992,409	5 470 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			62,556		62,556	0 030 %
f Health professions education (from Worksheet 5)			5,127,617		5,127,617	2 340 %
g Subsidized health services (from Worksheet 6)			197,549	180,308	17,241	0 010 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			39,357,909		39,357,909	17 980 %
j **Total.** Other Benefits			44,745,631	180,308	44,565,323	20 360 %
k **Total.** Add lines 7d and 7j			71,940,131	15,382,401	56,557,732	25 830 %

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						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

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	8,423,184		
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	1,215,932		
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	25,942,440
6	Enter Medicare allowable costs of care relating to payments on line 5	6	58,118,087
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-32,175,647
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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Bellevue Medical Center LLC 2500 MEDICAL CENTER DRIVE BELLEVUE, NE 68123	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 Bellevue Medical Center LLC

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 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**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**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % 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?

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
PART I, LINE 3C		BELLEVUE MEDICAL CENTER IS STRUCTURED AS AN LLC AND IS A HOSPITAL UNMC PHYSICIANS IS NOT A HOSPITAL, BUT ITS INFORMATION IS BEING REPORTED AS REQUIRED due to its ownership held in the llc Per the instructions, unmc physicians has answered part I line 3 based on the joint venture charity care policy OF The Bellevue Medical Center, which is a hospital, and not on the charity care policy of UNMC Physicians, which is not a hospital However, unmc physician's policy is determined by the fpg level of 150% for part I line 3a and 350% for part I line 3b
PART I, LINE 6A		The UNMC Physicians community benefit report can be accessed at www unmcphysicians com/v2/default asp?id=13 Bellevue Medical Center is not a 501(c)(3) tax-exempt hospital and is therefore not required to and does not file a community benefit report

Identifier	ReturnReference	Explanation
PART I, LINE 7G		The organization does not have information that indicates that services are provided despite a financial loss to the organization All subsidized services reported on Line 7G were generated by Bellevue Medical Center Bellevue Medical Center engaged in subsidized services during the fiscal year, such as its MEDICAL OBSERVATION department
PART I, LINE 7, COLUMN F		The amount used to calculate the table 7 percentages is $218,949,954 This amount is derived from part ix line 25 in the amount of $217,761,658, less bad debt of $8,097,351 for unmc physicians Per the instructions, the proportionate share of total expenses of the Bellevue medical center joint venture of $9,974,405, less bad debt of $688,758 was added to the unmc physicians' amount

Identifier	ReturnReference	Explanation
PART I, LINE 7		BOTH UNMC PHYSICIANS AND BELLEVUE MEDICAL CENTER USED THE COST TO CHARGE RATIO FOR FIGURES REPORTED IN THE TABLE THIS COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET 2 OF THE INSTRUCTIONS
PART III, LINE 4		Patient Service Revenue may qualify for financial assistance The Patient is obligated to complete financial assistance forms and to submit supporting documentation to qualify Services to patients who provide this information and qualify for assistance are not considered bad debt Bad Debt is reported for services rendered to those unwilling to pay and /or work with the organization to provide financial assistance if available This is only after the organization has exhausted all reasonable efforts to collect outstanding balances from the patient If an account is determined to meet the criteria of a bad debt, the remaining balance will be written off to bad debt expense As the organization does not have a cost accounting system, the COST OF THE BAD DEBT WAS ESTIMATED USING THE COST TO CHARGE RATIO THERE IS NO SPECIFIC FOOTNOTE IN THE AUDITED FINANCIAL STATEMENTS FOR BAD DEBT, HOWEVER, A DISCUSSION ON NET PATIENT SERVICE REVENUE STATES, "UNMC Physicians has agreements with third party payers that provide payment to UNMC Physicians at amounts different from its established rates Net patient service revenue is reported at the net realizable amounts from patients, third-party payers and others for services rendered " PATIENTS OF THE BELLEVUE MEDICAL CENTER KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE (ONCE ALL PAPERWORK IS RECEIVED AND APPROVED) ARE FLAGGED IN THE SYSTEM AND MONITORED ACCORDINGLY TO ENSURE FINANCIAL ASSISTANCE IS "POSTED" TO THE PATIENT ACCOUNT WHEN THE 12 MONTH APPROVAL EXPIRES, PATIENTS ARE CONTACTED IF SERVICES HAVE BEEN RENDERED WITHIN THE LAST SIX MONTHS TO DISCUSS SUBMITTAL OF NEW INFORMATION FOR CONTINUATION OF ASSISTANCE IF PATIENTS NO LONGER QUALIFY, OTHER PAYMENT OPTIONS ARE DISCUSSED PER ORGANIZATIONAL POLICY PATIENTS WHO QUALIFY FOR 100% ASSISTANCE DO NOT RECEIVE GUARANTOR STATEMENTS (BILLS) FROM THE ORGANIZATION PATIENTS WHO QUALIFY FOR AN 80% OR 60% DISCOUNT WORK WITH CUSTOMER SERVICE OR COLLECTION STAFF TO OUTLINE PAYMENT ARRANGEMENTS ACCORDING TO SET POLICY

Identifier	ReturnReference	Explanation
PART III, LINE 8		As a part of our mission, we will provide treatment to any patient who needs it We have a disproportionate share of Medicare patients in the community where we provide care below our cost This produces a loss and is considered a community benefit Our costing methodology is the cost to charge ratio We are not a hospital and do not have a hospital cost accounting system to produce detailed cost information at the service level We do not have or prepare Medicare cost reports, therefore we use the cost to charge ratio
PART III, LINE 9B		UNMC Physicians provides financial assistance to qualified uninsured or underinsured patients requiring non-elective medically necessary treatment Patients known to qualify for financial assistance (after completing all paperwork and receiving approval) are identified accordingly in the financial systems to ensure financial assistance is used to cover services rendered by UNMC Physicians Financial assistance can result in 100% assistance sliding to 20% Consideration is given to medically necessary current charges and can extend for a period up to twelve months Patients can renew every twelve months A reevaluation of the patient's financial situation may be performed if the patient is unable to comply with the financial assistance arrangements Patients receive a statement from the organization as long as they have a balance due All accounts are monitored in the system to ensure financial assistance is "posted" to the patient account If add'l charges are received after the 12 months the patient must submit updated information for continuation of assistance If patients no longer qualify, other payment options are discussed per organizational policy Reports are utilized for follow up purposes Patients who qualify for 100% assistance do not receive guarantor statements (bills) from the organization Patients who qualify for an 80% or less discount work with customer service or collection staff to outline payment arrangements according to set policy

Identifier	ReturnReference	Explanation
PART V, SECTION A		UNMC PHYSICIANS SUPPORTS THE MISSION OF THE UNIVERSITY OF NEBRASKA MEDICAL CENTER, TO IMPROVE THE HEALTH OF NEBRASKA THROUGH PREMIER EDUCATIONAL PROGRAMS, INNOVATIVE RESEARCH, THE HIGHEST QUALITY PATIENT CARE, AND OUTREACH TO UNDERSERVED POPULATIONS UNMC PHYSICIANS IS NOT A HOSPITAL, HOWEVER, UNMC PHYSICIANS OWNS 13 646702% OF BELLEVUE MEDICAL CENTER, LLC, WHICH IS A HOSPITAL THEREFORE, per the instructions, SCHEDULE H INCLUDES ALL CLINICAL ACTIVITIES OF UNMC PHYSICIANS, PLUS 13 646702% OF HOSPITAL ACTIVITY OF BELLEVUE MEDICAL CENTER, LLC
NEEDS ASSESSMENT		UNMC Physicians uses disease incidence and prevalence data, leading causes of death, community health status research and supply and demand analysis to assess the health care needs of the communities it serves Bellevue Medical Center is majority owned by The Nebraska Medical Center UNMC Physicians HAS A MINORITY OWNERSHIP both OF THESE ORGANIZATIONS are 501(c)(3) organizations It was determined from previous assessments that the community had a need for medical services that was not currently being fulfilled A community needs assessment was underway in the Douglas/Sarpy County area during fiscal year 2011, AND FILED IN 2013 as a collaborative effort between all Omaha area hospitals This is the first needs assessment that has been performed specific to BMC

