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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)

OMB No 1545-0047

2012

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

Open to Public Inspection

A Fo	or the	2012 ca	lendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-	2013			
		applicable	C Name of organization Christus Spohn Health System Corporation		D Employ	er iden	tification number
	dress c me cha	-	Doing Business As SEE SCHEDULE O		74-110	9836	
┌ Inı	tıal retu	um	Number and street (or P O box if mail is not delivered to street address) Room/suite		F T-1		
Гте	rmınate	ed	600 Elizabeth Street Suite		E Telephor		
┌ Am	nended	return	City or town, state or country, and ZIP + 4		(361)8	881-3	400
Гар	plicatio	n pending	Corpus Christi, TX 78404		G Gross red	ceipts \$	761,162,659
			F Name and address of principal officer	H(a) Is thi			
			PAM ROBERTSON 600 ELIZABETH STREET	affilia			┌ Yes 🗸 No
			Corpus Christi TV 79404	H(b) Δre a	ll affiliates	ıncluc	led?
							(see instructions)
		mpt status		H(c) Grou	p exemption	on num	nber ► 0928
			w christusspohn org				_
		_	n	L Year of fo	mation 196	5 M :	State of legal domicile TX
Pa	rt I		nmary				
Governance		SUPPO	describe the organization's mission or most significant activities RTING THE HEALTH CARE MINISTRIES OF THE SPONSORING CONG TRY OF JESUS CHRIST IN CONFORMITY WITH THE ETHICAL AND MO TH				
gove.	2	Check t	this box 📭 if the organization discontinued its operations or disposed of	more than 2	5% of its r	net ass	sets
	3	Numhei	of voting members of the governing body (Part VI, line 1a)		. 1	з	16
Activities &	1		of independent voting members of the governing body (Part VI, line 1b)		∵. ⊦	4	15
<u>₹</u>			umber of individuals employed in calendar year 2012 (Part V, line 2a) .			5	5,880
∢	6	Total nu	umber of volunteers (estimate if necessary)		[6	700
	7a	Total u	nrelated business revenue from Part VIII, column (C), line 12		[7a	43,235
	Ь	Net unr	elated business taxable income from Form 990-T, line 34			7b	
				Prio	r Year		Current Year
a)	8		ributions and grants (Part VIII, line 1h)	8,850,			9,314,392
Rayenue	9		ram service revenue (Part VIII, line 2g)	6	87,132,9		745,702,445
H ₂ V	10		stment income (Part VIII, column (A), lines 3, 4, and 7d)		-80,436		-129,243
	12		r revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) revenue—add lines 8 through 11 (must equal Part VIII, column (A), line		5,643,1	0 /	6,111,726
				7	01,545,8	8 2	760,999,320
	13		es and similar amounts paid (Part IX, column (A), lines 1–3)		3,611,1	89	2,475,087
	14		fits paid to or for members (Part IX, column (A), line 4)			0	0
82	15	Salar 5-10	ies, other compensation, employee benefits (Part IX, column (A), lines	2	288,667,6	47	288,867,521
ž.	16a		ssional fundraising fees (Part IX, column (A), line 11e)		· · ·	0	0
Expenses	Ь		undraising expenses (Part IX, column (D), line 25) •28,277				
Ш	17		r expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3	375,222,2	02	437,944,855
	18		expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		67,501,0	_	729,287,463
	19	Reve	nue less expenses Subtract line 18 from line 12		34,044,8	44	31,711,857
Not Assets or Fund Balances					of Curren ear	t	End of Year
See l	20	Total	assets (Part X, line 16)		10,789,1	97	932,568,991
AA.	21		liabilities (Part X, line 26)		76,726,9		267,338,354
žĒ	22	Net a	ssets or fund balances Subtract line 21 from line 20	6	34,062,2	86	665,230,637
Pa	rt II	Sig	nature Block				
my k	nowle	dge and	perjury, I declare that I have examined this return, including accompanyi belief, it is true, correct, and complete Declaration of preparer (other that knowledge				
c: -	_	Siar	nature of officer		14-05-10 ite		
Sigr Her		'		De	=		
	_		IELA BROWER TREASURER e or print name and title				
		<u>''</u>	Print/Type preparer's name Preparer's signature Date	Cile	CK I II	PTIN	
Pai	d	-	Firm's name ► ERNST & YOUNG US LLP		employed 's EIN 📂		
Pre	pare	er					
Use	On	ıly	Firm's address ► 111 MONUMENT CIRCLE SUITE 4000	Pho	ne no (317)	681-70	00
			INDIANAPOLIS, IN 46204				

May the IRS discuss this return with the preparer shown above? (see instructions) $\,$.

. Tyes No

Part III Statement of Program Service Accomplishments

Briefly describe the organization's mission

THE CORPORATION IS ORGANIZED AND SHALL BE OPERATED EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, EDUCATIONAL AND RELIGIOUS PURPOSES OF ADVANCING, PROMOTING AND SUPPORTING THE HEALTH CARE MINISTRIES OF THE SPONSORING CONGREGATIONS WHICH OPERATE AND ARE CONTROLLED IN CONFORMITY WITH THE ETHICAL AND MORAL TEACHINGS OF THE ROMAN CATHOLIC CHURCH, AND PROMOTING EFFICIENT GOVERNANCE AND MANAGEMENT, COOPERATIVE PLANNING AND THE SHARING OF RESOURCES AMONG SUCH HEALTH CARE MINISTRIES WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE CORPORATION'S MISSION SHALL BE TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST, AND CONSISTENT THEREWITH, SHALL OPERATE ACCORDING TO THE DOCTRINES, RESOLUTIONS, DECREES AND ETHICAL PRINCIPLES OF THE SPONSORING CONGREGATIONS, AND THE ETHICAL AND RELIGIOUS DIRECTORS FOR CATHOLIC HEALTH CARE SERVICES AS PROMULGATED OR AMENDED FROM TIME TO TIME BY THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS IT IS ALSO A PURPOSE OF THE CORPORATION TO AID, LEND FINANCIAL SUPPORT AND AS

2	Did the organization undertake any significant program services during the year which were not listed on
	the prior Form 990 or 990-EZ?
	If "Yes," describe these new services on Schedule O
3	Did the organization cease conducting, or make significant changes in how it conducts, any program services?
	If "Yes," describe these changes on Schedule O
4	Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

200,853,027 including grants of \$

COMMITMENT TO BENEFITING OUR COMMUNITIES CHRISTUS SPOHN HEALTH SYSTEM IS PART OF CHRISTUS HEALTH, FORMED IN 1999 TO STRENGTHEN THE 148-YEAR-OLD, FAITH-BASED HEALTH CARE MINISTRIES OF THE CONGREGATIONS OF THE SISTERS OF CHARITY OF THE INCARNATE WORD OF HOUSTON AND SAN ANTONIO FOUNDED ON THE MISSION "TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST," CHRISTUS REACHES OUT TO, AND BEYOND, THE MORE THAN 60 COMMUNITIES WE SERVE TO HELP THOSE IN NEED THE VISION OF CHRISTUS HEALTH AS A CATHOLIC, FAITH-BASED MINISTRY, IS TO BE A LEADER, A PARTNER AND AN ADVOCATE IN CREATING INNOVATIVE HEALTH AND WELLNESS SOLUTIONS THAT IMPROVE THE LIVES OF INDIVIDUALS AND COMMUNITIES SO THAT ALL MAY AND AN ADVOCATE IN CREATING INNOVATIVE HEALTH AND WELLNESS SOLUTIONS THAT IMPROVE THE LIVES OF INDIDULAIS AND COMMUNITIES SO THAT ALL MAY EXPERIENCE GOD'S HEALING PRESENCE AND LOVE CHRISTUS SPONH HEALTH SYSTEM CORPORATION RESPONDS TO THE 57-BED SHORELINE CAMPUS, THE 341 BED MEMORIAL CAMPUS, AND THE 158-BED SOUTH CAMPUS ADDITIONALLY, WE SERVE OUR COMMUNITIES THROUGH CHRISTUS SPONH HOSPITAL KLEBERG WITH 96 BEDS IN KINGSVILLE, CHRISTUS SPONH HOSPITAL ALICE WITH 135 BEDS IN ALICE, AND CHRISTUS SPONH HOSPITAL BEEVILLE WITH 69 BEDS EACH OF THE FACILITIES OF CHRISTUS SPONH HOSPITAL ALICE WITH 135 BEDS IN ALICE, AND CHRISTUS SPONH HOSPITAL BEEVILLE WITH 69 BEDS EACH OF THE FACILITIES OF CHRISTUS SPONH HOSPITAL BEEVILLE WITH 69 BEDS EACH OF THE FACILITIES OF CHRISTUS SPONH HOSPITAL BEEVILLE WITH 69 BEDS EACH OF THE FACILITIES OF CHRISTUS SPONH HEALTH SYSTEM CORPORATION IS LOCATED ALICE WITH 159 BEDS EACH OF THE FACILITIES OF CHRISTUS SPONH HEALTH SYSTEM CORPORATION IS LOCATED ALICE WITH 159 BEDS EACH OF THE FACILITIES OF CHRISTUS SPONH HEALTH SYSTEM CORPORATION IS LOCATED ALICE WITH 150 BEDS EACH OF THE CALLED THE COASTAL BEND), AND ITS SERVICE AREA BICLIDES OF THOUSANDS OF INDIVIDUALS IN VARIOUS WAYS INCLUDING OVER 178,000 VISITS TO OUR EMERGENCY DEPARTMENTS, OVER 11,000 UNPATIENT SURGERY PROCEDURES, OVER 176,000 PATIENTS WHO RECEIVED OUTPATIENT CARE AT OUR FACILITIES TOUCHING THE LIVES OF THE PEOPLE AROUND US IS WHAT MAKES CHRISTUS SPOHH HEALTH SYSTEM CORPORATION STAND APART ALLOWING OTHERS TO TOUCH US GIVES US A THE DEPOLE AROUND US IS WHAT MAKES CHRISTUS SPOHH PALTH SYSTEM CORPORATION STAND APART ALLOWING OTHERS TO TOUCH US GIVES US WITH MIRACLES, THE LIFE OF A NAN IN NEED OF A CRITICAL HEART SURGERY, OR A WOMAN ABOUT TO GIVE BIRTH TO HER RISTS OF THIS PROCEDURE. SURGERY PROCEDURE OF THE PROPERTY EXPERIENCE GOD'S HEALING PRESENCE AND LOVE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION RESPONDS TO THE COMMUNITIES' HEALTH CARE NEEDS THROUGH SERVICES PROVIDED AT CHRISTUS SPOHN HOSPITAL CORPUS CHRISTI WITH THREE CAMPUSES -- THE 557-BED SHORELINE CAMPUS, THE 341 BED

4b) (Expenses \$ 118,737,029 including grants of \$ 0) (Revenue \$ 206,336,371)

COMMUNITY BENEFIT REPORTING - CHARITY CARE AND MEDICAID CHRISTUS ADHERES TO THE CATHOLIC HEALTH ASSOCIATION'S "A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT" (2012), AND COMPLIES WITH THE STATE OF TEXAS REQUIREMENTS FOR REPORTING COMMUNITY BENEFIT, REPORTED AS UNPAID COSTS, INCLUDES BOTH CHARITY CARE AND COMMUNITY SERVICES TO THE LIMITS OF ITS RESOURCES, CHRISTUS HEALTH IS AN INSTITUTION OF PURELY PUBLIC CHARITY, THUS, THE MOST TANGIBLE EXPRESSION OF CHRISTUS HEALTH'S CHARITABLE PURPOSE IS THE PROVISION OF HEALTH CARE SERVICES TO THOSE PERSONS WHO ARE UNABLE TO PAY THIS FALLS INTO TWO CATEGORIES CHARITY CARE AND UNPAID GOVERNMENT INDIGENT CARE IN KEEPING WITH THE MISSION, VALUES, AND VISION OF CHRISTUS HEALTH, CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PROVIDES CHARITY CARE SERVICES IN A MANNER THAT RESPECTS THE DIGNITY OF THE PATIENTS AND THEIR FAMILIES CHARITY CARE IS DEFINED AS SERVICES PROVIDED WITHOUT CHARGE OR AT A CHARGE THAT IS LESS THAN THE USUAL CHARGE FOR SUCH SERVICES THE DETERMINATION AS TO THE AMOUNT TO CHARGE, IF ANY, IS ACCORDING TO A PATIENT'S ABILITY TO PAY AS DETERMINED BY THE ESTABLISHED ELIGIBILITY CRITERIA FOR UNINSURED PATIENTS WHOSE ECONOMIC CIRCUMSTANCES PLACE THEM AT OR UNDER 200 PERCENT OF THE FEDERAL POVERTY LEVEL (FPL), SERVICES ARE PROVIDED WITHOUT ANY EXPECTATION OF PAYMENT UNINSURED PATIENTS WHOSE ECONOMIC CIRCUMSTANCES PLACE THEM BETWEEN 200 AND 400 PERCENT OF FPL ARE CHARGED BASED ON A SLIDING SCALE, AND THOSE ABOVE 400 PERCENT RECEIVE DISCOUNTS BASED ON THE UNINSURED FEE SCHEDULE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION ALSO DISCOUNTS CARE FOR THOSE WHOSE MEDICAL EXPENSES WOULD DEPLETE THEIR FINANCIAL RESOURCES IF A BILL, AFTER ALL PAYMENTS, IS STILL IN EXCESS OF 25% OF THE FAMILY'S ANNUAL GROSS INCOME, THE REMAINING BILL IS DISCOUNTED NO PATIENT IS REFUSED NECESSARY MEDICAL CARE DUE TO INABILITY TO PAY CHRISTUS HEALTH IS AN ACTIVE PARTICIPANT IN THE STATES OF TEXAS AND LOUISIANA MEDICALOR PROGRAMS THOSE PROGRAMS SEEK TO PROVIDE PAYMENT FOR HEALTH CARE ACTIVE PARTICIPANT IN THE STATES OF TEXAS AND LOUISIANA MEDICAID PROGRAMS. THOSE PROGRAMS SEEK TO PROVIDE PAYMENT FOR HEALTH CARE SERVICES TO INDIVIDUALS WHO MEET CERTAIN FINANCIAL AND OTHER REQUIREMENTS. FINANCIAL REQUIREMENTS INCLUDE EVALUATION OF BOTH ASSETS AND INCOME

278,096,030 including grants of \$ 0) (Revenue \$

OTHER GOVERNMENT SPONSORED SERVICES IN ADDITION TO THE PROVISION OF CHARITY CARE AND OTHER COMMUNITY SERVICES, CHRISTUS HEALTH OTHER GOVERNMENT SPONSORED SERVICES IN ADDITION TO THE PROVISION OF CHARTIY CARE AND OTHER COMMONITY SERVICES, CHRISTUS HEALTH PROVIDES SERVICES TO PERSONS COVERED UNDER GOVERNMENT-SPONSORED PROGRAMS, INCLUDING MEDICARE AND TRICARE THE NON-REIMBURSED COST OF THESE SERVICES IS REPORTED TO THE STATE OF TEXAS, BUT IS NOT INCLUDED IN FEDERAL REPORTS SINCE CHRISTUS HEALTH FOLLOWS CATHOLIC HEALTH ASSOCIATION GUIDELINES CHRISTUS HEALTH PROVIDES SERVICES TO PERSONS COVERED UNDER THE FEDERAL MEDICARE PROGRAM, AND IN FACT, THIS IS THE LARGEST SINGLE PAYOR CLASSIFICATION OF PATIENTS SERVED BY THIS HEALTH SYSTEM THE PAYMENT RATE FOR INPATIENT SERVICES IS ON A CASE RATE, CALCULATED BASED ON THE DIAGNOSTIC-RELATED GROUP (DRG) INTO WHICH THE PATIENT IS CATEGORIZED OUTPATIENT SERVICES ARE REIMBURSED PER THE MEDICARE FEE SCHEDULE

2,475,087) (Revenue \$

Other program services (Describe in Schedule O)

including grants of \$

606,089,398 4e Total program service expenses ►

Form 990 (2012)

0)

Part IV	Checkli	st 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 $A^{\bullet \bullet}$	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? *	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part 1	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^{\bullet}	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 $\sqrt[4]{2}$	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b		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	Yes	
е	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $$5,000$ of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and $11e^7$ 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? <i>If</i> "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	

Par	t IV Checklist of Required Schedules (continued)			
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	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)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
С	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M $\footnote{5}$	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38	Yes	

αı	Statements Regarding Other 1R5 Fillings and Tax Compliance			-
	Check if Schedule O contains a response to any question in this Part V	•	Yes	. l No
ı	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable 1a 650			.40
	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable 0			
	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable			
	gaming (gambling) winnings to prize winners?	1 c	Yes	
	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return			
)	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
1	Did the organization have unrelated business gross income of \$1,000 or more during the year?	За	Yes	
	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
1	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		N
ļ	If "Yes," enter the name of the foreign country			
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		N
,	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		N
	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<u> </u>		
		5c		
	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		N
	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
	Organizations that may receive deductible contributions under section 170(c).	_		_
	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		N
	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7 c		N
	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit			
	contract?	7e		N
	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		N
	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
	Sponsoring organizations maintaining donor advised funds.			
	Did the organization make any taxable distributions under section 4966?	9a		
	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
	Section 501(c)(12) organizations. Enter			
	Gross income from members or shareholders			
	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			
	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	If "Yes," enter the amount of tax-exempt interest received or accrued during the year			
	Section 501(c)(29) qualified nonprofit health insurance issuers.			
	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		
	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			
	Enter the amount of reserves on hand	[
	Did the organization receive any payments for indoor tanning services during the tax year?	14a		N
	If "Yes " has it filed a Form 720 to report these payments? If "No " provide an explanation in Schedule O	14h		

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.

	ection A. Governing Body and Management			
			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Did the organization have members or stockholders?	6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
а	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No
Se	ection B. Policies (This Section B requests information about policies not required by the Internal R	evenu	ıe Cod	e.)
			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	Yes	No No
	Did the organization have local chapters, branches, or affiliates?	10a 10b	Yes	
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters,		Yes	
b 11a	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing	10b		
b 11a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	10b		
b 11a b 12a	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	10b	Yes	
b 11a b 12a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	10b 11a 12a	Yes	
b 11a b 12a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	10b 11a 12a 12b	Yes Yes	
b 11a b 12a b c	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	10b 11a 12a 12b	Yes Yes Yes	
b 11a b 12a b c 13	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy?	10b 11a 12a 12b 12c 13	Yes Yes Yes Yes Yes	
b 11a b 12a c 13 14	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by	10b 11a 12a 12b 12c 13	Yes Yes Yes Yes Yes	
b 11a b 12a c 13 14 15	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?	10b 11a 12a 12b 12c 13 14	Yes Yes Yes Yes Yes Yes	
b 11a b 12a c 13 14 15	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? The organization's CEO, Executive Director, or top management official	10b 11a 12a 12b 12c 13 14	Yes Yes Yes Yes Yes Yes Yes	
b 11a b 12a c 13 14 15 a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? The organization's CEO, Executive Director, or top management official Other officers or key employees of the organization	10b 11a 12a 12b 12c 13 14	Yes Yes Yes Yes Yes Yes Yes	
b 11a b 12a c 13 14 15 a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? The organization's CEO, Executive Director, or top management official Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a	10b 11a 12a 12b 12c 13 14 15a 15b	Yes Yes Yes Yes Yes Yes Yes	
b 11a b 12a c 13 14 15 a b 16a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? The organization's CEO, Executive Director, or top management official Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 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	10b 11a 12a 12b 12c 13 14 15a 15b	Yes Yes Yes Yes Yes Yes Yes Yes	
b 11a b 112a c 13 14 15 a b 16a 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? Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? Describe in Schedule O the process, if any, used by the organization to review this Form 990 Did the organization have a written conflict of interest policy? If "No," go to line 13 Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done Did the organization have a written whistleblower policy? Did the organization have a written document retention and destruction policy? Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? The organization's CEO, Executive Director, or top management official Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) Did the organization invest in, contribute assets to, or participation in a joint venture or similar arrangement with a taxable entity during the year? 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?	10b 11a 12a 12b 12c 13 14 15a 15b	Yes Yes Yes Yes Yes Yes Yes Yes	

- 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)
- 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
- State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►PAMELA BROWER 1714 SANTA FE Corpus Christi, TX (361)881-3432

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

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

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

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

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

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

	1														
(A) Name and Title	(B) A verage hours per week (list any hours	more t perso and	han o	one l both ector	box, an o	officer stee)		(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations	(F) Estimated amount of other compensation from the					
	organizations below dotted line)	organizations below	organizations below	organizations below	organizations below	below	Individual trustae or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	2/1099-MISC)	(W- 2/1099- MISC)	organization and related organizations
See Additional Data Table															
	•	•	•							Form 990 (2012)					

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

	(A) Name and Title	more t	tion (han d on is	ne l both	box, an	heck unless officer stee)		(D) Reportable compensation from the organization (W-	(E) Reportable compensation from related organizations (W-	-	(F) Estima imount o compens from t	ited fother sation the	
		for related organizations below dotted line)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated	Former	2/1099-MISC)	2/1099-MISC)		rganizati relati organiza	ed
1b	Sub-Total						1	•					
C	Total from continuation sheet	· ·			•	•	•	•	5,741,921	479,76	5		1,249,048
d 	Total (add lines 1b and 1c). Total number of individuals (in						d abov				, 5		1,249,040
_	\$100,000 of reportable comp							-,					
												Yes	No
3	Did the organization list any f oon line 1a? <i>If</i> " <i>Yes,"</i> complete 5					key •	emplo	yee,	or highest compen	sated employee	3	Yes	
4	For any individual listed on lin organization and related organ individual										4	Yes	
5	Did any person listed on line 1									or individual for			
	services rendered to the organ	nization? <i>If</i> " <i>Ye</i> s	," compl	ete S	ched	ule I	lforsu	ch pe	erson	[5		No
S	ection B. Independent Co	ntractors											
1	Complete this table for your fire	ve highest comp										tay yoar	. — ——

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK MANAGEMENT SERVICES LP , 25271 NETWORK PLACE CHICAGO IL 60673	CAFETERIA MANAGEMENT	5,191,994
GULF SHORE ANESTHESIA ASSOC , 1734 SANTA FE CORPUS CHRISTI TX 78404	ANESTHESIA SVCS	4,314,680
CCH CV , 613 ELIZABETH ST SUITE 102 CORPUS CHRISTI TX 78404	CATH LAB MANAGEMENT	3,450,339
CLINICAL PARTNERS CORPUS , 7032 COLLECTION CENTER DRIVE CHICAGO IL 60693	ANESTHESIA SVCS	3,276,321
DIALYSIS MANAGEMENT CORP , PO BOX 749959 LOS ANGELES CA 900749959	DIALYSIS SVCS	2,227,530
3. Total number of independent contractors (including but not limited to those listed	above) who received more than	

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 181

Form 99		<u>'</u>					Page 9
Part V	4 + + 1	Statement of Revenue Check if Schedule O contains a respon	nse to any question	ın thıs 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
क क	1a	Federated campaigns 1a					
rani	ь	Membership dues 1b					
ر الم	С	Fundraising events 1c					
iffs ar	d	Related organizations 1d	7,786,428				
s, G imil	e	Government grants (contributions) 1e	469,897				
Contributions, Giffs, Grants and Other Similar Amounts	f	All other contributions, gifts, grants, and similar amounts not included above	1,058,067				
ad Od	g	Noncash contributions included in lines 1a-1f \$	286,201	0.214.202			
<u>ပညာ</u>	h	Total. Add lines 1a-1f	· · · · •	9,314,392			
an	_		Business Code				
new:	2a	NET PATIENT SERVICE REVENUE	621990	726,870,579	726,827,344	43,235	
- 22g	b	CORPORATE SYSTEM OFFICE REVENUE RENT RELATED TO EXEMPT FUNCTION	900099	9,000,000	9,000,000		
Š	c d	PHARMACY	531120 446110	5,153,671 2,291,324	5,153,671 2,291,324		
32	e	EQUITY IN UNCONSOLIDATED SUBS	900099	2,095,539	2,095,539		
<u>ra</u>	f	All other program service revenue	300033	291,332	291,332		
Program Service Revenue	_	•		,			
	g 3	Total. Add lines 2a-2f		745,702,445			
		and other similar amounts)	▶	0			
	4	Income from investment of tax-exempt bond	` <u> </u>	0			
	5	Royalties	(II) Personal				
	6a	Gross rents	(11)1 010011111				
	ь	Less rental expenses					
	С	Rental income 0 or (loss)	0				
	d	Net rental income or (loss)		О			
		(ı) Securities	(II) O ther				
	7a	Gross amount from sales of assets other than inventory	34,096				
	b	Less cost or other basis and	163,339				
	c	sales expenses Gain or (loss)	-129,243				
	d	Net gain or (loss)		-129,243			-129,243
ine	8a	Gross income from fundraising events (not including					
Other Revenue		of contributions reported on line 1c) See Part IV, line 18 a					
Ě	b c	Less direct expenses b Net income or (loss) from fundraising	events .	0			
	9a	Gross income from gaming activities See Part IV, line 19					
	ь	Less direct expenses b					
	С	Net income or (loss) from gaming acti	vities	0			
	10a	Gross sales of inventory, less returns and allowances .					
	ь	Less cost of goods sold b					
	С	Net income or (loss) from sales of inv	entory 🛌	0			
		Miscellaneous Revenue	Business Code				
	l .	FOOD SERVICES	722320	3,477,510			3,477,510
	b	PURCHASE DISCOUNTS & CREDIT BALANCE	900099	444,898			444,898
	С	OTHER OPERATING REVENUE	900099	2,189,318			2,189,318
	d	All other revenue					
	e	Total. Add lines 11a-11d	🔸	6,111,726			
	12	Total revenue. See Instructions .	· · · · •	760,999,320	745,659,210	43,235	5,982,483

Part IX Statement of Functional Expenses Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) Check if Schedule O contains a response to any question in this Part IX (D) (B) (C) Do not include amounts reported on lines 6b, (A) Program service Management and Fund raising 7b. 8b. 9b. and 10b of Part VIII. Total expenses expenses general expenses expenses Grants and other assistance to governments and organizations in the United States See Part IV, line 21 2,073,243 2,073,243 Grants and other assistance to individuals in the United States See Part IV, line 22 401,844 401,844 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16 0 Benefits paid to or for members 0 Compensation of current officers, directors, trustees, and 6,459,901 5,864,770 595,131 key employees Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . 225,961,160 Other salaries and wages 205,144,036 20,817,124 Pension plan accruals and contributions (include section 401(k) 13,287,634 12,774,816 and 403(b) employer contributions) 512.818 27,043,907 24,408,493 Other employee benefits 2,635,414 10 16,114,919 14,789,931 1,297,063 27,925 11 Fees for services (non-employees) 87,720 87,720 Management 2,325,202 6,408 2,318,794 Legal 0 0 0 Professional fundraising services See Part IV, line 17 0 Investment management fees Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on 121,336,195 37,189,148 84,147,047 Schedule O) Advertising and promotion . . 522,408 12 246 522,162 13 Office expenses . . . 40,790,148 33,687,179 7,102,877 92 25,250,398 25,250,398 14 Information technology . 15 0 Royalties . 8,686,485 8,686,485 16 Occupancy **17** 1,092,757 820,563 272,049 145 Travel 18 Payments of travel or entertainment expenses for any federal, state, or local public officials 0 19 Conferences, conventions, and meetings . 101,190 89,544 11,646 20 Interest 7,898,020 7,895,916 2,104 Payments to affiliates 21 O 32,733,039 22 Depreciation, depletion, and amortization . 1,007,825 31,725,214 23 12,329,285 12,328,379 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 PROV FOR UNCOLLECTIBLE ACCT 58,975,212 58,975,212 MEDICAL SUPPLIES 122,932,203 122,707,879 224,324 RECRUITMENT/PLACEMENT FEE 1,847,620 407,786 1,439,834 d DUES AND MEMBERSHIP 458,765 367,755 91,010 578,208 494,153 83,940 e All other expenses 115 Total functional expenses. Add lines 1 through 24e 25 729,287,463 606,089,398 123,169,788 28,277 Joint costs. Complete this line only if the organization 26 reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► [if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

	rt X	Check if Schedule O contains a response to any question in the	nis Pa	tx			
					(A) Beginning of year		(B) End of year
	1	Cash—non-interest-bearing			482,883,360	1	394,383,426
	2	Savings and temporary cash investments			0	2	0
	3	Pledges and grants receivable, net			0	3	0
	4	Accounts receivable, net			58,056,179	4	164,751,896
	5	Loans and other receivables from current and former officers, employees, and highest compensated employees Complete Fischedule L	art II	of	0	5	0
ts	6	Loans and other receivables from other disqualified persons ($4958(f)(1)$), persons described in section $4958(c)(3)(B)$, and and sponsoring organizations of section $501(c)(9)$ voluntary organizations (see instructions) Complete Part II of Schedule	l conti emplo	ibuting employers			0
Assets	_	Niches and Issue recoverble not			707,022		601,353
Æ	7	Notes and loans receivable, net			·		
	8	Inventories for sale or use			21,419,055		20,954,799
	9	Prepaid expenses and deferred charges		 I	476,863	9	128,237
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	733,528,962			
	b	Less accumulated depreciation	10b	462,164,177	272,090,704		271,364,785
	11	Investments—publicly traded securities			0		0
	12	Investments—other securities See Part IV, line 11		•	0		0
	13	Investments—program-related See Part IV, line 11			17,498,170	13	17,494,422
	14	Intangible assets			585,000	14	828,211
	15	Other assets See Part IV, line 11			57,072,844	15	62,061,862
	16	Total assets. Add lines 1 through 15 (must equal line 34) .			910,789,197	16	932,568,991
	17	Accounts payable and accrued expenses			44,989,337	17	40,917,377
	18	Grants payable			0	18	0
	19	Deferred revenue			2,793,815	19	3,873,570
	20	Tax-exempt bond liabilities			0	20	0
ø	21	Escrow or custodial account liability Complete Part IV of Sci	nedule	D	0	21	0
Liabilitie	22	Loans and other payables to current and former officers, directively employees, highest compensated employees, and disqua		rustees,			
æ		persons Complete Part II of Schedule L			0	22	0
\exists	23	Secured mortgages and notes payable to unrelated third parti	es .		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 rel and other liabilities not included on lines 17-24) Complete P					
		D			228,943,759	25	222,547,407
	26	Total liabilities. Add lines 17 through 25			276,726,911	26	267,338,354
s e S		Organizations that follow SFAS 117 (ASC 958), check here ► lines 27 through 29, and lines 33 and 34.	▼ ar	d complete			
ä	27	Unrestricted net assets			634,009,182	27	665,186,360
ල ග	28	Temporarily restricted net assets			53,104	28	44,277
Ē	29	Permanently restricted net assets			0	29	0
Fund Balance		Organizations that do not follow SFAS 117 (ASC 958), check	here 🕨	⊦ ┌ and			
ō	30	complete lines 30 through 34.				30	
Assets	30	Capital stock or trust principal, or current funds					
Š.	31	Paid-in or capital surplus, or land, building or equipment fund				31	
Å.	32	Retained earnings, endowment, accumulated income, or other			624.002.002	32	66E 000 007
Net	33	Total net assets or fund balances			634,062,286	33	665,230,637
	34	Total liabilities and net assets/fund balances			910,789,197	34	932,568,991