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		UNMC PHYSICIANS employs financial counselors and customer service staff, all of whom are trained in assisting our patients with resolution of the patients' liability Depending on individual patient needs, payment arrangements or financial assistance may be offered to assist our patients with resolution of their balances Patients are educated about the requirements and eligibility for patient assistance by financial counselors onsite at clinic locations, through brochures and pamphlets, and through the unmc physicians' website Bellevue Medical Center employs financial counselors, customer service staff and collection staff, all of whom are trained in assisting our patients with resolution of patient liability Depending upon individual patient needs, payment arrangements or financial assistance may be offered to assist our customers with resolution of patient balances Additionally, the organization COUNSELORS work with our self pay population to pursue coverage through state, federal or local programs BMC HAS OBTAINED CERTIFICATION AS A CAC ORGANIZATION THROUGH CMS TO ASSIST WITH NEW MARKETPLACE COVERAGE
COMMUNITY INFORMATION		Our mission is to further the University of Nebraska Medical Center's mission by giving leading physicians the resources necessary to provide high quality health care to patients from across Nebraska and beyond In addition, we support the missions of, and provide services to, The Nebraska Medical Center, Children's Hospital & Medical Center, and the Omaha VA Medical Center We generally serve the local area of Omaha, but provide service to patients throughout the state of Nebraska In addition, given our close proximity to Iowa, we serve many patients from that state as well patients from the Omaha Metro area served by UNMC Physicians are predominately White-Non Hispanic with over 78 1% in this category Black Non-Hispanic make up 12 2% of the population, 2 2% is Hispanic - White The remaining 7 5% includes Asian, Native American, and Unknown classifications UNMC Physicians continues to lead the region through a focused mission including exceptional patient care, education that empowers, cutting-edge research and an emphasis on giving back to the community At UNMC Physicians, we recognize an individual's right to quality healthcare regardless of age, sex, race, religion, national origin, or ability to pay In addition to providing free or reduced healthcare to low income patients, UNMC Physicians supports the community through employee volunteer hours, donations to many charities and extensive financial support of the University of Nebraska Medical Center Because of the continued dedication of our talented physicians, we are able to significantly impact the community through leadership in many medical fields UNMC Physicians grants credit without collateral to its patients, most of whom are local residents and are insured under third party payor arrangements The mix of our receivables from patients as of June 30, 2013 was Medicare - 12%, Medicaid - 9%, Commercial Payors - 32%, Self-Pay - 40% and Other - 7% Bellevue Medical Center opened on May 17, 2010 in Bellevue, NE as the first full service, public hospital serving a community of roughly 50,000 residents The hospitals service area covers all of Sarpy County and extends throughout northern Cass County and southern Douglas County in Nebraska The hospital also serves the men and women of Offutt Air Force base which is located within its primary market

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		The organization is a physician practice focused on its mission of providing exceptional patient care, education of future medical professionals for the region, and research, while supporting the community Unmc physicians is not a hospital and therefore this question is not applicable Bellevue Medical Center has an open medical staff policy and the leadership team is active on several community boards Bellevue medical center is a hospital, however, it is not a tax exempt organization, and therefore this question is not applicable
STATE FILING OF COMMUNITY BENEFIT REPORT		Unmc physicians is not required to file its community benefit report with any state, however Unmc physicians does make it available to the public via the web link provided above Bellevue medical center is also not required to file a community benefit report with any state

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM		UNMC Physicians is a not for profit corporation committed to supporting the mission of the University of Nebraska Medical Center ("UNMC") It was established by UNMC to provide a vehicle for the faculty of the College of Medicine to develop an integrated practice for management of clinical activities The mission of the University of Nebraska Medical Center is to improve the health of Nebraska through premier education programs, innovative research, the highest quality patient care, and outreach to underserved populations As previously discussed, Bellevue Medical Center is majority owned by The Nebraska Medical Center, an IRC 501(c)(3) organization
PART II		UNMC Physicians and Bellevue Medical Center, LLC pay attention to needs of the community in addition to their focus on healthcare For example, during the year a grant was made by UNMC Physicians to a 501(c)(3) organization to promote academic performance, raise graduation rates, and increase civic and community responsibility

Identifier	ReturnReference	Explanation
PART V, LINE 12H		BMC TAKES INTO CONSIDERATION OTHER FACTORS TO DETERMINE IF A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, INCLUDING BUT NOT LIMITED TO IF PATIENTS ARE HOMELESS, HAD DEBTS DISCHARGED THROUGH CHAPTER 7 BANKRUPTCY PROCEEDINGS OR QUALIFIES FOR FOOD STAMPS
PART V, LINE 14G		BMC PROVIDES INFORMATION ON WHERE TO FIND THE Financial Assistance POLICY (FAP) ON THE BILLING STATEMENT AND IN ACCESS AREAS OF THE HOSPITAL IT IS CLEAR TO OUR PATIENTS THAT WE HAVE A FAP AND WHERE TO FIND IT

Identifier	ReturnReference	Explanation
PART V, SECTION B, LINE 3		Key informant focus group discussions included representation from all of the assessed Counties Focus group participants were chosen because of their ability to provide input regarding vulnerable or medically underserved populations, minorities, and/or populations with chronic disease Eighty-seven community stakeholders, including physicians, other health professionals, social service providers, and business and community leaders participated in focus group sessions held in August of 2011 PART V, SECTION B, LINE 4 BELLEVUE MEDICAL CENTER, LLC CHNA WAS CONDUCTED WITH THE FOLLOWING HOSPITAL FACILITIES ALEGENT CREIGHTON HEALTH, NEBRASKA METHODIST Health System, AND THE NEBRASKA MEDICAL CENTER PART V, SECTION B, LINE 7 Bellevue Medical Center participated in collaborative discussions with all of the local health systems and county health departments to determine how each of the identified needs would be addressed Each local health system prioritized the CHNA-identified needs in a way that most closely aligned with the core competencies and profile of patients served by that system Further, the health system collaborative group researched and compiled a list of local agencies/resources focused on addressing each of the CHNA-identified needs Through those collaborative discussions, it was determined that each of the identified needs in the community will be covered by a local health system or other community agency Bellevue Medical Center's focus will be on addressing diabetes, which is prevalent in the population served by that facility

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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
UNMC Physicians

Employer identification number
47-0785575

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) AMERICAN HEART ASSOC HEARTLAND AFFILIATION 10100 J STREET SUITE A OMAHA,NE 68127	13-5613797	501(C)(3)	10,000				FURTHER EXEMPT PURP
(2) UNIVERSITY OF NEBRASKA MEDICAL CENTER 986800 NE MED CTR OMAHA,NE 68198	47-0049123	GOVT	36,106,890				EDUC SUPPORT
(3) UNIVERSITY HOSPITAL AUXILIARY 987509 NE MED CTR OMAHA,NE 68198	47-0591991	501(C)(3)	15,000				FURTHER EXEMPT PURP
(4) UNIVERSITY OF NEBRASKA FOUNDATION 8712 W DODGE RD STE 100 OMAHA,NE 68114	47-0379839	501(C)(3)	229,500				FURTHER EXEMPT PURP
(5) BUILDING BRIGHT FUTURES 1004 FARNAM ST STE 102 OMAHA,NE 68102	26-0436138	501(C)(3)	1,396,234				FURTHER EXEMPT PURPOSE
(6) THE NEB MEDICAL CENTER 988145 NEBRASKA MED CENTER OMAHA OMAHA,NE 681988145	91-1858433	501(c)(3)	1,561,102				FURTHER EXEMPT PURPOSE

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 6

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) CHARITY CARE	2771		5,403,168	BOOK	PATIENT FIN'L ASSIST