Pai	TEXT Reconcilliation of Net Assets Check if Schedule O contains a response to any question in this Part XI				 고
	·				
1	Total revenue (must equal Part VIII, column (A), line 12)	1		760,9	99,320
2	Total expenses (must equal Part IX, column (A), line 25)	2		729,2	287,463
3	Revenue less expenses Subtract line 2 from line 1	3			711,857
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4			062,286
5	Net unrealized gains (losses) on investments	5		054,0	702,200
6	Donated services and use of facilities	6			
7	Investment expenses	7			
8	Prior period adjustments	8			-5,430
9	Other changes in net assets or fund balances (explain in Schedule O)	9		- 5	38,076
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10		665,2	230,637
Par	t XII Financial Statements and Reporting		,		
	Check if Schedule O contains a response to any question in this Part XII				. Г
				Yes	No
1	Accounting method used to prepare the Form 990				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		Νo
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or revie a separate basis, consolidated basis, or both	wed on			
	Separate basis Consolidated basis Both consolidated and separate basis				
b	Were the organization's financial statements audited by an independent accountant?		2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a sepa basis, consolidated basis, or both	rate			
	☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis				
С	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversigh audit, review, or compilation of its financial statements and selection of an independent accountant?	t of the	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain i Schedule O	n			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in th Single Audit Act and OMB Circular A-133?	e	За	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the raudit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	equired	3b	Yes	

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As Filed Data -

DLN: 93493132036124

Employer identification number

OMB No 1545-0047

SCHEDULE A

(Form 990 or 990EZ)

Name of the organization

Christus Spohn Health System Corporation

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.

Inspection

									74-1109		
Part I				blic Charity Sta						instruction	ns.
The o	rganı:			te foundation becaus			= -				
1	<u>_</u>		· ·	on of churches, or a				section 170	(b)(1)(A)(i)	•	
2		A scho	ol described	in section 170(b)(1	L)(A)(ii). (A1	ttach Sched	dule E)				
3	굣	A hosp	ital or a cod	perative hospital se	rvice organiz	zatıon desc	rıbed ın secti	ion 170(b)(1)(A)(iii).		
4	Γ			h organization operat	ted ın conjur	nction with a	a hospital de	scribed in s	ection 170(b)(1)(A)(iii)	. Enter the
_	_			ty, and state	+ - 6 11						
5	ı	_	•	erated for the benefi	_	e or univers	ity owned or	operated by	/ a governme	ntai unit de	scribed in
_	_			(A)(iv). (Complete P	•			470(1)	(4)(4)(
6	<u> </u>			local government or							
7	 -	describ	oed in sect ic	at normally receives on 170(b)(1)(A)(vi).	(Complete F	Part II)		•	nental unit or	from the ge	neral public
8	<u>_</u>		-	described in section			-	-			
9		An org	anization th	at normally receives	(1) more th	nan 331/3%	of its suppor	t from contr	ibutions, me	mbership fe	es, and gross
				ities related to its e							
				oss investment inco						1 tax) from	businesses
		acquire	ed by the org	ganızatıon after June	30,1975	See section	509(a)(2). (Complete P	art III)		
10	Γ	An org	anızatıon or	ganized and operated	d exclusively	y to test for	public safety	y See secti	on 509(a)(4)	•	
11		one or the box	more public that descr	ganized and operated ly supported organiz bes the type of supp b Type II c	ations descr or <u>ti</u> ng organ	ribed in sec lization and	tion 509(a)(: complete lin	1) or sectio les 11e th <u>r</u> c	n 509(a)(2) ough 11h	See section	509(a)(3). Check
e	Γ	other t		ox, I certify that the on managers and ot							
f		If the c		received a written de	etermination	from the I	RS that it is a	a Type I, Ty	pe II, or Typ	e III suppo	rting organization,
g				2006, has the organi	ızatıon accei	pted any gif	t or contribu	tion from an	v of the		1
•		followir	ng persons?			, -					
		(i) A p	erson who d	irectly or indirectly o	ontrols, eith	ner alone or	together wit	h persons d	escribed in (Yes No
		and (III) below, the	governing body of th	ie supported	organizatio	n?				Lg(i)
		(ii) A f	amıly memb	er of a person descr	ıbed ın (ı) ab	ove?				11	.g(ii)
		(iii) A	35% contro	lled entity of a perso	n described	ın (ı) or (ıı)	above?			11	g(iii)
h		Provide	e the followi	ng information about	the support	ed organıza	tion(s)				
(i) Nam suppoi organiza		ted	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see	(iv) Is organizat col (i) lis your gove docume	ion in ted in erning	(v) Did yo the organ in col (i) suppo	nization of your	(vi) I: organiza col (i) or in the	ation in rganized	(vii) A mount of monetary support
				instructions))	Yes	No	Yes	No	Yes	No	
 Total											

Sch	edule A (Form 990 or 990-EZ) 2012							Page 2
Pa	(Complete only if you o	hecked the bo	x on line 5, 7,	or 8 of Part I o	r if the organiza	ation faile	ed to q	
	Part III. If the organiza ection A. Public Support	tion fails to qu	alify under the	tests listed bel	ow, please com	<u>iplete Pa</u>	rt III.)	
	ection A. Public Support endar year (or fiscal year beginning					1		
	in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2	312	(f) Total
1	Gifts, grants, contributions, and							
	membership fees received (Do not include any "unusual							
	grants ")							
2	Tax revenues levied for the							
	organization's benefit and either							
	paid to or expended on its behalf							
3	The value of services or facilities							
•	furnished by a governmental unit to							
	the organization without charge							
4	Total. Add lines 1 through 3							
5	The portion of total contributions by each person (other than a							
	governmental unit or publicly							
	supported organization) included on							
	line 1 that exceeds 2% of the							
	amount shown on line 11, column							
6	(f) Public support. Subtract line 5 from							
	line 4							
S	ection B. Total Support							
Cal	endar year (or fiscal year beginning	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 20)12	(f) Total
_	in) ► A mounts from line 4		. ,		. ,	, ,		. ,
7 8	Gross income from interest,							
0	dividends, payments received on							
	securities loans, rents, royalties							
	and income from similar							
9	sources Net income from unrelated							
9	business activities, whether or not							
	the business is regularly carried							
	on							
10	Other income Do not include gain or loss from the sale of capital							
	assets (Explain in Part IV)							
11	Total support (Add lines 7 through							
4.0	10)		<u> </u>					
12	Gross receipts from related activitie					12		
13	First five years. If the Form 990 is this box and stop here							ization, check
	ection C. Computation of Pub				<u> </u>	<u> </u>		
14	Public support percentage for 2012			11, column (f))		14		
15	Public support percentage for 2011			, , , , , , ,		15		
	33 1/3% support test—2012. If the o	· ·	•	on line 13 and l	ine 14 is 33 1/20%		chack ti	nie hov
104	and stop here. The organization qua				me 1 1 13 33 1/3/0	or more,	JIICCK CI	► □
b	33 1/3% support test—2011. If the				and line 15 is 33	3 1/3% or n	nore, ch	eck this
	box and stop here. The organization						. 4 4	▶□
1/a	10%-facts-and-circumstances test- is 10% or more, and if the organizat							•
	in Part IV how the organization mee							
	organization				4	r	,rF3	▶ □
b	10%-facts-and-circumstances test-							
	15 is 10% or more, and if the organ Explain in Part IV how the organizat							lv
	supported organization	ion meets the T	acts-ana-cncum:	stances test III	ic organization qu	uiiiiE5 45 i	a public	·y ▶□
18	Private foundation. If the organizat	on did not check	c a box on line 13	, 16a, 16b, 17a,	or 17b, check thi	s box and	see	·
	instructions							▶ ┌

Schedule A (Form 990 or 990-EZ) 2012 Page 3 Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.) Section A. Public Support Calendar year (or fiscal year beginning (a) 2008 **(b)** 2009 (c) 2010 (d) 2011 (e) 2012 (f) Total in) 🟲 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt

	purpose						
3	Gross receipts from activities that						
	are not an unrelated trade or						
	business under section 513			-			
4	Tax revenues levied for the						
	organization's benefit and either						
	paid to or expended on its behalf						
5	The value of services or facilities						
3	furnished by a governmental unit to						
	the organization without charge						
6	Total. Add lines 1 through 5						
	Amounts included on lines 1, 2,						
<i>7</i> a	and 3 received from disqualified						
	persons						
b	Amounts included on lines 2 and 3						
_	received from other than						
	disqualified persons that exceed						
	the greater of \$5,000 or 1% of the						
	amount on line 13 for the year						
С	Add lines 7a and 7b						
8	Public support (Subtract line 7c						
	from line 6)						
_Se	ction B. Total Support						
Cale	ndar year (or fiscal year beginning	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
	in) ►	(u) 2000	(6) 2003	(6) 2010	(4) 2011	(6) 2012	(1) 10tai
9	A mounts from line 6						
10a	Gross income from interest,						
	dividends, payments received on						
	securities loans, rents, royalties						
	and income from similar						
	sources						
Ь	Unrelated business taxable income (less section 511 taxes)						
	from businesses acquired after						
	June 30, 1975						
c	Add lines 10a and 10b						
11	Net income from unrelated						
11	business activities not included						
	in line 10b, whether or not the						
	business is regularly carried on						
12	Other income Do not include						
	gain or loss from the sale of						
	capital assets (Explain in Part						
	IV)						
13	Total support. (Add lines 9, 10c,						
	11, and 12)			Liberal Counties and	6.01	E04(-)(2)	
14	First five years. If the Form 990 is for	or the organization	on's first, second	i, thira, fourth, or	ππη tax year as a	1 501(c)(3) org	anization, ►
	check this box and stop here	a Cunnaut Da					
	ction C. Computation of Public			1.2		T I	
15	Public support percentage for 2012			13, column (T))		15	
16	Public support percentage from 2011	L Schedule A, Pa	art III, line 15			16	
Se	ction D. Computation of Inve	stment Inco	me Percenta	ge			
17	Investment income percentage for 20				nn (f))	17	
					. , ,		
18	Investment income percentage from					18	
19a	33 1/3% support tests—2012. If the o						ıd lıne 17 ıs not ▶□

33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18

is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule A (Form 990 or 990-EZ) 2012

DLN: 93493132036124

OMB No 1545-0047

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527 ▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ. ► See separate instructions.

Political Campaign and Lobbying Activities

Inspection

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

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

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

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

• Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then ◆ Section 501(c)(4), (5), or (6) organizations Complete Part III Name of the organization **Employer identification number** Christus Spohn Health System Corporation 74-1109836 Complete if the organization is exempt under section 501(c) or is a section 527 organization. Provide a description of the organization's direct and indirect political campaign activities in Part IV 2 Political expenditures 3 Volunteer hours Part I-B Complete if the organization is exempt under section 501(c)(3). Enter the amount of any excise tax incurred by the organization under section 4955 2 Enter the amount of any excise tax incurred by organization managers under section 4955 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? 3 Was a correction made? ☐ Yes □ No If "Yes," describe in Part IV Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3). Enter the amount directly expended by the filing organization for section 527 exempt function activities Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b Did the filing organization file Form 1120-POL for this year? 4 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV **(c)** EIN (e) A mount of political (a) Name (b) Address (d) A mount paid from contributions received filing organization's and promptly and funds If none, enter -0directly delivered to a separate political organization If none, enter-0-

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

f Grassroots lobbying expenditures

Sch	nedule C (Form 990 or 990-EZ) 2012					Page 2
Pa	art II-A Complete if the organization	is exempt under	section 501(c)(3) and fil	ed Form 5768	(election
_	under section 501(h)). Check ► if the filing organization belongs to a	an affiliated group (and	lict in Part IV os	ach affiliated are	un mambar's nam	o addross EIN
	expenses, and share of excess lobb	_	up member s nam	e, address, LTN		
<u>B</u>	Check Frifthe filing organization checked box	x A and "limited contro	ıl" provisions apı	oly		
	Limits on Lobbying E (The term "expenditures" means an		l .)		(a) Filing organization's totals	(b) Affiliated group totals
1a	Total lobbying expenditures to influence public o	pınıon (grass roots lob	bying)			
b	Total lobbying expenditures to influence a legisla	ative body (direct lobb	yıng)			
c	Total lobbying expenditures (add lines 1a and 1b	o)				
d	O ther exempt purpose expenditures					
e	Total exempt purpose expenditures (add lines 1c	c and 1d)				
f	Lobbying nontaxable amount Enter the amount fo	rom the following table	ın both			
	If the amount on line 1e, column (a) or (b) is:	The lobbying nontax	able amount is:			
	Not over \$500,000	20% of the amount on li	ne 1e			
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,0	000		
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$1,000	0,000		
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the	excess over \$1,500,	.000		
	Over \$17,000,000	\$1,000,000				
	Grassroots nontaxable amount (enter 25% of lin	e 1f)				
_	Subtract line 1g from line 1a If zero or less, ente	•		-		
i	Subtract line 1f from line 1c If zero or less, ente			-		
_	If there is an amount other than zero on either lin		organization file	Form 4720 rep	ortina	1
-	section 4911 tax for this year?					┌ Yes ┌ No
_	4-Voor Av	veraging Period U	Inder Section	F01/b)		
	(Some organizations that made a scolumns below. See the	section 501(h) el	ection do not	have to cor		ne five
	Lobbying Expe	enditures During	4-Year Avera	ging Period		1
	Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a	Lobbying nontaxable amount					
b	Lobbying ceiling amount (150% of line 2a, column(e))					
c	Total lobbying expenditures					
d	Grassroots nontavable amount					

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

_	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		a)	(b)	
			No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
а	Volunteers?		No		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes			
С	Media advertisements?		No		
d	Mailings to members, legislators, or the public?		Νo		
е	Publications, or published or broadcast statements?		Νo		
f	Grants to other organizations for lobbying purposes?		Νo		
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		166	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		Νo		
i	O ther activities?	Yes		38,573	
j	Total Add lines 1c through 1i			38,739	
2a	Did the activities in line 1 cause the organization to be not described in section $501(c)(3)$?		No		
b	If "Yes," enter the amount of any tax incurred under section 4912				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912		ļ		
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

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

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

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

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

Taxable amount of lobbying and political expenditures (see instructions) Part IV Supplemental Information

political expenditure next year?

	scriptions required for Part I-A, line 1, 1 Also, complete this part for any addi	Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list),
Identifier	Return Reference	Explanation
LOBBYING DESCRIPTION	FORM 990, SCHEDULE C, PART II-B, LINE 1G	HEALTHCARE POLICY IS CRITICAL TO ALL AMERICANS AND CHRISTUS SPOHN HEALTH SYSTEM CORPORATION BELIEVES THAT HEALTH CARE PROVIDERS MUST PARTICIPATE IN FORMING HEALTH CARE POLICY BY INTERACTING WITH NATIONAL, STATE AND LOCAL REPRESENTATIVES AND THEIR STAFF MEMBERS TO HELP THEM BETTER UNDERSTAND THE COMPLEXITIES AND RAMIFICATIONS OF KEY HEALTH CARE POLICIES CHRISTUS SPOHN HEALTH SYSTEM CORPORATION HAD DIRECT CONTACT WITH UNITED STATES CONGRESSMEN AND MEMBERS OF THE TEXAS STATE LEGISLATURE AND THEIR STAFF THROUGH EMAILS, TELEPHONE CALLS AND MEETINGS ON ISSUES SUCH AS HEALTHCARE FOR THE UNINSURED, HEALTHCARE REFORM, HEALTHCARE COSTS AND ACCESS, AND DISPROPORTIONATE SHARE HOSPITALS, MEDICAID UPPER PAY LIMITS, DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS AND 1115 HEALTHCARE TRANSFORMATION WAIVER THE REPORTED EXPENSES ASSOCIATED WITH THESE ACTIVITIES INCLUDE STAFF COMPENSATION AND RELATED ALLOCABLE OVERHEAD FORM 990, SCHEDULE C, PART IIBB, LINE 11 "OTHER ACTIVITIES" REPORTS THE PORTION OF FY 2013 PROFESSIONAL AND MEMBERSHIP ASSOCIATION DUES ALLOCATED TO LOBBYING EFFORTS BY THE RESPECTIVE ASSOCIATIONS TOTALING \$38,573 CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PAID DUES TO THOT OF \$38,573 CHRISTUS ADVOCACY DAY IN AUSTIN - MARCH 5, 2013 - PAM ROBERTSON MET WITH ABEL HERRERO, RYAN GUILLIEN, JM LOZANO, CHUY HINOJOSA, TODD HUNTER, SPEAKER OF THE HOUSE STRAUSSE MARCH 7, 2013 - PAM ROBERTSON MET WITH GJERSET & LORENZO ATTORNEYS AND ATTENDED THE TOTMET THE FISCAL YEAR ENDING 6-30-13

DLN: 93493132036124

OMB No 1545-0047

Open to Public

SCHEDULE D

(Form 990)

Department of the Treasury Internal Revenue Service

► 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.

Supplemental Financial Statements

Inspection Name of the organization **Employer identification number** Christus Spohn Health System Corporation 74-1109836

Pa	organizations Maintaining Donor Ad organization answered "Yes" to Form 990		Funds or Accounts	s. Complete if the
		(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 advis funds are the organization's property, subject to the o		nor advised	┌ Yes ┌ No
6	Did the organization inform all grantees, donors, and cused only for charitable purposes and not for the bene conferring impermissible private benefit?			┌ Yes ┌ No
Pa	rt II Conservation Easements. Complete i	f the organization answered "Yes"	to Form 990, Part I	V, line 7.
1 2	Purpose(s) of conservation easements held by the org Preservation of land for public use (e g , recreation Protection of natural habitat Preservation of open space Complete lines 2a through 2d if the organization held	n or education) Preservation of a Preservation of a	certified historic struc	cture
_	easement on the last day of the tax year	a qualifica conscivation contribution in		
	Total number of concernation accoments			e End of the Year
а	Total number of conservation easements		2a	
b	Total acreage restricted by conservation easements Number of conservation easements on a certified hist	toric etructure included in (2)	2b	
C		` '	2c	
d	Number of conservation easements included in (c) achistoric structure listed in the National Register		2d	
3	Number of conservation easements modified, transfer	red, released, extinguished, or terminat	ed by the organization	during
	the tax year -			
4	Number of states where property subject to conservat	tion easement is located ►		
5	Does the organization have a written policy regarding enforcement of the conservation easements it holds?	the periodic monitoring, inspection, har	ndling of violations, an	d Yes No
6	Staff and volunteer hours devoted to monitoring, inspe	ecting, and enforcing conservation ease	ments during the year	
	-			
7	A mount of expenses incurred in monitoring, inspectin \$ \begin{align*}	g, and enforcing conservation easement	ts during the year	
8	Does each conservation easement reported on line 2(and section $170(h)(4)(B)(II)$?	(d) above satisfy the requirements of se	ection 170(h)(4)(B)(ı)	┌ Yes ┌ No
9	In Part XIII, describe how the organization reports co balance sheet, and include, if applicable, the text of th the organization's accounting for conservation easem	ne footnote to the organization's financia		
Par	rt IIII Organizations Maintaining Collection Complete if the organization answered "\		or Other Similar	Assets.
1a	If the organization elected, as permitted under SFAS works of art, historical treasures, or other similar assessive, provide, in Part XIII, the text of the footnote	116 (ASC 958), not to report in its reve ets held for public exhibition, education,	, or research in further	
b	If the organization elected, as permitted under SFAS works of art, historical treasures, or other similar assesservice, provide the following amounts relating to the	ets held for public exhibition, education,		
	(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, histo following amounts required to be reported under SFAS		for financial gain, prov	
а	Revenues included in Form 990, Part VIII, line 1		► \$	

Cat No 52283D

Schedule D (Form 990) 2012

b Assets included in Form 990, Part X

Part	Organizations Maintaining Co	illections of Ar	t, His	itori	<u>cai ii</u>	reas	ures, or C	<u>etne</u>	<u>r Similar <i>F</i></u>	ssets	(con	tinued)
3	Using the organization's acquisition, access collection items (check all that apply)	ion, and other reco	rds, cl	neck	any of	the fo	llowing that	are a	sıgnıfıcant u	se of its		
а	Public exhibition		d	Γ	Loan	orex	change prog	rams				
b	Scholarly research		e	Γ	Othe	r						
c	Preservation for future generations											
4	Provide a description of the organization's co	ollections and expl:	ain ho	w the	v furthe	er the	organizatioi	n's ex	cempt purpos	e in		
•	Part XIII						_			C 111		
5	During the year, did the organization solicition assets to be sold to raise funds rather than to								nılar	┌ Yes		□ No
Par	t IV Escrow and Custodial Arrang		-						es" to Form			
	Part IV, line 9, or reported an ar											
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	lian or other interm	ediary	ford	ontribi	utions	or other ass	sets	not	┌ Yes	s	□ No
b	If "Yes," explain the arrangement in Part XI $$	[I and complete the	e follov	wing	able		<u>-</u>					
									,	Mount		
С	Beginning balance							1c				
d	Additions during the year							1d				
e	Distributions during the year						ļ	1e				
f	Ending balance							1f				
2a	Did the organization include an amount on Fo	orm 990, Part X, Iır	ne 21?	•						┌ Yes	5	□ No
b	If "Yes," explain the arrangement in Part XII	I Check here if the	e expla	anatı	on has	been	provided in I	Part 1	XIII		_	Γ
Pai	t V Endowment Funds. Complete										-	
		(a)Current year) Prior					Three years bac		ır yea	ars back
1a	Beginning of year balance											
b	Contributions											
c	Net investment earnings, gains, and losses											
d	Grants or scholarships							\dagger				
e	Other expenditures for facilities											
	and programs											
f	Administrative expenses							╄				
g	End of year balance											
2	Provide the estimated percentage of the cur	rent year end balan	ice (lir	ne 1g	, colum	nn (a))	held as					
а	Board designated or quasi-endowment 🕨											
b	Permanent endowment ►											
c	Temporarily restricted endowment ►											
	The percentages in lines 2a, 2b, and 2c sho	uld equal 100%										
За	Are there endowment funds not in the posse $% \left(1\right) =\left(1\right) \left($	ssion of the organiz	zatıon	that	are hel	d and	admınıstere	d for	the	_		
	organization by										es	No
	(i) unrelated organizations			• •		•		•	 	a(i) a(ii)	\dashv	
ь	(ii) related organizations							•	[3	3b	\dashv	
4	Describe in Part XIII the intended uses of the					•		•				
Par	t VI Land, Buildings, and Equipme					10.						
									(c) Accumulate	-d (d)		
	Description of property				Cost or (invest		(b) Cost or o basis (othe		depreciation		BOOL	c value
							basis (othe	r)	` '			
	Description of property		· .				basis (othe 23,485	r) 5,512	depreciation		23,	,485,512
b E	Description of property and		· ·				23,485 403,736	5,512 5,512	depreciation 241,042,8	325	23, 162,	.485,512 .693,687
b E	Description of property		· · ·				basis (othe 23,485	5,512 5,512 .,810	depreciation	325 591	23, 162, 4,	.485,512 .693,687 .646,219
b E c L d E	Description of property and	· · · · · · · · · · · · · · · · · · ·	· · ·				23,485 403,736 15,531	5,512 5,512 5,512 .,810	depreciation 241,042, 10,885,	325 591	23, 162, 4, 78,	.485,512 .693,687

Part VII Investments—Other Securities. See	Form 990, Part X, line 12	2.	
(a) Description of security or category	(b)Book value	(c) Metho	od of valuation
(including name of security)		Cost or end-o	f-year market value
(1)Financial derivatives			
(2)Closely-held equity interests			
Other			
Total (Column (h) must asset Form 000, Book V and (B) had 12)	•		
(2) (2)		12	
Part VIII Investments—Program Related. Se			- d - 6 1 6
(a) Description of investment type	(b) Book value		od of valuation f-year market value
		000000000000000000000000000000000000000	, you market talae
	_		
101411 (20141111 (2) 111411 (2) 11141 (2) 11141 (2) 11141 (2) 11141 (2)	*		
Part IX Other Assets. See Form 990, Part X, II			(b) Beaterralis
(a) Descri	ption		(b) Book value
(1) DUE FROM RELATED ORGANIZATION			62,061,862
Total. (Column (b) must equal Form 990, Part X, col.(B) line 1.		<u> </u>	62,061,862
Part X Other Liabilities. See Form 990, Part			
1 (a) Description of liability	(b) Book value		
Federal income taxes	0		
DUE TO CHRISTUS BOND FUND	170,260,588		
CAPITAL LEASE	49,939,531		
DUE TO RELATED ORGANIZATION	2,294,726		
SALES TAX PAYABLE	52,562		
ONLES TAX FATABLE	52,562		
	 		
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	222,547,407		
			ments that reports the

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

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
CASH - NON-BEARING INTEREST	FORM 990, PART X, LINE 1	CHRISTUS HEALTH SYSTEM MAINTAINS A CENTRALIZED CASH MANAGEMENT SYSTEM THIS CASH MANAGEMENT SYSTEM (CMS) INCLUDES A CONCENTRATION ACCOUNT WHEREIN DEPOSITS AND DISBURSEMENTS FOR RELATED CHRISTUS EXEMPT ORGANIZATIONS FLOW THROUGH THIS ACCOUNT AND OVER TO THE MANAGED INVESTMENT ACCOUNTS EACH PARTICIPATING ORGANIZATION REPORTS A BALANCE IN THE CMS REFLECTIVE OF ITS CUMULATIVE CASH ACTIVITY CASH BALANCES FOR EACH CHRISTUS ORGANIZATION ARE REPORTED ON FORM 990 IN ACCORDANCE WITH FINANCIAL STATEMENT REPORTING CMS OWNERSHIP IS MAINTAINED BY CHRISTUS HEALTH (EIN 76-0590551) AND ALL ASSOCIATED INVESTMENT INCOME IS PROPERLY REPORTED ON THE CHRISTUS HEALTH FORM 990
UNCERTAIN TAX POSITIONS UNDER ASC 740	FORM 990, SCHEDULE D, PART X, LINE 2	PER FOOTNOTE 3 IN THE CONSOLIDATED FINANCIAL STATEMENTS, THERE ARE NO MATERIAL UNRECORDED TAX LIABILITIES AS OF JUNE 30, 2013 AND 2012

OMB No 1545-0047

Open to Public Inspection

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization

Christus Spohn Health System Corporation

Employer identification number

74-1109836

Pa	rt I Financial Assi	stance an	d Certain	Other Community	Benefits at Cost								
								Yes	No				
1a	Did the organization have	a financial as	ssistance po	licy during the tax year?	' If "No," skıp to questı	on 6a	1a	Yes					
b	If "Yes," was it a written p	policy?					1b	Yes					
2	If the organization had mu financial assistance polic					pplication of the							
	Applied uniformly to a Generally tailored to i				mly to most hospital fac	cilities							
3	Answer the following base organization's patients du			nce eligibility criteria th	at applied to the larges	t number of the							
а	Did the organization use f If "Yes," indicate which o					providing <i>free</i> care?	За	Yes					
	┌ 100% ┌ 150% ┌	%											
b	b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care												
	□ 200% □ 250% □	300%	50% - 40	0%		0/0							
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 ye												
5a	provide for free or discounted care to the "medically indigent"?												
L	the tax year?												
	c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted												
C	care to a patient who was	_					5c						
6a	6a Did the organization prepare a community benefit report during the tax year?												
Ь	b If "Yes," did the organization make it available to the public?												
	Complete the following ta worksheets with the Sche	_	worksheets p	provided in the Schedule	e H instructions Do not	submit these							
7				munity Benefits at Co	st)				
	ancial Assistance and Means-Tested overnment Programs	ested activities or served benefit expense revenue expense					(f) Perce otal exp						
a	Financial Assistance at cost	,		81,259,894		81,259,	004	12.1	.40 %				
b	(from Worksheet 1) Medicaid (from Worksheet 3, column a)			86,408,430	169,973,105	-83,564,		12 1	40 %				
С	Costs of other means-tested government programs (from Worksheet 3, column b)			40,638,982	36,363,266	4,275,	716	0.6	640 %				
d	Total Financial Assistance and Means-Tested			208,307,306	206,336,371	1,970,			90 %				
	Government Programs . Other Benefits			200,307,300	200,330,371	1,970,	733	0 2	JU 70				
е	Community health improvement services and community benefit operations	F0	9.450	2 750 596	102 927	2.647	750	0.4	00.0/				
f	(from Worksheet 4) Health professions education	50	8,459	2,750,586	102,827	2,647,	ן פני	0 4	00 %				
g	(from Worksheet 5) Subsidized health services	13	3,373	7,250,418	2,003,658	5,246,	760	0 7	<u>′80 %</u>				
h	(from Worksheet 6) Research (from Worksheet 7)						\dashv						
ı	Cash and in-kind contributions for community benefit (from Worksheet 8)	13	9,967	442,477		442,	477	0.0	70 %				
J	Total. Other Benefits	76	21,799	10,443,481	2,106,485	8,336,			50 %				
k	Total. Add lines 7d and 7j .	76	21,799	218,750,787	208,442,856	10,307,	931	1 5	40 %				