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
PART I, LINE 2		CHARITABLE GIVING IS PRIORITIZED AS FOLLOWS 1) HEALTH AND WELLNESS 2) HUMAN SERVICES 3) MEDICAL EDUCATION AND RESEARCH PROCEDURES FOR MONITORING THE USE OF THE GRANT FUNDS IN THE U S ALL DONATION REQUESTS MUST BE SUBMITTED TO THE CHARITABLE DONATIONS COMMITTEE AND THE CHIEF FINANCIAL OFFICER FOR REVIEW AND APPROVAL THE CFO MAY ALSO REQUEST ADDITIONAL INFORMATION, AND/OR MAKE THE APPROVAL CONTINGENT UPON THE ORGANIZATION PROVIDING ONE OR MORE REPORTS DURING OR AT THE CONCLUSION OF THE PROJECT SHOWING HOW THE GRANT FUNDS WERE SPENT ANY SINGLE DONATION REQUEST, OR DONATIONS IN THE AGGREGATE TO ANY ONE CHARITY IN A FISCAL YEAR OF $10,000, SHALL REQUIRE THE APPROVAL OF THE UNMC PHYSICIANS BOARD OF DIRECTORS
PART III		UNMC PHYSICIANS HAS A WRITTEN FINANCIAL ASSISTANCE/CHARITY CARE POLICY

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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
UNMC Physicians

Employer identification number
47-0785575

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**		No
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

Additional Data Return to Form

Software ID:
Software Version:
EIN: 47-0785575
Name: UNMC Physicians

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				
CHARLES A ENKE	(I)	261,970	3,800	1,514	6,286	0	273,570	
	(II)	223,472			18,492	0	241,964	
KEVIN L GARVIN	(I)	387,860	25,815		15,651	0	429,326	
	(II)	214,854			17,189	444	232,487	
CARL V SMITH	(I)	299,401	5,362		8,637	0	313,400	
	(II)	210,932		22,500	15,294	3,008	251,734	
CRAIG W WALKER	(I)	269,038	65,500		12,027	0	346,565	
	(II)	234,805			19,334	7,628	261,767	
STEVEN WENGEL	(I)	65,795			0	0	65,795	
	(II)	231,284			18,924	6,072	256,280	
Lynell Klassen	(I)	67,138	14,055		0	0	81,193	
	(II)	269,395			21,843	5,464	296,702	
ROBERT MUELLEMAN	(I)	241,796	27,000		20,114	0	288,910	
	(II)	174,811			14,610	8,936	198,357	
MICHAEL SITORIUS	(I)	39,930	24,378		0	0	64,308	
	(II)	238,827			19,770	9,008	267,605	
CORY D SHAW	(I)	169,162	47,486		4,056	0	220,704	
	(II)	148,033		16,992	13,431	3,684	182,140	
TROY WILHELM	(I)	233,379	33,733		13,258	5,561	285,931	
	(II)	0			0	0	0	
JOHN SPARKS	(I)	0			0	0	0	
	(II)	194,266		22,500	17,526	4,232	238,524	
THOMAS HEJKAL	(I)	175,000	44,050		1,162	0	220,212	
	(II)	195,574			15,981	5,208	216,763	
STEVE HINRICHS	(I)	192,169	30,000		15,064	0	237,233	
	(II)	213,917			17,570	6,822	238,309	
DENNIS BIERLE	(I)	202,518	31,187		0	0	233,705	
	(II)	0			0	0	0	
ALAN LANGNAS	(I)	698,172	89,629		31,535	0	819,336	
	(II)	97,888			7,959	2,612	108,459	
CARIN BORG	(I)	86,263	20,000		15,667	0	121,930	
	(II)	105,331			8,708	4,256	118,295	
HAROLD MAURER	(I)	102,558			0	0	102,558	
	(II)	480,454			29,136	3,944	513,534	
LISA RUNCO	(I)	92,893			14,593	0	107,486	
	(II)	89,800			7,517	5,032	102,349	
BRYAN SCHWAHN	(I)	108,492			18,712	0	127,204	
	(II)	78,408			5,622	8,936	92,966	
DAVID MELLIGER	(I)	43,776	35,000		13,237	0	92,013	
	(II)	82,628			6,973	5,168	94,769	

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				
DAVID W MERCER	(I)	410,250	60,000		22,475	0	492,725	
	(II)	218,341			14,308	2,732	235,381	
WILLIAM THORELL	(I)	503,960	70,744		33,603	0	608,307	
	(II)	63,753		16,500	6,671	3,936	90,860	
DANIEL MURMAN	(I)	76,139	45,660		9,804	0	131,603	
	(II)	83,160		17,000	8,258	3,960	112,378	
MATTHEW MORMINO	(I)	276,873	65,815		28,463	0	371,151	
	(II)	97,538		17,000	9,653	6,288	130,479	
PETER LENNARSON	(I)	393,860	111,125		33,475	0	538,460	
	(II)	79,160			6,667	4,972	90,799	
WENDY JEAN WARD	(I)	532,533	68,482		33,863	0	634,878	
	(II)	58,948		17,000	6,385	4,658	86,991	
Steven Lisco	(I)	175,607	32,717		9,594	0	217,918	
	(II)	141,553		15,624	12,033	4,796	174,006	
Troy Plumb	(I)	116,276	47,762		10,306	0	174,344	
	(II)	90,895			7,841	7,936	106,672	
Julie Vose	(I)	210,653			2,338	0	212,991	
	(II)	132,425		22,500	12,481	2,544	169,950	
Michael Moulton	(I)	432,855			67,330	0	500,185	
	(II)	88,340		17,000	8,353	3,780	117,473	
Kenneth Follett	(I)	361,011			19,057	0	380,068	
	(II)	189,218			15,747	8,736	213,701	
Daniel Lydiatt	(I)	169,939			0	0	169,939	
	(II)	79,516			6,343	372	86,231	

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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
UNMC Physicians

Employer identification number
47-0785575

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE - CONFLICTS OF INTEREST	PART VI, SECTION B, QUESTION 12C	All Covered Persons are required to complete, on an annual basis (at a minimum), a Conflict of Interest Questionnaire and Attestation of Compliance Any Covered Person considering activity that could create an actual or potential Conflict of Interest must immediately disclose the nature of the Conflict of Interest including all material facts within the Conflict of Interest Questionnaire and Attestation of Compliance During the time period between annual attestations, Covered Persons are encouraged to seek counsel and advice from the Chairman of the Board of Directors (Chairman) or Chief Executive Officer (CEO) should any questions arise as to whether or not personal activity or proposed activity would be considered a Conflict of Interest Whenever there is reason to believe that an actual or potential Conflict of Interest exists between UNMC Physicians and a Covered Person, the following procedures for reviewing a potential Conflict of Interest shall be undertaken 1 Conflicts involving Board members or Members of Board Committees The Chairman shall serve as the Designated Reviewing Official and shall have responsibility (except when he/she is a Covered Person) to promptly bring the actual or potential Conflict of Interest to the attention of the Board for action at the next regular meeting of the Board, or during a special meeting called specifically to review the potential conflict of interest When the Chairman has an actual or potential Conflict of Interest, the CEO shall serve as the Designated Reviewing Official 2 Conflicts involving CEO, CFO or COO The Chairman shall serve as the Designated Reviewing Official and shall have responsibility to promptly bring the actual or potential Conflict of Interest to the attention of the Board for action at the next regular meeting of the Board, or during a special meeting called specifically to review the actual or potential Conflict of Interest 3 Conflicts involving all other Covered Persons The CEO shall serve as the Designated Reviewing Official and shall be responsible for reviewing the actual or potential Conflict of Interest UNMC Physicians shall refrain from acting upon any transaction involving an actual or potential Conflict of Interest until such time as the actual or potential Conflict of Interest has been reviewed and final resolution (i e , approved, denied, and/or proposed an alternative arrangement) has been determined through the applicable process described below 1 Conflicts involving Board members or Members of Board Committees A) The Covered Person shall have an opportunity and must be available to provide factual information about the actual or potential Conflict of Interest B) The Covered Person shall not participate in any way in, or be present during, the deliberations and decision-making vote with respect to such actual or potential Conflict of Interest C) The disinterested members of the Board shall consider whether the terms of the actual or potential Conflict of Interest are fair and reasonable to UNMC Physicians and shall vote to determine final resolution D)Final resolution of the arrangement by the disinterested members of the Board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present A Covered Person shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of Board members in attendance 2 Conflicts involving CEO, CFO, COO A)The Covered Person shall have an opportunity and must be available to provide factual information about the actual or potential Conflict of Interest B)The Covered Person shall not participate in any way in, or be present during, the deliberations and decision-making vote with respect to the actual or potential Conflict of Interest C)The Chairman shall bring actual or potential Conflicts of Interest to the attention of the Board for action Members of the Board shall consider whether the terms of the actual or potential Conflict of Interest are fair and reasonable to UNMC Physicians and shall vote to determine final resolution D)Final resolution of the actual or potential Conflict of Interest by the disinterested members of the Board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present 3 Conflicts involving all other Covered Persons A) The Covered Person shall have an opportunity and must be available to provide factual information about the actual or potential Conflict of Interest B) The Covered Person shall not participate in any way in, or be present during, the deliberations and decision-making vote with respect to such actual or potential Conflict of Interest C) The CEO shall be responsible for reviewing and determining final resolution of actual or potential Conflicts of Interest All results shall be reported to the Chairman who may then determine whether any further board review or action is necessary