	of the communities i	It serves. (a) Number of (b) Persons (c) Total commun			(d) Di	rect off	settina	(e) Net communit	v	(f) Percent of			
		activities or programs (optional)	served (optional)	building expense		revenue	_	building expense		total ex			
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								1				
7	Community health improvement advocacy	6		66 216				66	216	0	010.0		
8	Workforce development			66,316				66,	316		010 9		
	Other												
0	Total Pod Dobt Modican	o 9 Colleg	<u> </u>	66,316				66,	316	0	010		
	TIII Bad Debt, Medicar on A. Bad Debt Expense	e, & Collec	tion Practice	es						Yes	No		
L	Did the organization report bac		e ın accordance	with Heathcare Fina	ncıal M	anage	ment A	ssociation					
2	Statement No 15? Enter the amount of the organi						 İ		1	Yes	\vdash		
_	methodology used by the organ					2		58,975,212					
3	Enter the estimated amount of												
	patients eligible under the orgathe methodology used by the o												
	any, for including this portion of	of bad debt as	community ben	efit		3		2,235,137					
ŀ	Provide in Part VI the text of t or the page number on which tl						rıbes b	ad debt expense					
ect	ion B. Medicare	ilis lootilote is	contained in th	e attached illianicial	Statem	ents							
5	Enter total revenue received fr	om Medicare	(including DSH	and IME)		5		141,397,168					
5	Enter Medicare allowable cost	s of care relat	ing to payments	s on line 5		6		136,732,619					
7	Subtract line 6 from line 5 Thi	•	,			7		4,664,549					
3	Describe in Part VI the extent Also describe in Part VI the co Check the box that describes	osting method	ology or source					•					
	Cost accounting system	r co	st to charge rat	TIO	Other								
ect	on C. Collection Practices												
9a	Did the organization have a wr	ıtten debt coll	ection policy du	ırıng the tax year?					9a	Yes			
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part \	ection practice	es to be followed	d for patients who are	known	to qu	alıfy for	financial	9b	Yes			
Pa i	t IV Management Compa								ans—se	ee instruc	cions)		
	(a) Name of entity	(1	o) Description of pr activity of entity		c) Organi Profit % o ownersh	r stock		1) Officers, directors, trustees, or key employees' profit % r stock ownership %	pro	e) Physicofit % or ownersh	stock		
Co	rpus CH Cardio Ctr	Cardiac Cath La	b			50 000	%			50 (000 %		
Со	astal Bend PET Sca	Diagnostic Testi	ng Facility		4	19 500	%			50 5	500 %		
Со	rpus Ch Surgicare	Ambulatory Sur	gery Center		2	28 240	%			23 (570 %		
Sh	oreline Surgery Ct	Ambulatory Sur	gery Center			25 750			+		500 %		
							+		+				
							-		+				
,							+		+				
							\dashv		\dagger				
0							+		+				
1							\top		\dagger				
2							\top		\dagger				
.3							_		+				

Schedule	. 11 (1 01111 3 3 0) Z 0 1 Z										raye
Part V	Part V Facility Information										
(list in c smalles How ma	order of size from largest to t—see instructions) any hospital facilities did the ation operate during the tax year?	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other		For selektion and an advanced
Name, a	address, and primary website address		<u> </u>							Other (Describe)	Facility reporting group
1	CHRISTUS SPOHN HOSPITAL SHORELINE 600 ELIZABETH STREET CORPUS CHRISTI,TX 78404	х	х					х		REHABILITATION CLINIC	
2	CHRISTUS SPOHN HOSPITAL MEMORIAL 2606 HOSPITAL BLVD CORPUS CHRISTI,TX 78405	X	х				х	х		OP PHYSICIAN CLINICS ADOLESCENT PSYCHTRY UNIT	
3	CHRISTUS SPOHN HOSPITAL SOUTH 5950 SARATOGA BLVD CORPUS CHRISTI,TX 78414	x	×					×			
4	CHRISTUS SPOHN HOSPITAL ALICE 2500 MAIN STREET ALICE,TX 78332	Х	х					х		OP PHYSICIAN CLINICS REHAB CLINIC	
5	CHRISTUS SPOHN HOSPITAL KLEBERG 1311 EAST GENERAL CAVAZOS BLVD KINGSVILLE,TX 78363	Х	х					х		OUTPATIENT PHYSICAL THERAPY	
6	CHRISTUS SPOHN HOSPITAL BEEVILLE 1500 EAST HOUSTON HIGHWAY BEEVILLE,TX 78102	х	×					×		OP PHYSICIAN CLINICS	
				<u> </u>							

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)

CHRISTUS SPOHN HOSPITAL SHORELINE

Name	of	hospital	facility	or v	facility	reporting	group

			Yes	No
om	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
L	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			
Ь	Demographics of the community			
С	Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
t	▼ 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			
	The process for identifying and prioritizing community health needs and services to meet the community health needs			
	The process for consulting with persons representing the community's interests			
	Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	Other (describe in Part VI)			
	Indicate the tax year the hospital facility last conducted a CHNA $$ 20 $\underline{12}$			
	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		Yes	
	persons the hospital facility consulted	_	1 63	
	facilities in Part VI	4	Yes	
	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			
)	A vailable upon request from the hospital facility			
С	Other (describe in Part VI)			
	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
	Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
	Execution of the implementation strategy			
С	Participation in the development of a community-wide plan			
ł	Participation in the execution of a community-wide plan			
2	▼ 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			
3	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)			
	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	
a	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		N
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		Ĺ
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)								
	ancial Assistance Policy		Yes	No				
9	Did the hospital facility have in place during the tax year a written financial assistance policy that							
	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes					
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	10	Yes					
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 %							
11	If "No," explain in Part VI the criteria the hospital facility used		\ , ₋ -					
	Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes					
	If "No," explain in Part VI the criteria the hospital facility used							
12	Explained the basis for calculating amounts charged to patients?	12	Yes					
	If "Yes," indicate the factors used in determining such amounts (check all that apply)							
а	▼ Income level							
b	Asset level							
c	Medical indigency							
d	Insurance status							
е	Uninsured discount							
f	Medicaid/Medicare							
g	State regulation							
h	Other (describe in Part VI)							
13	Explained the method for applying for financial assistance?	13	Yes					
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes					
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)							
а	The policy was posted on the hospital facility's website							
b	The policy was attached to billing invoices							
C	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							
е	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)							
	ling 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		No				
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during			110				
	the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP							
а	Reporting to credit agency							
b	Lawsuits							
C	Liens on residences							
d	Body attachments							
е	Other similar actions (describe in Part VI)							
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No				
	If "Yes," check all actions in which the hospital facility or a third party engaged							
а	Reporting to credit agency							
b	<u>-</u>							
C	Liens on residences							
d	Body attachments							
_	C Other similar actions (describe in Part VI)	ı	l	ı				

chedule H	(Form 990)	2012

Page

P	art V Facility Information (continued)			
18	Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)			
а	Notified individuals of the financial assistance policy on admission			
b	Notified individuals of the financial assistance policy prior to discharge			
c	Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills			
d	Documented its determination of whether patients were eligible for financial assistance under the hospital facility's			
	financial assistance policy			
_e	O ther (describe in Part VI)			
Po	licy Relating to Emergency Medical Care			
			Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires			
	the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	10	Yes	
	If "No," indicate why	1	1 03	
а	The hospital facility did not provide care for any emergency medical conditions			
и ь	The hospital facility's policy was not in writing			
ט				
C				
d				
	arges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)		1	1
20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-			
а	eligible individuals for emergency or other medically necessary care 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			
С	The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	Other (describe in Part VI)			
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided			
	emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	21		l _{No}
	If "Yes," explain in Part VI			1,40
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any			
	service provided to that individual?	22		Νo
	If "Yes," explain in Part VI			

Part V Facility Information (continued)

Section 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)

CHRISTUS SPOHN HOSPITAL MEMORIAL

	CITICIO	01 01111110	O
Name of bosnital facility or facility reporting group			

For	single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)			
			Yes	No
Con	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community			
	health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	<u> </u>
	If "Yes," indicate what the CHNA report describes (check all that apply)			
а	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			
е	The health needs of the community			
f	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	▼ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	▼ The process for consulting with persons representing the community's interests			
i	▼ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community			
	served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in			
	Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital		1	
	facilities in Part VI	4	Yes	Щ.
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	<u> </u>
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
а	▼ Hospital facility's website			
b	Available upon request from the hospital facility			
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	A doption 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			
q	Prioritization of health needs in its community			
h	Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	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			1
	which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	$oxed{oxed}$
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as	_		l
	required by section 501(r)(3)?	8a		No
	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		\vdash
С	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? \$			1
	mospital lacinities. 4			1

Part V Facility Information (continued)						
	nancial 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 %					
11	If "No," explain in Part VI the criteria the hospital facility used		\ , ₋ -			
	Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes			
	If "No," explain in Part VI the criteria the hospital facility used					
12	Explained the basis for calculating amounts charged to patients?	12	Yes			
	If "Yes," indicate the factors used in determining such amounts (check all that apply)					
а	▼ Income level					
b	Asset level					
c	Medical indigency					
d	✓ Insurance status					
е	Uninsured discount					
f	Medicaid/Medicare					
g	State regulation					
h	Other (describe in Part VI)					
13	Explained the method for applying for financial assistance?	13	Yes			
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes			
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)					
а	The policy was posted on the hospital facility's website					
b	The policy was attached to billing invoices					
C	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					
е	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)					
	ling and Collections	1	1			
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		No		
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during			-110		
	the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP					
а	Reporting to credit agency					
b	Lawsuits					
C	Liens on residences					
d	Body attachments					
е	Other similar actions (describe in Part VI)					
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No		
	If "Yes," check all actions in which the hospital facility or a third party engaged					
а	Reporting to credit agency					
b						
C	Liens on residences					
d	Body attachments					
_	Other similar actions (describe in Part VI)	1		1		

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	racinty information (continued)			
18	Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)			
а	Notified individuals of the financial assistance policy on admission			
b	Notified individuals of the financial assistance policy prior to discharge			
c	Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills			
d	financial assistance policy			
е	O ther (describe in Part VI)			
Po	licy 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			
а	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)			
Cha	arges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)			
20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
	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	lacksquare 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		N o
	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 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)

CHRISTUS SPOHN HOSPITAL SOUTH

	CIRISTOS SFOTIN HOSPITAL SOUTH
Name of hospital facility or facility reporting group	

			Yes	No
Con	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
а	A definition of the community served by the hospital facility			
b	Demographics of the community			
С	Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	▼ How data was obtained			
e	▼ The health needs of the community			
f	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	The process for consulting with persons representing the community's interests			
i	▼ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the		V	
4	persons the hospital facility consulted	3	Yes	\vdash
4	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)			
а	▼ Hospital facility's website			
b	▼ A vailable 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)			
а	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			
е	▼ Inclusion of a community benefit section in operational plans			
f	Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	▼ Prioritization of health needs in its community			
h	Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	Other (describe in Part VI)			
	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI			
	which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	_
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as	0-		N.
h	required by section $501(r)(3)^2$	8a 8b		Νo
	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	100		
_	hospital facilities? \$			

Part V Facility Information (continued)						
	nancial 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 %					
11	If "No," explain in Part VI the criteria the hospital facility used		\ , ₋ -			
	Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes			
	If "No," explain in Part VI the criteria the hospital facility used					
12	Explained the basis for calculating amounts charged to patients?	12	Yes			
	If "Yes," indicate the factors used in determining such amounts (check all that apply)					
а	▼ Income level					
b	Asset level					
c	Medical indigency					
d	✓ Insurance status					
е	Uninsured discount					
f	Medicaid/Medicare					
g	State regulation					
h	Other (describe in Part VI)					
13	Explained the method for applying for financial assistance?	13	Yes			
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes			
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)					
а	The policy was posted on the hospital facility's website					
b	The policy was attached to billing invoices					
C	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					
е	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)					
	ling and Collections	1	1			
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		No		
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during			-110		
	the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP					
а	Reporting to credit agency					
b	Lawsuits					
C	Liens on residences					
d	Body attachments					
е	Other similar actions (describe in Part VI)					
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No		
	If "Yes," check all actions in which the hospital facility or a third party engaged					
а	Reporting to credit agency					
b						
C	Liens on residences					
d	Body attachments					
_	Other similar actions (describe in Part VI)	1		1		

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Pa	art V Facility Information (continued)			
18	Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)			
а	Notified individuals of the financial assistance policy on admission			
Ь	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	O ther (describe in Part VI)			
Po	licy Relating to Emergency Medical Care			
			Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires			
	the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	10	Yes	
	If "No," indicate why	1	1 03	
а	The hospital facility did not provide care for any emergency medical conditions			
и ь	The hospital facility's policy was not in writing			
ט				
c				
d				
	arges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)		1	1
20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-			
а	eligible individuals for emergency or other medically necessary care 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			
С	The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	Other (describe in Part VI)			
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided			
	emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	21		l _{No}
	If "Yes," explain in Part VI			1,40
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any			
	service provided to that individual?	22		Νo
	If "Yes," explain in Part VI			

Part V Facility Information (continued)

Section 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\)$

CHRISTUS SPOHN HOSPITAL ALICE

Name of hospital facility or facility reporting gro

			Yes	No
om	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
L	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			
Ь	Demographics of the community			
С	Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
t	▼ 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			
	The process for identifying and prioritizing community health needs and services to meet the community health needs			
	The process for consulting with persons representing the community's interests			
	Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	Other (describe in Part VI)			
	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
	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		Yes	
	persons the hospital facility consulted	۲	1 63	┢
	facilities in Part VI	4	Yes	
	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	A vailable upon request from the hospital facility			
С	Other (describe in Part VI)			
	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
	Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
	Execution of the implementation strategy			
С	Participation in the development of a community-wide plan			
ł	Participation in the execution of a community-wide plan			
2	▼ 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)			
	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	
a	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		N
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		$oxedsymbol{oxed}$
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? \$			

P	art V Facility Information (continued)			
	ancial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that			
	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
11	If "No," explain in Part VI the criteria the hospital facility used		\ , ₋ -	
	Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes	
	If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	12	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
а	▼ Income level			
b	Asset level			
c	Medical indigency			
d	Insurance status			
е	Uninsured discount			
f	Medicaid/Medicare			
g	State regulation			
h	Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
а	The policy was posted on the hospital facility's website			
b	The policy was attached to billing invoices			
C	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			
е	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)			
	ling 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		No
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during			110
	the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
а	Reporting to credit agency			
b	Lawsuits			
C	Liens on residences			
d	Body attachments			
е	Other similar actions (describe in Part VI)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
а	Reporting to credit agency			
b	<u>-</u>			
C	Liens on residences			
d	Body attachments			
_	C Other similar actions (describe in Part VI)	ı	l	I

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If "Yes," explain in Part VI

•	Facility Information (continued)			
18	Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)			
а	Notified individuals of the financial assistance policy on admission			
b	Notified individuals of the financial assistance policy prior to discharge			
c	Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills			
d	Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
е	Other (describe in Part VI)			
Pol	licy 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			
а	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)			
Cha	arges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)			
20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
а	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	lacksquare 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		N o
	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

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)