Identifier	Return Reference	Explanation
POLICIES - COMPENSATION	PART VI, SECTION B, QUESTION 15A & 15B	The Compensation Committee for accepting/revising/rejecting executive compensation is comprised of 1 the Chair of the Board of Directors of UNMC Physicians ("Board"), 2 Vice Chancellor for Business and Finance of the University of Nebraska, 3 two members who are not employees of UNMC Physicians These two members shall be appointed by the Committee Chair and are subject to approval of Board, and 4 three Board members, who are chairs of clinical departments The Compensation Committee reviews all proposed compensation All compensation submitted for review must be supported by appropriate documentation, including but not limited to comparability data (i e , Association of American Medical Colleges (AAMC)) relevant for the occupation and Corporation position The Compensation Committee shall ensure, when reviewing and approving all compensation (subject to the Compensation Committee Policy and Procedure) that its review and approval qualifies for the rebuttable presumption of reasonableness under the Intermediate Sanctions regulations (26 C F R 53 4958-6, as amended) To ensure such compliance, the Compensation Committee shall 1 ensure that no conflict of interest is present with Compensation Committee members present, 2 receive and rely upon appropriate data as to comparability from internal or external resources prior to making its determination, and 3 document the basis for its determination of reasonableness concurrently with making that determination Such documentation shall include a) the terms of the arrangement that was approved and the date it was approved, b) the members of the Compensation Committee who were present and those who voted on it (Quorum is required for any approval), c) the comparability data obtained and relied upon by the Compensation Committee and how such material was obtained, and d) the action(s) taken by the Compensation Committee At the end of fiscal 2012, UNMC Physicians retained the services of an independent consultant to evaluate and make appropriate recommendations on executive compensation for fiscal year 2013

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	Form 990, Part VI, Line 19	Governing documents, Conflict of Interest policy, and audited financial statements are available to the public upon request in the administration offices

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, LINE 11B	The Form 990 is initially reviewed in detail by the Finance and Audit committees of the Board of Directors, with executive management and independent tax specialists present to assist with the review The Committees' role is to thoroughly understand the Form 990 contents and to report to the full board of directors the results of its review The review with the full Board of Directors is conducted prior to the filing of the Form 990 with the IRS The Form 990 is sent to each Director of the Board one week prior to the Board Meeting at which the Form 990 will be reviewed and reported upon by the Committees

Identifier	Return Reference	Explanation
IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS	PART VII, SECTION A	UNIVERSITY OF NEBRASKA MEDICAL CENTER IS A PART OF THE UNIVERSITY OF NEBRASKA GOVERNED BY THE BOARD OF REGENTS

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 6	The Corporation's Bylaws and Articles of Incorporation provide that all full time, part time and volunteer faculty members of the University of Nebraska College of Medicine who provide professional clinical healthcare services and have a separate employment arrangement with the Corporation are deemed members of the Corporation Each full time member is entitled to one vote on any matter submitted to a vote of the members

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 7A	Four director seats on the board of directors shall be filled by and elected by the full time members of the corporation

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 7B	The Board of Regents of the University of Nebraska (Board of Regents), is a public corporate body organized and existing under the Constitution and laws of the State of Nebraska The Corporation exists under the provisions of the medical service plan as adopted by the Board of Regents Therefore, certain actions taken by the Corporation require approval by the Board of Regents In addition, certain matters taken up by the Corporation's Board of Directors may require member approval

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 2	CARL V SMITH AND MICHAEL SITORIUS HAVE A BOARD RELATIONSHIP

Identifier	Return Reference	Explanation
REQUIRED SCHEDULES	PART IV, LINE 12B	UNMC PHYSICIANS IS A BLENDED COMPONENT UNIT OF THE UNIVERSITY OF NEBRASKA

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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
UNMC Physicians

Employer identification number
47-0785575

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
(1) UNIVERSITY OF NEBRASKA MEDICAL CENTER 986800 NEBRASKA MEDICAL CENTER OMAHA, NE 68198 47-0049123	EDUCATION	NE	GOVT	N/A	NA		No

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	

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

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

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

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	No
b	Gift, grant, or capital contribution to related organization(s)	1b	Yes
c	Gift, grant, or capital contribution from related organization(s)	1c	No
d	Loans or loan guarantees to or for related organization(s)	1d	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	No
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	Yes
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes
o	Sharing of paid employees with related organization(s)	1o	Yes
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	No

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

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

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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 47-0785575
Name: UNMC Physicians

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation	

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UNMC PHYSICIANS

Financial Statements

June 30, 2013 and 2012

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 1501
222 South 15th Street
Omaha, NE 68102-1610

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Board of Directors
UNMC Physicians:

Report on the Financial Statements

We have audited the accompanying statements of net position of UNMC Physicians, a component unit of the University of Nebraska, as of June 30, 2013 and 2012, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of UNMC Physicians as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with U.S generally accepted accounting principles.

Other Matters

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Omaha, Nebraska
September 18, 2013

As management of UNMC Physicians, we offer readers of the financial statements this narrative overview and analysis of the financial activities of UNMC Physicians.

The financial statements presented consist of the statements of net position, the statements of revenues, expenses, and changes in net position, and the statements of cash flows. The notes to the financial statements are an integral part of the financial statements.

A. The Statements of Net Position, which provide a view of the financial assets, liabilities, and net position at June 30, 2013 and 2012:

Cash and cash equivalents increased by $12.3 million or 47% from $26.3 million in 2012 to $38.7 million in 2013 and increased by $2.5 million or 11% from $23.8 million in 2011 to $26.3 million in 2012. The net increase from 2012 to 2013 was driven by changes in net patient service revenue, other contractual revenue, lower capital purchases, and the timing of transfers to the University of Nebraska Medical Center (UNMC). Please refer to the Statements of Cash Flows, as well as the discussion of the Statements of Cash Flows in Section C that follows.

Patient accounts receivable increased by $3.4 million from $20.4 million at the end of 2012 to $23.8 million at the end of 2013. The increase is attributable to slightly higher patient volumes and gross charges, and changes in the payer and patient mix in accounts receivable. Additionally, these increases were partially offset by increases in contract allowance estimates during 2013, due to changes in the mix of payers and collection trends. Patient accounts receivable decreased by $4.3 million from $24.7 million at the end of 2011 to $20.4 million at the end of 2012. The decrease was driven by lower patient volume, changes in payer and patient mix and increases in the allowance for doubtful accounts due to an increase in the estimate for receivables that are under appeal. These receivable balances represent portions of claims that have been denied payments by payers for various reasons and have shown an increasing trend in the amount of allowance for contractual adjustments.

Investments increased by $4.1 million from $37.8 million at the end of 2012 to $41.9 million at the end of 2013. The increase was mainly attributable to changes in economic conditions and performance of the financial markets. Investments decreased by $5 million from $42.8 million at the end of 2011 to $37.8 million at the end of 2012. This decrease was mainly attributable to a sale of investments of $4.9 million to support additional transfers to UNMC. Please refer to the notes to the financial statements for a more detailed view of investments.