CHRISTUS SPOHN HOSPITAL KLEBERG

	٠.
Name of hospital facility or facility reporting group	

For	single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 5	_		
			Yes	No
Con	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community			
	health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	<u> </u>
	If "Yes," indicate what the CHNA report describes (check all that apply)			
а	A definition of the community served by the hospital facility			
Ь	Demographics of the community			ĺ
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			ĺ
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	O ther (describe in Part VI)			ĺ
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community			
	served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the			
	persons the hospital facility consulted	3	Yes	<u> </u>
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	<u> </u>
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	Hospital facility's website			
b	A vailable 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				
Ь	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			
е	Inclusion of a community benefit section in operational plans			
f	Adoption of a budget for provision of services that address the needs identified in the CHNA			ĺ
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			
	Other (describe in Part VI)			
	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI			
	which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	<u> </u>
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as			NI ~
h	required by section 501(r)(3)?...................................	8a 8b		No
	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	BD		
C	hospital facilities? \$			
	•			ĺ

P	art V Facility Information (continued)			
	ancial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that			
	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
11	If "No," explain in Part VI the criteria the hospital facility used		\ , ₋ -	
	Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes	
	If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	12	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
а	▼ Income level			
b	Asset level			
c	Medical indigency			
d	Insurance status			
е	Uninsured discount			
f	Medicaid/Medicare			
g	State regulation			
h	Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
а	The policy was posted on the hospital facility's website			
b	The policy was attached to billing invoices			
C	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			
е	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)			
	ling 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		No
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during			110
	the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
а	Reporting to credit agency			
b	Lawsuits			
C	Liens on residences			
d	Body attachments			
е	Other similar actions (describe in Part VI)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
а	Reporting to credit agency			
b	<u>-</u>			
C	Liens on residences			
d	Body attachments			
_	C Other similar actions (describe in Part VI)	ı	l	I

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If "Yes," explain in Part VI

•	Facility Information (continued)			
18	Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)			
а	Notified individuals of the financial assistance policy on admission			
b	Notified individuals of the financial assistance policy prior to discharge			
c	Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills			
d	Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
е	Other (describe in Part VI)			
Pol	licy 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			
а	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)			
Cha	arges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)			
20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
а	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	lacksquare 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		N o
	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

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)

CHRISTUS SPOHN HOSPITAL BEEVILLE

For	single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)	_		
		_	Yes	No
Con	munity Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community			
	health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	<u> </u>
	If "Yes," indicate what the CHNA report describes (check all that apply)			
а	A definition of the community served by the hospital facility			
b	Demographics of the community			
С	Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	How data was obtained			
е	The health needs of the community			
f	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	▼ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	The process for consulting with persons representing the community's interests			
i	▼ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in			
	Part VI how the hospital facility took into account input from persons who represent the community, and identify the			
	persons the hospital facility consulted	3	Yes	<u> </u>
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)			
а	Hospital facility's website			
ь	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)			
а	Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	Execution of the implementation strategy			
С	Participation in the development of a community-wide plan			1
d	Participation in the execution of a community-wide plan			
е	▼ Inclusion of a community benefit section in operational plans			
f	Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	Prioritization of health needs in its community			
h	Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	Other (describe in Part VI)			
7				İ
	which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	<u> </u>
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as			l
	required by section 501(r)(3)?	8a	$\vdash\vdash$	No
	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	₩	\vdash
С	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? \$			1
	nospital identities. #			1

Part V Facility Information (continued)						
	ancial Assistance Policy		Yes	No		
9	Did the hospital facility have in place during the tax year a written financial assistance policy that					
	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes			
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	10	Yes			
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 %					
11	If "No," explain in Part VI the criteria the hospital facility used		\ , ₋ -			
	Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes			
	If "No," explain in Part VI the criteria the hospital facility used					
12	Explained the basis for calculating amounts charged to patients?	12	Yes			
	If "Yes," indicate the factors used in determining such amounts (check all that apply)					
а	▼ Income level					
b	Asset level					
c	Medical indigency					
d	Insurance status					
е	Uninsured discount					
f	Medicaid/Medicare					
g	State regulation					
h	Other (describe in Part VI)					
13	Explained the method for applying for financial assistance?	13	Yes			
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes			
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)					
а	The policy was posted on the hospital facility's website					
b	The policy was attached to billing invoices					
C	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					
е	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)					
	ling 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		No		
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during			110		
	the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP					
а	Reporting to credit agency					
b	Lawsuits					
C	Liens on residences					
d	Body attachments					
е	Other similar actions (describe in Part VI)					
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No		
	If "Yes," check all actions in which the hospital facility or a third party engaged					
а	Reporting to credit agency					
b	<u>-</u>					
C	Liens on residences					
d	Body attachments					
_	C Other similar actions (describe in Part VI)	ı	l	I		

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If "Yes," explain in Part VI

•	Facility Information (continued)			
18	Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)			
а	Notified individuals of the financial assistance policy on admission			
b	Notified individuals of the financial assistance policy prior to discharge			
c	Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills			
d	Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
е	Other (describe in Part VI)			
Pol	licy 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			
а	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)			
Cha	arges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)			
20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
а	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	lacksquare 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		N o
	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

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)

Hov	v many non-hospital health care facilities did the ord	ganization operate during the tax year?
Nar	ne and address	Type of Facility (describe)
1	CORPUS CHRISTI SURGICARE LTD 15305 DALLAS PARKWAY SUITE 1600 LB ADDISON,TX 75001	OUTPATIENT SURGERY CENTER
2	SHORELINE SURGERY CENTER LLP 15305 DALLAS PARKWAY SUITE 1600 LB ADDISON,TX 75001	OUTPATIENT SURGERY CENTER
3	COASTAL BEND PET SCAN LTD 3226 REID DRIVE CORPUS CHRISTI,TX 78404	RADIOLOGY, IMAGING AND X-RAY CLINIC
4	PORTLAND IMAGING CENTER LTD 1201 NEWHALL BEEVILLE, TX 78102	RADIOLOGY, IMAGING AND X-RAY CLINIC
5	·	
6		
7		
8		
9		
10		

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board, use of surplus funds, etc)

Part VI Supplemental Information Complete this part to provide the following information

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 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

Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may

other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community

Facility reporting group(s). If applicable, for each hospital facility in a facility reporting group provide the descriptions required for

AMOUNTS ESTABLISHED FOR BUDGETARY PURPOSES PART

I, LINE 6A ANNUAL COMMUNITY BENEFIT REPORT A REPORT OF COMMUNITY BENEFIT IS INCLUDED IN A Page

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 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or

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

Part V, Section B, lines 1], 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22 Identifier ReturnReference Explanation

PART I, LINE 5 THE ORGANIZATION BUDGETS CHARITY CARE FOR BUDGETED CHARITY CARE INTERNAL FINANCIAL REVIEW PURPOSES ONLY THE PROVISION OF CHARITY CARE IS NOT LIMITED TO

WRITTEN ANNUAL REPORT FOR CHRISTUS HEALTH. THE ORGANIZATION'S PARENT COMPANY CHRISTUS HEALTH IS AN INTERNATIONAL, CATHOLIC, FAITH BASED, NONPROFIT HEALTH SYSTEM FORMED IN 1999 WITH A MISSION "TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST " THE ANNUAL COMMUNITY BENEFIT REPORT SUMMARIZES ACTIVITIES AND PROGRAMS CONDUCTED DURING THE PAST YEAR TO IMPROVE HEALTH INCLUDING PROACTIVE COMMUNITY HEALTH SERVICES HOWEVER, THE ANNUAL REPORT IS ONLY A SNAPSHOT OF HOW THE ORGANIZATION DISTINGUISHES ITSELF IN ITS VISION TO BE A LEADER, A PARTNER, AND AN ADVOCATE IN CREATING INNOVATIVE HEALTH AND WELLNESS SOLUTIONS THAT IMPROVE THE LIVES OF INDIVIDUALS AND COMMUNITIES PART I, LINE 7B UNREIMBURSED MEDICAID CHRISTUS SPOHN HEALTH SYSTEM CORPORATION REINVESTS ALL SURPLUS FUNDS BACK IN TO THE COMMUNITIES WE SERVE THROUGH EXPANDED HEALTH SERVICES, NEW TECHNOLOGIES, AND BETTER FACILITIES PART I, LINE 7, COLUMN (F) PERCENT OF TOTAL EXPENSE TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) IS \$729,287,463 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT IS \$58,975,212 THIS LEAVES A TOTAL EXPENSE OF \$670,312,251 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F) PART I, LINE 7, COLUMN (F) DESCRIPTION OF FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFITS AS PERCENTAGE OF TOTAL COSTS THE ORGANIZATION'S TOTAL COMMUNITY BENEFIT EXPENSE AS REPORTED ON PART I, LINE 7K, COLUMN (C) AS A PERCENTAGE OF TOTAL EXPENSE IS 32 63% WHICH EXCEEDS THE AMOUNT REPORTED ON PART I, LINE 7K COLUMN (F) WHICH IS COMPUTED USING NET COMMUNITY BENEFIT EXPENSE PART I, LINE 7I CASH AND IN-KIND CONTRIBUTIONS CHRISTUS SPOHN HEALTH SYSTEM CORPORATION MADE OVER \$145,644 IN CASH AND IN KIND CONTRIBUTIONS DURING FISCAL YEAR 2013 THE AFOREMENTIONED AMOUNT IS DETERMINED IN ACCORDANCE WITH REPORTING RULES FOR SCHEDULE H, WORKSHEET 8 AS SUCH, THIS AMOUNT DIFFERS FROM GRANTS REPORTED AT FORM 990, SCHEDULE I, GRANTS AND OTHER ASSISTANCE TO ORGANIZATIONS, GOVERNMENTS, AND INDIVIDUALS AND PART IX, LINES 1 THROUGH 3 GRANTS AND OTHER ASSISTANCE CHRISTUS HEALTH ESTABLISHED THE CHRISTUS FUND, A GRANT FUND TO PROVIDE RESOURCES TO NONPROFIT AGENCIES AND GROUPS WHOSE VISION, MISSION, AND GOALS ARE CONSISTENT WITH CHRISTUS HEALTH'S MISSION, VALUES AND PHILOSOPHY OF A HEALTHY COMMUNITY CHRISTUS FUND GRANTS TOTALING \$209,035 WERE DISTRIBUTED BY CHRISTUS HEALTH TO NONPROFIT ORGANIZATIONS LOCATED IN THE COMMUNITY SERVED BY CHRISTUS SPOHN HEALTH SYSTEM CORPORATION THE GRANT DOLLARS WERE USED TO SUPPORT PROGRAMS T PROMOTE THE HEALTH OF THE COMMUNITY THAT CHRISTUS SPOHN HEALTH SYSTEM CORPORATION SERVES THE CHRISTUS FUND GRANTS SUPPORT WORTHY CAUSES THAT BUILD COLLABORATION AND IMPROVE THE HEALTH AND WELL BEING OF THE COMMUNITY ALL GRANTS MADE TO OUTSIDE ORGANIZATIONS THROUGH THE CHRISTUS FUND ARE MADE TO NONPROFIT ORGANIZATIONS THAT SUPPORT THE HEALTH OF THE COMMUNITY THESE GRANT DOLLARS ARE NOT INCLUDED ON SCHEDULE H, PART I, LINE 7(I) CHRISTUS HEALTH HAS ALSO ESTABLISHED AN EDUCATION AND RESEARCH FUND CHRISTUS SPOHN HEALTH SYSTEM CORPORATION RECEIVED \$209,035 FROM THE FUND AND USED SUCH RESOURCES TO BENEFIT THE COMMUNITY BY SPONSORING RESEARCH AND EDUCATIONAL PROJECTS INDIGENT FUNDING EXPENSE OF \$401,844 IS INCLUDED IN SCHEDULE H, PART I, LINE 7 (I) PART I, LINE 7 LINE 7A RATIO OF PATIENT CARE COST TO CHARGES BASED ON SCHEDULE H, WORKSHEET 2 LINE 7B RATIO OF PATIENT CARE COST TO CHARGES BASED ON SCHEDULE H, WORKSHEET 2 LINE 7E ACTUAL EXPENSES LESS ANY DIRECT OFFSETTING REVENUE LINE 7F ACTUAL EXPENSES LESS ANY DIRECT OFFSETTING REVENUE LINE 71 ACTUAL EXPENSE OF THE CONTRIBUTIONS PART II COMMUNITY BUILDING ACTIVITIES THE CHRISTUS HEALTH ADVOCACY DEPARTMENT IS WORKING IN PARTNERSHIP WITH LOCAL, STATE AND FEDERAL POLICY MAKERS TO ENSURE ACTIVITIES AND PROGRAMS ARE IN PLACE THAT WILL ENHANCE PUBLIC HEALTH AND ADVANCE GENERAL KNOWLEDGE DURING FY 2013, CHRISTUS HEALTH ADVOCATED FOR IMPROVING PUBLIC POLICIES, WORKING TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY AND GREATER ACCESS TO HEALTH CARE SERVICES FOR THE CONSTITUENTS WE SERVE SOME OF THE MAIN COMMUNITY BUILDING ACTIVITIES ARE IMPROVING ACCESS TO HEALTH SERVICES, ENHANCING PUBLIC HEALTH, AND ADVANCING KNOWLEDGE TO INCLUDE EXPANDING THE CURRENT ENROLLMENT PROGRAM FOR INDIGENT AND MEDICAID RECIPIENTS TO OFFER LOW INSURANCE PRODUCTS FOR THOSE INELIGIBLE FOR MEDICAID/CHIP THE INDIGENT CARE HEALTH PROGRAM IS A LIMITED BENEFIT PLAN, ADMINISTERED BY CHRISTUS SPOHN HEALTH SYSTEM IN WHICH CERTAINLY MEDICAL SERVICES ARE COVERED FOR ELIGIBLE COUNTY RECIPIENTS ELIGIBILITY ENTITLES QUALIFIED RESIDENTS WITHIN NUECES COUNTY TO RECEIVE HEALTH CARE SERVICES WHILE RESIDING WITH THE COUNTY INCLUDING MAJOR MEDICAL EXPENSES, HOSPITALIZATION AND SURGERIES, AND ROUTINE MEDICAL EXPENSES, OFFICE VISITS, ANNUAL EXAMS AND DURABLE MEDICAL EQUIPMENT, ALL SUBJECT TO CO-PAYMENTS CHRISTUS SPOHN COMMUNITY OUTREACH REMAINS A COMMITTED PARTNER WITH PHYSICIANS AND RECIPIENTS OF CARE TO PROVIDE ACCESS TO AFFORDABLE, QUALITY HEALTH CARE, AND WE ARE A COLLABORATIVE PARTNER COORDINATING CARE WITH OUR PHYSICIANS, FAMILY HEALTH CENTERS, AND HOSPITALS SEEKING SOLUTIONS TO IMPROVE THE HEALTH OF THOSE IN OUR COMMUNITY PART III, SECTION A, LINE 1 BAD DEBT REPORTING IN ACCORDANCE WITH HFMA STATEMENT 15 CHRISTUS HEALTH FOLLOWS IN PRINCIPLE HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT NO 15 THE SYSTEM HAS ADOPTED AN UNCOMPENSATED CARE POLICY WHERE REVENUE FROM SERVICES PROVIDED TO THE UNINSURED IS RECOGNIZED AT THE TIME OF PAYMENT, RATHER THAN AT THE TIME OF SERVICE THIS POLICY IS THE RESULT OF A LACK OF REASONABLE ASSURANCE OF COLLECTION FOR SERVICES PROVIDED TO THE UNINSURED DUE TO THE SYSTEM'S HISTORICALLY LOW COLLECTION RATE MANAGEMENT HAS ESTIMATED THAT THE DIFFERENCE BETWEEN RECORDING REVENUE FROM THE UNINSURED ON A CASH BASIS, RATHER THAN THE ACCRUAL BASIS, IS IMMATERIAL ACCORDINGLY, ALL ACCOUNTS RECEIVABLE FROM THE UNINSURED HAVE BEEN FULLY RESERVED IN THE ALLOWANCE FOR UNCOMPENSATED CARE PART III, SECTION A, LINE 2 METHODOLOGY USED IN DETERMINING BAD DEBT THE ORGANIZATION'S TOTAL BAD DEBT EXPENSE (TOTAL OF ALL HOSPITAL FACILITIES) IS IN ACCORDANCE WITH THE ORGANIZATION'S FINANCIAL STATEMENTS, WHICH IS COMPUTED AS BAD DEBT NET OF CONTRACTUAL ALLOWANCE, PAYMENTS RECEIVED AND RECOVERIES OF BAD DEBT PREVIOUSLY WRITTEN OFF ESTIMATE OF BAD DEBT EXPENSE UNDER ORGANIZATION'S CHARITY CARE POLICY THE FILING ORGANIZATION RECOGNIZES THAT SOME ATTRIBUTABLE TO PATIENTS PATIENTS ARE UNABLE OR UNWILLING TO SEEK FINANCIAL ELIGIBLE ASSISTANCE DUE TO BARRIERS SUCH AS EDUCATIONAL LEVEL, LITERACY, DOCUMENTATION REQUIREMENTS, OR BEING INTIMIDATED BY THE APPLICATION PROCESS IN ORDER TO ESTIMATE THE AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS WHO MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE BUT HAVE NOT SUBMITTED AN APPLICATION, THE ORGANIZATION ENGAGED PARO DECISION SUPPORT, LLC PARO CHARITY SCORE IS DESIGNED TO IDENTIFY PATIENTS THAT LIKELY QUALIFY FOR FINANCIAL ASSISTANCE BASED ON A PREDICTIVE MODEL AND OTHER FINANCIAL AND ASSET ESTIMATES FOR THE PATIENT DERIVED FROM PUBLIC RECORD SOURCES IN ORDER TO ASSESS THE BAD DEBT ACCOUNTS THAT WOULD LIKELY QUALIFY FOR CHARITY CARE, THE FOLLOWING CRITERIA WERE ESTABLISHED BASED ON AN ANALYSIS OF HISTORICAL DATA OF CHRISTUS HEALTH AND ITS RELATED ORGANIZATIONS 1 PARO SCORE OF LESS THAN OR EQUAL TO 586, WHICH IS A PREDICTOR DEFINING THE LIKELY SOCIOECONOMIC CONDITIONS FOR THE PATIENT. 2 ESTIMATED FEDERAL POVERTY LEVEL OF LESS THAN OR EQUAL TO 226%, WHICH IS BASED ON ESTIMATED HOUSEHOLD SIZE AND HOUSEHOLD ESTIMATED INCOME, AND 3 THIRD PARTY DATA AVAILABLE ON PATIENT ACCOUNTS WHICH INDICATE THAT THE PATIENT IS NOT A HOMEOWNER OR A PROBABLE HOMEOWNER FOR THE FISCAL YEAR ENDING JUNE 30. 2011, THE ORGANIZATION REPORTED THAT 30% OF BAD