Net capital assets decreased by $1.5 million from 2012 to 2013 mainly due to annual depreciation, partially offset by capital additions of medical and computer equipment. Net capital assets decreased by $1.7 million from 2011 to 2012 mainly due to annual depreciation, partially offset by capital additions of equipment. See note 6 for further information.

Current liabilities increased by $7.3 million in 2013 from $33.0 million at June 30, 2012 to $40.3 million at June 30, 2013. The increase is mainly attributable to a $4.1 million change in fees payable to UNMC for transfers due to timing. The remainder is due to increases in trade accounts payable, which includes payables to TNMC of $725 thousand for the Electronic Medical Records (EMR) system. Current liabilities decreased by $3.7 million in 2012 from $36.7 million at June 30, 2011 to $33.0 million at June 30, 2012. The decrease was mainly attributable to a decrease in accrued expenses of $1.7 million attributable to reduction in an estimate related to sales tax liability. In addition, the accounts payable to UNMC dropped

in 2012 due to timing of year-end invoices. Accounts payable to UNMC are trade payables and are discussed in further detail in note 11 to the Financial Statements.

UNMC Physicians entered into a $5 million, 10-year gift agreement with the University of Nebraska Foundation in order to support the construction and equipping of the Sorrell Center for Health Sciences Education facility on the campus of UNMC. The liability remaining at June 30, 2013 was $1 25 million, of which $500 thousand is recorded as a current liability, due and payable in fiscal year 2014, and $750 thousand is recorded as a long-term liability, due and payable in equal quarterly installments between June 30, 2014 and 2015.

B The Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2013 and 2012.

Results of Operating Activities

Net patient service revenue increased by $2.7 million, or 2.1% from $132.7 million in 2012 to $135.4 million The increase was primarily due to increases in patient volume and changes in payer and patient mix, with the largest growth in Internal Medicine and Pathology. The increase was partially offset by a $5.4 million reduction in revenues billed for Children's Specialty Practice (CSP) due to CSP assuming responsibility during FY 2013 for billing for the services of UNMCP pediatricians who moved to CSP employment on July 1, 2009. Billing services for these pediatricians were provided by UNMCP between July 1, 2009 and late FY 2013 through a billing services arrangement between UNMCP and CSP. Net patient service revenue decreased by $12 million, or 8%, from $144.7 million in 2011 to $132.7 million in 2012. The decrease is attributable to a $2 6 million reduction in revenue associated with the Medicaid upper payment limit (UPL) program, increases in contractual allowances related to changes in payer mix and reduced collections, and a $4 0 million reduction in the revenues billed for CSP. The UPL program was started in 2011 and provides enhanced Medicaid reimbursement to UNMC College of Medicine faculty who practice medicine at UNMC Physicians UNMC Physicians has developed and implemented a strategy to increase reimbursement to UNMC physician faculty for care provided to Medicaid recipients. CMS rules permit states to set fee schedules State Medicaid programs are funded 60% by the federal government and 40% by state government. Since state budgets must fund the 40%, opportunities to increase rates are rare. Similar to what has been done in other states, UNMC has worked with the Nebraska Department of Health and Human Services (DHHS) to develop a UPL program to provide higher reimbursement to its physicians at both UNMC Physicians and CSP.

Other contractual revenue increased by $5.5 million or 8 0%, from $68 8 million in 2012 to $74.3 million in 2013. The increase was driven by increases of $1.6 million in professional services and clinical support revenue from The Nebraska Medical Center (TNMC). $4.0 million of the increase was from the U.S. Centers for Medicare and Medicaid Services (CMS) Meaningful Use program, which provides incentives over a 5 year period to physicians who demonstrate the ability to use certified electronic medical record systems according to CMS standards. Other contractual revenue increased by $12.6 million or 22%, from $56.2 million in 2011 to $68.8 million in 2012. The increase was driven by additional contractual arrangements, mainly with TNMC, for clinical shortfalls and professional service contracts

Operating expenses in 2013 were $168.2 million compared to $166.8 million in 2012, an increase of $1.4 million or 0.8% Operating expenses represented 80.2% of total operating revenues in 2013 versus 82.8% in 2012. Operating expenses in 2012 were $166.8 million compared to $167.1 million in 2011, a

decrease of $0.3 million or 0.2%. Operating expenses represented 82.8% of total operating revenues in 2012 versus 83.2% in 2011. Note 13 to the financial statements presents a more detailed view of operating expenses. The net increase in operating expenses from 2012 to 2013 was mainly attributable to increases in physicians salary and benefits and increases in donations, mainly due to the donation of $1.5 million to TNMC for EMR implementation costs The increases were partially offset by lower administrative salaries and benefits and contracted physician services related to a reduced number of doctors leased from CSP.

Operating income totaled $41.6 million in 2013, or 19.8% of total operating revenues, compared with $34.7 million in 2012, or 17.2% of total operating revenues driven by increases in other contract revenue and only slight growth in expenses Operating income totaled $34 7 million in 2012, or 17 2% of total operating revenues, compared with $33.8 million in 2011, or 16.8% of total operating revenues. The increase is attributable to an increase in other contractual revenue, partially offset by decreases in patient service revenue and an increase in operating expenses

Results of Nonoperating Activities

UNMC Physicians experienced a nonoperating gain on investments held of $3.5 million in 2013 compared with a $0.4 million loss in 2012 UNMC Physicians experienced a nonoperating loss on investments of $0.4 million in 2012 compared with a $6.2 million gain in 2011. The gains and losses during 2013 and 2012 are directly related to changes in economic conditions and performance in the financial markets.

During 2013, 2012, and 2011, in accordance with the Medical Service Plan, UNMC Physicians transferred $9.8 million, $9.8 million, and $10.2 million, respectively, to the College of Medicine for the Dean's Development Fund and Department Development Funds, which are included in operating expenses. Nonoperating expenses include additional transfers in 2013, 2012, and 2011 of $36.1 million, $38 6 million, and $30 0 million, respectively, to UNMC for continuing support of the academic and clinical mission at UNMC. Included in 2012 was an additional transfer of $5.0 million made to UNMC for deficits related to prior years. Please refer to notes 4 and 11 to financial statements for further information.

Excess (deficiency) of revenues over expenses was $11.3 million for 2013 compared with $(2.0) million for 2012 and $12 1 million for 2011.

C. Statements of Cash Flows:

UNMC Physicians experienced positive cash flows from operations of $43.4 million, $35.4 million, and $37.1 million from operating activities during 2013, 2012, and 2011, respectively. Cash flows used in noncapital financing related activities decreased $6.9 million from $37 2 in 2012 to $30 2 in 2013. Cash used in noncapital financing related activities in 2011 was $26.2 million. The net decrease from 2012 to 2013 and an increase from 2011 to 2012 are attributable to changes in cash transfers to UNMC The basis for the transfers to UNMC is discussed in notes 4 and 11 to the financial statements.

UNMC Physicians spent $0 7 million in 2013 for the purchase of capital assets compared with $0.6 million in 2012 and $4.4 million in 2011. Capital spending in 2013 and 2012 was mainly for computer and medical equipment. Capital spending in 2011 was directly related to office relocations, facility renovations, and clinic expansion to accommodate growth including Bellevue Medical Office Building, West Village Pointe Medical Office Building, Midtown Clinic, and Durham Outpatient Center. Additionally, UNMC Physicians invested net cash of $135 thousand in investing activities during 2013 and received cash from

investing activities of $4.9 million during 2012, and $934 thousand during 2011 in various long-term securities and other investments.

D. Condensed financial information as of and for the years ended June 30, 2013, 2012, and 2011 is as follows:

		2013	2012	2011
Current assets	$	80,089,301	64,916,494	65,099,779
Noncurrent assets		63,973,485	61,426,789	68,099,331
Total assets	$	144,062,786	126,343,283	133,199,110
Current liabilities	$	40,265,625	33,010,501	36,732,424
Noncurrent liabilities		3,895,642	4,686,296	5,785,716
Total liabilities		44,161,267	37,696,797	42,518,140
Net investment in capital assets		19,011,591	20,539,683	22,241,147
Unrestricted net assets		80,889,928	68,106,803	68,439,823
Total net position		99,901,519	88,646,486	90,680,970
Total liabilities and net position	$	144,062,786	126,343,283	133,199,110
Operating revenues	$	209,721,587	201,474,879	200,938,187
Operating expenses		168,154,249	166,773,557	167,147,596
Operating income		41,567,338	34,701,322	33,790,591
Nonoperating expenses, net		(30,312,305)	(36,735,806)	(21,643,656)
Excess (deficiency) of revenues over expenses	$	11,255,033	(2,034,484)	12,146,935

E. Notes to the Financial Statements

The notes to the financial statements are an integral part of the report and include information not necessarily evident in the statements themselves. These notes describe accounting policies followed by UNMC Physicians and also contain historical comparisons and other information that are useful when evaluating the financial health of UNMC Physicians.

(Continued)

F. Other:

This table summarizes comparative data elements considered relevant when considering accounts receivable management.

	June 30, 2013	June 30, 2012	June 30, 2011
Days in accounts receivable	47.8	45.0	40.4
Net collection ratio	94.6%	94.0%	94.4%

The net collection ratio is calculated based on actual cash collected as compared to net patient service revenue.

G. Contact Information.

If you have any questions about this report or need additional information, contact Cory Shaw, Chief Executive Officer, or Troy Wilhelm, Chief Financial Officer, at 988101 Nebraska Medical Center, Omaha, NE 68198-8101 or via email at cdshaw@unmc.edu or tkwilhelm@unmc.edu.

UNMC PHYSICIANS

Statements of Net Position

June 30, 2013 and 2012

Assets		2013	2012
Current assets			
Cash and cash equivalents	$	38,686,942	26,343,859
Patient accounts receivable, net of allowance for doubtful accounts of $4,997,007 in 2013 and $5,177,180 in 2012		23,776,427	20,373,392
Receivable from University of Nebraska Medical Center		147,453	222,633
Receivable from The Nebraska Medical Center		8,262,159	11,147,006
Other accounts receivable		7,830,366	5,741,701
Prepaid expenses		722,864	499,381
Other assets		663,090	588,522
Total current assets		80,089,301	64,916,494
Investments		41,918,094	37,843,306
Capital assets			
Land and land improvements		2,358,686	2,358,686
Buildings		4,416,180	4,416,180
Office equipment		3,288,613	3,272,644
Computer equipment		8,832,000	8,672,176
Medical equipment		5,147,136	4,610,686
Leasehold improvements		12,991,308	12,981,524
		37,033,923	36,311,896
Less accumulated depreciation		(18,022,332)	(15,772,213)
Capital assets, net		19,011,591	20,539,683
Land held for sale		3,043,800	3,043,800
Total assets	$	144,062,786	126,343,283
Liabilities and Net Position			
Current liabilities			
Accounts payable	$	7,072,217	4,736,852
Accrued expenses		17,376,260	16,905,875
Accounts payable to University of Nebraska Medical Center		2,051,534	1,746,001
Fees payable to University of Nebraska Medical Center		12,870,614	8,721,773
Reserve for self-insurance		895,000	900,000
Total current liabilities		40,265,625	33,010,501
Long-term liabilities			
Education building commitment		750,000	1,250,000
Reserve for self-insurance		3,145,642	3,436,296
Total liabilities		44,161,267	37,696,797
Net position			
Net investment in capital assets		19,011,591	20,539,683
Unrestricted		80,889,928	68,106,803
Total net position		99,901,519	88,646,486
Total liabilities and net position	$	144,062,786	126,343,283

See accompanying notes to financial statements

UNMC PHYSICIANS

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2013 and 2012

	2013	2012
Operating revenues:		
Net patient service revenue (net of provision for bad debts of approximately $8,100,000 in 2013 and $8,900,000 in 2012)	$ 135,440,942	132,691,448
Other contractual revenue	74,280,645	68,783,431
Total operating revenues	209,721,587	201,474,879
Operating expenses:		
Salaries and benefits	130,264,431	128,925,951
Dean and department development funds	9,758,050	9,833,427
Purchased services, supplies, and other	21,449,482	21,232,305
Occupancy costs	4,432,253	4,628,589
Depreciation	2,250,033	2,153,285
Total operating expenses	168,154,249	166,773,557
Operating income	41,567,338	34,701,322
Nonoperating revenues (expenses):		
Transfers to University of Nebraska Medical Center	(36,106,890)	(38,643,557)
Interest and investment income	426,118	384,618
Realized and unrealized gains and losses on investments	3,514,166	(412,578)
Other revenue	1,854,301	1,935,711
Total nonoperating expenses, net	(30,312,305)	(36,735,806)
Excess (deficiency) of revenues over expenses	11,255,033	(2,034,484)
Net position, beginning of year	88,646,486	90,680,970
Net position, end of year	$ 99,901,519	88,646,486

See accompanying notes to financial statements.

UNMC PHYSICIANS

Statements of Cash Flows

Years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Cash received from providing professional medical services	$ 132,037,907	136,995,322
Cash received from other revenue	75,077,439	67,094,704
Cash paid to physicians and employees	(129,785,950)	(128,193,925)
Cash paid to deans and departments	(9,630,354)	(10,345,876)
Cash paid to suppliers and others	(24,267,989)	(30,173,108)
Net cash provided by operating activities	43,431,053	35,377,117
Cash flows from noncapital financing activities		
Other revenue	1,854,301	1,935,711
Transfers to University of Nebraska Medical Center	(32,085,745)	(39,109,203)
Net cash used in noncapital financing activities	(30,231,444)	(37,173,492)
Cash flows from capital and related financing activity		
Purchases of capital assets	(722,023)	(601,837)
Net cash used in capital and related financing activity	(722,023)	(601,837)
Cash flows from investing activities		
Interest and dividends received on investments	426,118	384,618
Purchases of investments	(9,180,027)	(3,898,740)
Sales of investments	8,619,406	8,457,240
Net cash (used in) provided by investing activities	(134,503)	4,943,118
Net increase in cash and cash equivalents	12,343,083	2,544,906
Cash and cash equivalents at beginning of year	26,343,859	23,798,953
Cash and cash equivalents at end of year	$ 38,686,942	26,343,859
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 41,567,338	34,701,322
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,250,033	2,153,285
Provision for bad debts	8,097,351	8,869,726
Changes in assets and liabilities		
Patient accounts receivable	(11,500,386)	(4,565,852)
Receivable from University of Nebraska Medical Center	75,180	185,094
Receivable from The Nebraska Medical Center	2,884,917	(2,167,995)
Other accounts receivable	(2,088,665)	58,368
Prepaid expenses	(223,483)	113,027
Other assets	(74,568)	235,823
Accounts payable	2,335,365	(695,478)
Accrued expenses	470,385	(1,731,581)
Accounts payable to University of Nebraska Medical Center	305,533	(196,753)
Fees payable to University of Nebraska Medical Center	127,707	(512,449)
Education building commitment	(500,000)	(500,000)
Reserve for self-insurance	(295,654)	(569,420)
Net cash provided by operating activities	$ 43,431,053	35,377,117

See accompanying notes to financial statements

(1) Summary of Significant Accounting Policies

(a) Nature of Organization

UNMC Physicians is a Nebraska nonprofit corporation established by the University of Nebraska to provide a vehicle for the faculty of the College of Medicine of the University of Nebraska to develop an integrated practice for management of the clinical practice activities. UNMC Physicians consists of clinical departments, responsible for the delivery of medical care to patients, and administrative departments, responsible for administrative services overseeing quality, risk, clinical operations, regulatory compliance, human resource management, financial oversight, and the billing, collecting, and distribution of medical service fees generated by member clinicians through clinical activities. The clinical departments are made up of member clinicians. The distribution of medical service fees to the member clinicians is governed by the terms of the University of Nebraska Medical Service Plan applicable to the member clinicians. Under Governmental Accounting Standards Board (GASB) Statement No. 14, UNMC Physicians is reported as a component unit of the University of Nebraska.