PART III, SECTION A, LINE 3 DEBT EXPENSES WERE ATTRIBUTABLE TO PATIENTS WHO MAY HAVE BEEN ELIGIBLE FOR FINANCIAL ASSISTANCE BUT WERE NOT RESPONSIVE TO THE APPLICATION PROCESS EXISTING AT THAT TIME THIS FIGURE WAS BASED ON THE PARO ANALYSIS AND ESTIMATES OF PATIENTS' FINANCIAL NEEDS THAT EXAMINED WHETHER PATIENTS WERE CHARACTERISTIC OF OTHERS WHO HISTORICALLY QUALIFIED FOR ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS THE PRESUMPTIVE CHARITY CARE ANALYSIS PERFORMED FOR THE PRIOR FISCAL YEAR DETERMINED A BENCHMARK OF BAD DEBT ACCOUNTS IN THE CHRISTUS HEALTH SYSTEM THAT LACKED THE INFORMATION TO QUALIFY FOR CHARITY CARE UNDER THE FILING ORGANIZATION'S CUSTOMARY PROCESS BUT WOULD HAVE LIKELY QUALIFIED FOR ASSISTANCE DURING THE FISCAL YEAR ENDING JUNE 30, 2013, THE ORGANIZATION UTILIZED THE PARO SCORE TO IDENTIFY THE ACCOUNTS OF INDIVIDUAL PATIENTS THAT WERE LIKELY ELIGIBLE FOR FINANCIAL ASSISTANCE DESPITE HAVING NOT COMPLETED AN APPLICATION, AND SUCH ANALYSIS DETERMINED THAT 28 25% OF SUCH ACCOUNTS WERE LIKELY ELIGIBLE FOR FINANCIAL ASSISTANCE THE ORGANIZATION GRANTED PRESUMPTIVE ELIGIBILITY FOR THESE ACCOUNTS AND THEY WERE RECLASSIFIED UNDER OUR FINANCIAL ASSISTANCE POLICY THE AMOUNTS WERE NOT REPORTED AS BAD DEBT THE AMOUNT REPORTED ON SCHEDULE H, PART III, LINE 3 IS THE DIFFERENCE BETWEEN THE PRESUMPTIVE CHARITY CARE BENCHMARK ESTABLISHED IN THE FISCAL YEAR ENDING JUNE 30, 2011 AND THE AGGREGATE OF INDIVIDUAL ACCOUNTS FOR WHICH THE ORGANIZATION GRANTED PRESUMPTIVE ELIGIBILITY IN THE FISCAL YEAR ENDING JUNE 30, 2013 THUS, THE ORGANIZATION ESTIMATES THAT ONLY 3 79% OF THE BAD DEBT EXPENSES IN FISCAL YEAR ENDING JUNE 30, 2013 ARE ATTRIBUTABLE TO PATIENTS WHO WOULD LIKELY HAVE QUALIFIED FOR FINANCIAL ASSISTANCE IT IS IMPORTANT TO NOTE THAT THE FIGURE CALCULATED FOR FISCAL YEAR ENDING JUNE 30, 2011 WAS ESTIMATED AND NOT EXACT, AND THEREFORE THE DIFFERENCE BETWEEN THE AMOUNTS QUALIFIED AS PRESUMPTIVE CHARITY CARE IN ANY FISCAL YEAR MAY VARY FROM THE BENCHMARK ESTABLISHED IN FISCAL YEAR ENDING JUNE 30, 2011 PART III, SECTION A, LINE 4 BAD DEBT EXPENSE FOOTNOTE THE FOOTNOTE TO THE CHRISTUS HEALTH CONSOLIDATED FINANCIAL STATEMENTS SAYS, "THE PREPARATION OF THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES REQUIRES MANAGEMENT OF THE SYSTEM TO MAKE ASSUMPTIONS, ESTIMATES, AND JUDGMENTS THAT AFFECT THE AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS, INCLUDING THE NOTES THERETO, AND RELATED DISCLOSURES OF COMMITMENTS AND CONTINGENCIES, IF ANY THE SYSTEM CONSIDERS CRITICAL ACCOUNTING POLICIES TO BE THOSE THAT REOUIRE MORE SIGNIFICANT JUDGMENTS AND ESTIMATES IN THE PREPARATION OF ITS FINANCIAL STATEMENTS, INCLUDING THE FOLLOWING RECOGNITION OF NET PATIENT REVENUES, WHICH INCLUDE CONTRACTUAL ALLOWANCES, PROVISIONS FOR BAD DEBT, RESERVES FOR LOSSES AND EXPENSES RELATED TO HEALTH CARE PROFESSIONAL AND GENERAL LIABILITIES, DETERMINATION OF FAIR VALUES OF CERTAIN FINANCIAL INSTRUMENTS, DETERMINATION OF FAIR VALUE OF CERTAIN GOODWILL AND LONG-LIVED ASSETS, AND RISKS AND ASSUMPTIONS FOR MEASUREMENT OF PENSION AND RETIREE MEDICAL LIABILITIES MANAGEMENT RELIES ON HISTORICAL EXPERIENCE AND ON OTHER ASSUMPTIONS BELIEVED TO BE REASONABLE UNDER THE CIRCUMSTANCES IN MAKING ITS JUDGMENT AND ESTIMATES ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE ESTIMATES " PART III, SECTION B, LINE 8 EXTENT TO WHICH SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT COSTING METHODOLOGY THE SHORTFALL ON PART III, LINE 7 IS NOT COUNTED AS A COMMUNITY BENEFIT THE AMOUNT ON SCHEDULE H, PART III, LINE 6 IS DETERMINED BY CALCULATING MEDICARE ALLOWABLE COSTS USING WORKSHEET A OF THE MEDICARE COST REPORT WORKSHEET A OF THE MEDICARE COST REPORT REQUIRES THE ORGANIZATION TO REMOVE NON-ALLOWABLE EXPENSES FROM TOTAL EXPENSES VIA THE ADJUSTMENTS TO EXPENSES WORKSHEETS WITHIN THE MEDICARE COST REPORT THE AMOUNT REPORTED ON SCHEDULE H, PART III, LINE 6 DOES NOT TAKE INTO ACCOUNT ALL COSTS INCURRED BY THE FILING ORGANIZATION ASSOCIATED WITH THE FILING ORGANIZATION'S PROVISIONS OF SERVICES TO MEDICARE PATIENTS SCHEDULE H, PART III, LINE 7 WOULD EQUAL A SHORTFALL OF (\$XXX) IF TOTAL EXPENSES ALLO CABLE TO MEDICARE SERVICES WERE SUBSTITUTED ON SCHEDULE H, PART III, LINE 6 PART III, SECTION C, LINE 9 COLLECTION POLICY IT IS THE POLICY OF THE ORGANIZATION TO PURSUE COLLECTIONS OF PATIENT BALANCES FROM PATIENTS WHO HAVE THE ABILITY TO PAY FOR THESE SERVICES CHRISTUS HEALTH APPLIES ITS COLLECTION EFFORTS CONSISTENTLY AND FAIRLY TO ALL PATIENTS REGARDLESS OF INSURANCE IF A PATIENT DOES NOT HAVE THE FINANCIAL RESOURCES TO PAY THEIR OUTSTANDING BALANCES, THE GOAL OF THE ORGANIZATION IS TO QUALIFY THESE PATIENTS THROUGH THE ORGANIZATION'S CHARITY POLICY OR SCREEN THE PATIENTS THROUGH ORGANIZATION'S PRESUMPTIVE CHARITY TESTS IF THE PATIENT QUALIFIES UNDER EITHER POLICY THE ACCOUNT WILL BE WRITTEN OFF BASED UPON LEVEL OF QUALIFICATION THESE POLICIES SUPPORT THE MISSION AND VISION OF THE ORGANIZATION AND ARE APPROVED BY SENIOR LEADERSHIP PART V, SECTION B, LINE 3 INPUT FROM PERSONS REPRESENTING THE COMMUNITY CHRISTUS SPOHN HEALTH SYSTEM, IN COLLABORATION WITH ALL REGIONAL HOSPITALS IN THE COASTAL BEND AREA, AND FACILITATED BY FACULTY AT TAMU-CC, CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT THE FINDINGS OF THE ASSESSMENT GUIDE OUTREACH EFFORTS AND OPPORTUNITIES FOR INTENTIONAL COLLABORATION WITH COMMUNITY STAKEHOLDERS SEEKING TO IMPROVE HEALTH STATUS, ESPECIALLY FOR THOSE WHO ARE UNDERSERVED IN THE COASTAL BEND REGION THE TASK FORCE THAT INITIATED THE FIRST NEEDS ASSESSMENT PROCESS ALMOST A DECADE AGO CONTINUES TO WORK TOGETHER BOTH TO CONDUCT THE TRI-ANNUAL UPDATES AS WELL AS TO ADDRESS SPECIFIC UNMET NEEDS ONE SIGNIFICANT DEVELOPMENT HAS BEEN THE ESTABLISHMENT AND MAINTENANCE OF A WEBSITE (HTTP //COASTALBENDHEALTHFINDER COM/) TO ADDRESS BOTH HEALTH LITERACY AND NAVIGATION OF AN INCREASINGLY COMPLICATED HEALTHCARE DELIVERY SYSTEM THE TASK FORCE WILL CONTINUE TO FUNCTION IN THIS CAPACITY AND COLLABORATE ON IMPACTFUL PROGRAMMING WHENEVER POSSIBLE PART V, SECTION B, LINE 4 CHNA CONDUCTED WITH OTHER HOSPITAL FACILITIES CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PARTICIPATED IN A COMMUNITY NEEDS ASSESSMENT OF THE 19-COUNTY SERVICE AREA LARGELY CONSTITUTING THE COASTAL BEND REGION OF TEXAS THE PARTICIPANTS INCLUDED CHRISTUS SPOHN HEALTH SYSTEM CORPORATION, DRISCOLL CHILDREN'S HOSPITAL, DRISCOLL CHILDREN'S HEALTH PLAN, CORPUS CHRISTI MEDICAL CENTER, CITIZENS MEDICAL CENTER, CORPUS CHRISTI INDEPENDENT SCHOOL DISTRICT, NUECES COUNTY HEALTH DEPARTMENT, NUECES COUNTY MEDICAL SOCIETY, UNITED WAY OF THE COASTAL BEND, FQHC RURAL COMMUNITY ACTION CORPORATION OF SOUTH TEXAS, DELMAR COLLEGE, DUBUIS HEALTH SYSTEM, SAN PATRICIO COUNTY HEALTH DEPARTMENT, AND TEXAS A&M UNIVERSITY AT CORPUS CHRISTI AN ONGOING COASTAL BEND COMMUNITY HEALTH TASK FORCE WAS FORMED BY THE PARTICIPANTS OF THE 2010 COMMUNITY NEEDS ASSESSMENT TO ADDRESS THE ONGOING HEALTH NEEDS OF THE REGION IN 2012, THE TASK FORCE WAS EXPANDED TO BEGIN WORK ON THE 2013 COASTAL BEND COMMUNITY NEEDS ASSESSMENT AND CONTINUES TO ENSURE THAT THE CHRISTUS SPOHN COMMUNITY BENEFIT PLAN ACCURATELY REFLECTS THE NEEDS OF THE COMMUNITY, DEVELOPS ACTION PLANS IN COLLABORATION WITH KEY STAKEHOLDERS TO ADDRESS THOSE NEEDS, AND IS

COMMUNITY OWNED CHRISTUS SPOHN HEALTH SYSTEM

APPROVED THE ACTION PLANS DEVELOPED BY THE TASK FORCE THE TASK FORCE IS COMMITTED TO CONTINUED WORK RELATED TO THE COMMUNITY HEALTH NEEDS OF THE COASTAL BEND REGION FOR THE LONG TERM P