(b) Basis of Accounting

The financial statements are prepared on the economic resources measurement focus and the accrual basis of accounting and in accordance with pronouncements issued by GASB.

(c) Use of Estimates

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include demand accounts and money market securities with original maturities of three months or less.

(e) Investments

Investments in equity securities with readily determined fair values and all investments in debt securities are measured at fair value in the accompanying statements of net position. Interest, dividends, gains, and losses, both realized and unrealized, are included in nonoperating revenues (expenses) when earned. Alternative investments are valued at net asset value as a practical expedient to estimated fair value The estimated values as determined by the general manager and investment managers may differ significantly from the values that would have been used had ready markets for the investments existed.

UNMC Physicians has invested in other entities and has accounted for such investments using the equity or cost method of accounting depending on ownership percent and control. UNMC Physicians' investment in its joint venture, Bellevue Medical Center, is $0 at June 30, 2013 and 2012 as losses in the joint venture exceed contributions and there are no additional mandatory capital contributions

(f) Net Patient Service Revenue

UNMC Physicians has agreements with third-party payers that provide for payments to UNMC Physicians at amounts different from its established rates. Net patient service revenue is reported at the net realizable amounts from patients, third-party payers, and others for services rendered.

(g) Other Contractual Revenue

UNMC Physicians' has agreements with The Nebraska Medical Center (TNMC), University of Nebraska Medical Center (UNMC), Veterans Hospital (VA), and others to provide professional services and medical direction. UNMC Physicians also has agreements with TNMC, Methodist Hospital, Children's Hospital, and others that provide support for clinical programs. Other contractual revenue is reported at the net realizable amounts for services rendered.

(h) Operating Revenues and Expenses

UNMC Physicians' statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – UNMC Physicians' principal activity. Nonexchange revenues are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs

(i) Capital Assets

Capital assets are stated at historical cost. It is UNMC Physicians' policy to capitalize purchases of capital assets that are greater than $5,000 at the clinics and $1,000 in all other operating departments. These assets are depreciated using straight-line and accelerated methods over their estimated useful lives of three to forty years.

Land held for sale is valued at historic cost and tested annually for impairment On January 22, 2013, the UNMC Physicians Board of Directors approved a Letter of Intent for the sale of the land. A Land Purchase Agreement was entered into on June 3, 2013 and the closing of the sale is expected to be on or before December 31, 2013.

(j) Income Taxes

UNMC Physicians has been recognized as a not-for-profit organization by the Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and, accordingly, is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code In 2013 and 2012, management has determined that there are no income tax positions requiring recognition in the financial statements.

(k) Charity Care

UNMC Physicians provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because UNMC Physicians does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of charges foregone for services and supplies furnished under UNMC Physicians' charity care policy was approximately $5,403,000 and $6,014,000 for the years ended June 30, 2013 and 2012, respectively

(l) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, patient accounts receivable, receivable from University of Nebraska Medical Center (UNMC), receivable from The Nebraska Medical Center, investments, accounts payable, accrued expenses, accounts payable to UNMC, and fees payable to UNMC approximates fair value because of the short maturity of these instruments.

(m) Reclassifications

Certain balances from 2012 have been reclassified to conform to current year presentation

(2) Investments

Investments and deposits at June 30, 2013 and 2012 consist of the following:

	2013	
	Original cost	Fair value/ stated value
Investments, at fair value:		
Equity securities	$ 18,375,207	18,712,315
Investments, at net asset value	12,991,025	22,156,128
Other investments (cost and equity method)	2,849,651	1,049,651
Total investments	$ 34,215,883	41,918,094

	2012	
	Original cost	Fair value/ stated value
Investments, at fair value:		
Equity securities	$ 18,030,019	18,431,426
Investments, at net asset value	13,188,977	19,411,880
Other investments (equity method)	1,800,000	—
Total investments	$ 33,018,996	37,843,306

Credit Risk – UNMC Physicians has an investment policy that limits its investment choices. As of June 30, 2013 and 2012, UNMC Physicians' investments are not rated

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, UNMC Physicians' deposits may not be returned to it. UNMC Physicians does not have a deposit policy for custodial credit risk. As of June 30, 2013 and 2012, $39,204,202 and $23,654,151, respectively, of UNMC Physicians' bank balance of $39,456,926 and $27,128,010, respectively, was uninsured and uncollateralized.

Concentration of Credit Risk – UNMC Physicians places no limits on the amount it may invest in any one company. UNMC Physicians has invested in the following securities, which represent more than 5% of total investments at June 30, 2013 and 2012.

	2013	2012
Westwood Diversified Core Equity LLC	10.7%	9.8%
Westwood Focused Core Equity LLC	5.9	5.3
NTGI Common Daily Aggregate Bond Index Fund	—	5.4
MFB NTGI-QM Daily Russell Index Fund	6.4	—
NTCC Large Capital Fund	7.5	8.9

(3) Pension Plans

UNMC Physicians sponsors a defined contribution money purchase pension plan. This plan covers substantially all employees who meet age and length of service requirements of the plans. The plan is funded through UNMC Physicians and contributions are based upon a fixed percentage of the employees' salaries. Total pension expense was $11,029,725 and $11,076,909 for the years ended June 30, 2013 and 2012, respectively.

(4) Fees Payable to University of Nebraska Medical Center

For the years ended June 30, 2013 and 2012, approximately 6.5%, of clinic net collections from patients by UNMC Physicians are distributed monthly to the dean's and departments' development accounts. Total amounts expensed to the dean were $5,127,617 and $5,184,263 for the years ended June 30, 2013 and 2012, respectively. Amounts expensed to the department development accounts were $4,630,433 and $4,649,164 for the years ended June 30, 2013 and 2012, respectively.

Fees payable to University of Nebraska Medical Center at June 30, 2013 and 2012 consist of the following:

	2013	2012
UNMC Transfer and Payable accounts	$ 11,609,340	7,588,195
Dean and Department Development account	1,261,274	1,133,578
	$ 12,870,614	8,721,773

(Continued)

(5) Accounts Receivable and Payable

Patient accounts receivable and accounts payable (including accrued expenses) reported as current assets and liabilities by UNMC Physicians at June 30, 2013 and 2012 consisted of the following amounts:

Patient accounts receivable		2013	2012
Receivable from patients and their insurance carriers	$	23,992,147	21,729,900
Receivable from Medicare		2,681,090	1,695,757
Receivable from Medicaid		2,100,197	2,124,915
Total accounts receivable		28,773,434	25,550,572
Less allowance for uncollectible amounts		4,997,007	5,177,180
Patient accounts receivable, net	$	23,776,427	20,373,392

Accounts payable and accrued expenses		2013	2012
Payable to employees (including payroll taxes)	$	17,126,260	16,655,874
Payable to suppliers and others		6,294,750	3,469,065
Payable to patients		1,027,467	1,517,788
Total accounts payable and accrued expenses	$	24,448,477	21,642,727

(6) Capital Assets

Capital assets additions, retirements, and balances for the years ended June 30, 2013 and 2012 were as follows:

		Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Land and land improvements	$	2,358,686	—	—	2,358,686
Building		4,416,180	—	—	4,416,180
Office equipment		3,272,644	15,969	—	3,288,613
Computer equipment		8,672,176	159,824	—	8,832,000
Medical equipment		4,610,686	536,450	—	5,147,136
Leasehold improvements		12,981,524	9,784	—	12,991,308
Total at historical cost		36,311,896	722,027	—	37,033,923

(Continued)

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Less accumulated depreciation:				
Office equipment	$ 1,831,515	184,134	—	2,015,649
Building	385,610	110,405	—	496,015
Computer equipment	7,941,331	551,736	—	8,493,067
Medical equipment	2,278,050	454,152	—	2,732,202
Land improvements	464,108	81,949	—	546,057
Leasehold improvements	2,871,599	867,657	(86)	3,739,342
Total accumulated depreciation	15,772,213	2,250,033	(86)	18,022,332
Capital assets, net	$ 20,539,683	(1,528,006)	(86)	19,011,591

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Land and land improvements	$ 2,358,686	—	—	2,358,686
Building	4,416,180	—	—	4,416,180
Office equipment	3,239,649	32,995	—	3,272,644
Computer equipment	8,395,097	277,079	—	8,672,176
Medical equipment	4,553,015	57,671	—	4,610,686
Leasehold improvements	12,897,448	84,076	—	12,981,524
Total at historical cost	35,860,075	451,821	—	36,311,896
Less accumulated depreciation:				
Office equipment	1,649,272	182,243	—	1,831,515
Building	275,206	110,404	—	385,610
Computer equipment	7,442,087	499,244	—	7,941,331
Medical equipment	1,861,510	416,540	—	2,278,050
Land improvements	382,158	81,950	—	464,108
Leasehold improvements	2,008,695	862,904	—	2,871,599
Total accumulated depreciation	13,618,928	2,153,285	—	15,772,213
Capital assets, net	$ 22,241,147	(1,701,464)	—	20,539,683

(7) Self-Insurance

UNMC Physicians maintains professional liability insurance through self-insurance and a third-party insurer. For claims filed inside the state of Nebraska, the commercial insurance provides coverage limits of $500,000 for each medical malpractice claim, or $1 million in the aggregate, with the Nebraska State Excess Liability Fund providing coverage from $500,000 to $1,750,000 for each medical malpractice

claim. For claims filed outside the state of Nebraska, the commercial insurance provides coverage limits of $1 million per claim, or $3 million in the aggregate and an excess limit of $1 million per claim, or $1 million in the aggregate. Under the commercial insurance policy, UNMC Physicians is subject to a deductible of $250,000 per claim or $1,250,000 in the aggregate. In connection with UNMC Physicians' self-insured portion, which would include incurred but not reported claims, a reserve is maintained of $4,040,642 and $4,336,296 at June 30, 2013 and 2012, respectively. Based on historical experience and other factors, management believes that no additional reserve for retained risk is necessary at June 30, 2013 and 2012. The change in the balance of the claims liability is as follows:

	Beginning of year liability	Current year claims	Claims paid	End of year liability
Fiscal year 2013	$ 4,336,296	600,198	895,852	4,040,642
Fiscal year 2012	4,905,716	340,301	909,721	4,336,296

(8) Leasing Arrangements

UNMC Physicians is obligated under several noncancelable operating leases primarily for office space and expire over the next 5 to 15 years. The leases generally contain renewal options for periods up to 5 years and require UNMC Physicians to pay all maintenance and insurance. Minimum rental payments under operating leases are recognized on a straight-line basis over the term of the lease. Rental expense for operating leases during the years ended June 30, 2013 and 2012 were $2,183,804 and $2,152,542, respectively. Future minimum lease payments as of June 30, 2013 are as follows:

2014	$ 2,327,323
2015	2,357,093
2016	2,387,170
2017	2,212,374
2018	1,615,521
Thereafter	7,755,754

(9) Net Patient Service Revenue

UNMC Physicians has agreements with third-party payers that provide for payments to UNMC Physicians at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare and Medicaid – Services rendered to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates.

Revenue from the Medicare and Medicaid programs accounted for approximately 34% and 12%, respectively, of UNMC Physicians' total gross patient service revenue for the year ended June 30, 2013, and 31% and 13%, respectively, of UNMC Physicians' total gross patient service revenue for the year ended June 30, 2012. 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 could change by a material amount in the near term.

(Continued)

UNMC Physicians has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to UNMC Physicians under these agreements includes prospectively determined rates and discounts from established charges.

(10) Concentrations of Credit Risk

UNMC Physicians grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at June 30, 2013 and 2012 was as follows:

	2013	2012
Medicare	12%	10%
Medicaid	9	12
Commercial	32	37
Self-pay	40	36
Other	7	5
	100%	100%

(11) Related-Party Transactions

UNMC Physicians entered into an Academic Clinical Enterprise Funding Agreement with TNMC to reimburse for costs incurred on behalf of TNMC for management and routine operations of the clinics. Additionally, TNMC continues to provide infrastructure support; the value of such support has not been included in the accompanying financial statements UNMC Physicians has recorded revenues from TNMC of $5,197,631 during 2013 and $5,110,749 during 2012, which is recorded in other contractual revenue on the accompanying statements of revenues, expenses, and changes in net position

UNMC Physicians provided certain professional services to TNMC of approximately $51.0 million and $49.4 million for the years ended June 30, 2013 and 2012, respectively This includes the academic clinical funding agreement noted above. In connection with these activities, UNMC Physicians has also recorded a receivable of $8,262,159 and $11,147,006 for 2013 and 2012, respectively.

UNMC Physicians purchased certain EMR system support from TNMC during 2013, amounting to $725,000 for the year ended June 30, 2013 This is included in accounts payable in the accompanying statements of net position.

UNMC Physicians provided certain operational and support services to UNMC of $541,554 and $814,984 for the years ended June 30, 2013 and 2012, respectively. In connection therewith, UNMC Physicians has also recorded a receivable from UNMC at June 30, 2013 and 2012 for $147,453 and $222,633, respectively.

In addition, UNMC provides certain administrative and support services to UNMC Physicians. In connection therewith, UNMC Physicians has recorded a payable to UNMC at June 30, 2013 and 2012 for $2,051,534 and $1,746,001, respectively.

(Continued)

UNMC Physicians transfers funds to UNMC clinical department development accounts for continuing support of the academic and clinical mission at UNMC in addition to the amounts prescribed under the Medical Service Plan. Transfers of $36,106,890 and $38,643,557 were recorded as nonoperating expense for the years ended June 30, 2013 and 2012, respectively.

(12) Education Building Commitment

An agreement was executed between UNMC Physicians and the University of Nebraska Foundation to establish the "UNMC Physicians Capital Construction Fund." UNMC Physicians has pledged the sum of five million dollars to be paid over a 10-year period. As of June 30, 2013, UNMC Physicians has recorded a payable of $1,250,000 related to their remaining balance on the pledge, of which $500,000 is current and recorded in accounts payable to the University of Nebraska Medical Center and $750,000 is long term and recorded in education building commitment in the accompanying statements of net position. This fund is to be used annually or otherwise for expenses related to the design, construction, and equipping of the Sorrell Center for Health Science Education facility located on the UNMC campus.

(13) Operating Expenses

The following is a detail listing of UNMC Physicians' operating expenses for the years ended June 30, 2013 and 2012.

	2013	2012
Salaries and benefits:		
Physician salary and benefits	$ 89,199,131	85,640,857
Clinic salary and benefits	25,594,658	25,044,656
Administrative salary and benefits	15,470,642	18,240,438
Total salaries and benefits	130,264,431	128,925,951
Dean and department development funds	9,758,050	9,833,427
Purchased services, supplies, and other:		
Medical supplies equipment	2,324,034	2,142,909
Medical malpractice expense	2,139,852	1,951,036
Contracted physician services	2,076,330	4,682,759
Laboratory services	2,067,137	2,889,127
Office supplies	528,029	722,117
Maintenance and repairs	761,152	950,989
Business insurance	384,532	421,582
Professional/consulting fees/marketing	1,185,549	1,310,159

(Continued)

		2013	2012
Contracted services	$	1,358,121	1,192,575
Employee development/recognition		167,490	179,882
Donations (including $1.5 million to TNMC)		3,251,019	1,913,013
Travel and entertainment		133,252	281,147
Other department clinic/administrative		5,072,985	2,595,010
Total purchased services, supplies, and other		21,449,482	21,232,305
Occupancy costs:			
Business lease		3,658,737	3,797,673
Utilities		130,387	125,789
Telephone		643,129	705,127
Total occupancy costs		4,432,253	4,628,589
Depreciation		2,250,033	2,153,285
Total operating expenses	$	168,154,249	166,773,557

(14) Laws and Regulations

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 necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that UNMC Physicians is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no regulatory inquiries have been made which are expected to have a material effect on UNMC Physicians' financial statements, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

(15) Subsequent Events

UNMC Physicians has reviewed subsequent events through September 18, 2013, the date the financial statements were issued, and concluded there were no events or transactions during this period that would require recognition or disclosure in the financial statements other than those already reflected.