CORPORATION BOARD MEMBERS REVIEWED AND

Identifier PART V, SECTION B, LINE 20D	ReturnReference DETERMINE THE MAXIMUM AMOUNTS THAT CAN BE CHARGED TO FAP-ELIGIBLE	Explanation INDIVIDUALS FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE THE HOSPITAL FACILITY USED THE AVERAGE MANAGED CARE REIMBURSEMENT RATE FROM THE FISCAL YEAR ENDING 6-30-09 IN ORDER TO DETERMINE THE MAXIMUM AMOUNTS THAT CAN BE CHARGED TO FAP-ELIGIBLE PATIENTS THE AVERAGE MANAGED CARE RATE IS THE AVERAGE REIMBURSEMENT RECEIVED FOR SPECIFIC CATEGORIES OF SERVICES FROM THE COLLECTIVE GROUP OF PRIVATE INSURERS THAT REIMBURSE ALL HOSPITAL FACILITIES WITHIN THE CHISTUS HEALTH SYSTEM EXCEPT ST VINCENT HOSPITAL AND CHRISTUS CONTINUING CARE PART VI, LINE 2 NEEDS ASSESSMENT IN 2013, CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PARTICIPATED IN A COMMUNITY NEEDS ASSESSMENT IN PARTICIPATED IN A COMMUNITY NEEDS ASSESSMENT OF THE 19-COUNTY SERVICE AREA LARGELY CONSTITUTING THE COASTAL BEND REGION OF TEXAS THE PARTICIPANTS INCLUDED CHRISTUS SPOHN HEALTH SYSTEM CORPORATION, DISCOLL CHILDREN'S HOSPITAL, DRISCOLL CHILDREN'S HOSPITAL, DRISCOLL CHILDREN'S HOSPITAL, DRISCOLL CHILDREN'S HOSPITAL, DRISCOLL CHILDREN'S HEALTH PLAN, CORPUS CHRISTI MEDICAL CENTER, CITIZENS MEDICAL CENTER, CORPUS CHRISTI INDEPENDENT SCHOOL DISTRICT, NUECES COUNTY HEALTH DEPARTMENT, NUECES COUNTY HEALTH DEPARTMENT AND TEXAS AMM UNIVERSITY ACTION CORPORATION OF SOUTH TEXAS, DELMAR COLLEGE, DUBUIS HEALTH SYSTEM, SAN PATRICIO COUNTY HEALTH DEPARTMENT AND TEXAS A MUNIVERSITY AT CORPUS CHRISTI AN ONGOING COASTAL BEND COMMUNITY HEALTH DEPARTMENT AND TEXAS A SESSMENT TO ADDRESS THE ONGOING HEALTH NEEDS ASSESSMENT TO ADDRESS THE ONGOING HEALTH NEEDS OF THE REGION IN 2012, THE TASK FORCE WAS EXPANDED TO BEGIN WORK ON THE 2013 COASTAL BEND COMMUNITY NEEDS ASSESSMENT TO ADDRESS THE ONGOING HEALTH NEEDS OF THE REGION IN 2012, THE TASK FORCE WAS EXPANDED TO BEGIN WORK ON THE 2013 COASTAL BEND COMMUNITY NEEDS ASSESSMENT AND CONTINUES TO ENSURE THAT THE CHRISTUS SPOHN COMMUNITY SEEDS ASSESSMENT AND CONTINUES TO ENSURE THAT THE CHRISTUS SPOHN COMMUNITY SEEDS ASSESSMENT AND CONTINUES TO SUSURE THAT THE CHRISTUS SPOHN COMMUNITY SEEDS ASSESSMENT AND CONTINUES TO THE COMMUN	
		REGISTRATION (FOR SCHEDULED TESTS AND SURGERIES), POST REGISTRATION (DURING THEIR HOSPITALIZATION) AND FOLLOWING DISCHARGE (TELEPHONE OR WRITTEN INQUIRY) IN LANGUAGES APPROPRIATE FOR THE POPULATION BEING SERVED PATIENTS ARE GIVEN INFORMATION AND FORMS BY A FINANCIAL COUNSELOR WHO HELPS THEM COMPLETE THE FORMS DURING THEIR INPATIENT AND OUTPATIENT VISITS PATIENTS ARE ASKED TO BRING OR MAIL SUPPORTING DOCUMENTATION TO DETERMINE INCOME, ASSETS AND HOUSEHOLD EXPENSES THE BUSINESS OFFICE REVIEWS THE APPLICATION BASED ON THE INFORMATION PROVIDED BY THE PATIENT IF THE PATIENT QUALIFIES FOR CHARITY CARE OR A DISCOUNT, A NEW BILL IS GENERATED PATIENTS WHO DO NOT PROVIDE THE REQUIRED DOCUMENTATION ARE CONSIDERED INELIGIBLE AND ARE BILLED ACCORDINGLY IF THE DOCUMENTATION IS PROVIDED AT A LATER TIME, THE PATIENT MAY THEN BE DETERMINED TO BE ELIGIBLE FOR CHARITY CARE OR A DISCOUNT DOCUMENTATION IS RETAINED BY THE BILLING OFFICE FOR SEVEN YEARS A PUBLIC NOTICE REGARDING THE CHARITY CARE POLICY IS POSTED IN PROMINENT PLACES THROUGHOUT THE HOSPITALS, INCLUDING BUT NOT LIMITED TO THE EMERGENCY ROOM WAITING AREAS, AS REQUIRED BY BOTH THE STATE OF TEXAS COMMUNITY BENEFIT STANDADAD (WHICH ADDRESSES THE DUTIES AND RESPONSIBILITIES OF NONPROFIT HOSPITALS) AND CHRISTUS HEALTH COMMUNITY BENEFIT STANDADAD (WHICH ADDRESSES THE DUTIES AND RESPONSIBILITIES OF NONPROFIT HOSPITALS) AND CHRISTUS HEALTH COMMUNITY SENEFIT STANDADAD (WHICH ADDRESSES THE DUTIES AND RESPONSIBILITIES OF NONPROFIT HOSPITALS) AND CHRISTUS HEALTH COMMUNITY SENFEIT SUTALLA SISTANCE ARE ALSO POSTED ON THE CHARITY CARE POLICY AND INFORMATION ON FINANCIAL ASSISTANCE FOR ELIGIBLE FOR FINANCIAL ASSISTANCE PART VI, LINE 4 COMMUNITY INFORMATION ON FINANCIAL ASSISTANCE ARE ALSO POSTED ON THE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION IS LOCATED ALLONG THE LOWER TEXAS COASTAL AREA (OFTER CALLED THE COASTAL BEND), AND DITS SERVICE AREA INCLUDES A 14-COUNTY AREA WITH A POPULATION OF MORE THAN 598,733 INDIVIDUALS OVERALL, POPULATION OF ARKANSAS COUNTY AND THE 88414 ZIP CODE, WHERE	
PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH	FEDERAL POVERTY LEVEL, IF ACCURATE, WE NEED TO CHANGE THE CHIP, TOO WITH THE MEDIAN HOUSEHOLD INCOME IN THE REGION BEING APPROXIMATELY \$35,050 NEARLY 50 PERCENT OF THE POPULATION IS ON MEDICAID OR UNINSURED LOOKING AT THE REGION'S DEMOGRAPHICS AND THE "HEALTHY PEOPLE 2010 HEALTH STATUS INDICATORS" RELATIVE TO OTHER COUNTIES ACROSS THE COUNTRY, THE FOLLOWING HEALTH INDICATORS APPEAR "UNFAVORABLE" RELATIVE TO PEER COUNTIES PREMATURE BIRTH WEIGHTS, BIRTHS BY UNMARRIED TEENS, HISPANIC INFANT MORTALITY IN RURAL AREAS, OBESITY, DIABETES, STROKE, CORONARY HEART DISEASE, COLON CANCER, AND BREAST CANCER IN ADDITION TO THE SIX FACILITIES THAT COMPRISE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION, THERE ARE FIVE OTHER HOSPITALS IN THE REGION CORPUS CHRISTI MEDICAL CENTER'S THREE CAMPUSES (BAY AREA HOSPITAL, HEART HOSPITAL AND DOCTOR'S REGIONAL HOSPITAL, WHICH ARE FOR-PROFIT ENTITIES OWNED BY HCA, DRISCOLL CHILDREN'S HOSPITAL, A NONPROFIT HOSPITAL, AND COASTAL BEND SURGICAL HOSPITAL, A FOR-PROFIT SURGICAL HOSPITAL CHRISTUS SPOHN HEALTH SYSTEM CORPORATION INCLUDES CHRISTUS SPOHN HOSPITAL-CORPUS CHRISTI WITH THREE CAMPUSES THE 557-BED SHORELINE	
		CAMPUS, THE 341-BED MEMORIAL CAMPUS, AND THE 158-BED SOUTH CAMPUS ADDITIONALLY, WE SERVE OUR COMMUNITIES THROUGH CHRISTUS SPOHN HOSPITAL KLEBERG WITH 100 BEDS IN KINGSVILLE, CHRISTUS SPOHN HOSPITAL ALICE WITH 135 BEDS IN ALICE, AND CHRISTUS SPOHN HOSPITAL BEEVILLE IN BEEVILLE WITH 69 BEDS CHRISTUS SPOHN HEALTH SYSTEM CORPORATION COLLABORATES WITH COMMUNITIES, CHURCHES, BUSINESSES, AND OTHER HEALTH CARE ORGANIZATIONS TO FACILITATE AND STRENGTHEN ACCESSIBILITY OF QUALITY COMPREHENSIVE HEALTH CARE SERVICES FOR ALL, INCLUDING THOSE AMONG VULNERABLE AND UNDERSERVED POPULATION'S CHRISTUS SPOHN HEALTH SYSTEM CORPORATION'S OTHER HEALTH CARE FACILITIES INCLUDE INVESTMENTS IN TWO AMBULATORY SURGERY CENTERS- CORPUS CHRISTI SURGICARE, LTD AND SHORELINE SURGERY CENTER, L L P , AS WELL AS, INVESTMENTS IN COASTAL BEND P E T SCAN, LTD AND CORPUS CHRISTI CARDIOVASCULAR CENTER, LLC CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PROVIDES A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES TO THE PEOPLE FROM THE COMMUNITIES IT SERVES IT CONDUCTS ITS ACTIVITIES AND SERVES ITS HEALTHCARE PURPOSE WITHOUT REGARD TO RACE, COLOR, CREED, RELIGION, GENDER, ORIENTATION, DISABILITY, AGE OR NATIONAL ORIGIN EACH OF THE SIX CAMPUSES OF CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PROVIDES A 24 HOUR EMERGENCY ROOM THAT IS OPEN TO SERVE ALL THOSE IN NEED OF EMERGENT CARE, REGARDLESS OF THEIR ABILITY TO PAY IN EY 2012 CHRISTUS SPOHN WAS BUILLEDED TO SERVE	
		IN FY 2013, CHRISTUS SPOHN WAS PRIVILEGED TO SERVE HUNDREDS OF THOUSANDS OF INDIVIDUALS IN VARIOUS WAYS, INCLUDING OVER 178,000 VISITS TO ITS EMERGENCY DEPARTMENTS, OVER 11,000 INPATIENT SURGERY PROCEDURES, OVER 11,000 OUTPATIENT SURGERY PROCEDURES, OVER 46,000 PATIENTS WHO WERE ADMITTED TO OUR HOSPITALS FOR CARE, AND OVER 437,000 PATIENTS WHO RECEIVED OUTPATIENT CARE AT ITS FACILITIES CHRISTUS SPOHN HEALTH SYSTEM CORPORATION ALSO SUPPORTS MANY LOCAL COMMUNITY HEALTH SERVICES, OFFERING CONVENIENT LOCATIONS FOR PRIMARY CARE THROUGH THE CHRISTUS SPOHN FAMILY HEALTH CENTERS AND A CAREVAN MOBILE OUTREACH CLINIC IN ADDITION, CHRISTUS SPOHN COLLABORATES WITH THE SIX FEDERALLY QUALIFIED HEALTH CENTERS (PIC'S) IN ITS REGION, AS WELL AS, OTHER NONPROFIT HEALTH CLINICS IN THE AREA THAT ARE COMMITTED TO CREATING GREATER ACCESS TO PRIMARY CARE ACTIVITIES UNDERTAKEN BY CHRISTUS SPOHN HEALTH SYSTEM CORPORATION TO IMPROVE ACCESS TO HEALTH SERVICES, ENHANCE PUBLIC HEALTH AND ADVANCE KNOWLEDGE INCLUDE (1) AGREEMENTS WITH SIX PRIMARY CARE PHYSICIANS AND FIVE MID-LEVEL PROVIDERS IN THE FOUR CHRISTUS SPOHN FAMILY HEALTH CENTERS CHRISTUS SPOHN AIDS IN THE RECRUITING OF PHYSICIANS WHO ULTIMATELY CONTRACT WITH CHRISTUS PROVIDER NETWORK, WHICH IN TURN CONTRACTS WITH CHRISTUS SPOHN HEALTH SYSTEM CORPORATION TO PROVIDE THE PHYSICIAN SERVICES IN THE CHRISTUS SPOHN FAMILY HEALTH CENTERS WHO RECEIVE PRIMARY	
		CARE AND CHRONIC DISEASE MANAGEMENT ARE UNINSURED OR RECEIVE COVERAGE FROM MEDICAID/CHIP/NUECES COUNTY HOSPITAL DISTRICT (NCHD) (2) IMPLEMENTATION OF THE COMMUNITY HEALTH WORKER (CHW) AND CARE MANAGEMENT CONCEPT AT ALL CHRISTUS SPOHN FAMILY HEALTH CENTERS ESTABLISHED A WORKING NETWORK TO PROVIDE CONTINUITY OF CARE FOR THE INDIGENT AND UNDERSERVED FROM PRIMARY CARE SERVICES TO IN- PATIENT AND AMBULATORY SERVICES THIS PROGRAM ASSISTS PATIENTS IN MANAGING THEIR CHRONIC ILLNESS, PREVENTING OVER-UTILIZATION OF THE EMERGENCY DEPARTMENT AND AVOIDING PREVENTABLE HOSPITALIZATIONS THUS REDUCING THE OVERALL COST OF CARE FOR THE COMMUNITY (3) THE CHRISTUS SPOHN CAREVAN IS A MOBILE CLINIC THAT DELIVERS OB AND WOMEN'S SERVICES TO THE REGION'S UNINSURED WOMEN INCLUDING PRE-NATAL CARE, PAP SMEARS, LABORATORY AND ULTRA-SOUND TESTING, ANNUAL EXAMS, AND REFERRALS FOR FREE MAMMOGRAMS AND PRE-NATAL CARE THIS PREVENTATIVE AND WELLNESS CARE HELPS WITH EARLY DETECTION THAT OTHERWISE MIGHT RESULT IN MORE SERIOUS HEALTH ISSUES REQUIRING HOSPITALIZATION IN THE FUTURE THE CAREVAN ALSO PROVIDES HEALTH SCREENING, IMMUNIZATIONS, HEALTH EDUCATION AND COUNSELING TO VULNERABLE AND UNDERSERVED POPULATIONS IN THE COMMUNITY IN ADDITION, A COMMUNITY HEALTH WORKER IS ON BOARD THE CAREVAN TO ASSIST PATIENTS IN NEED OF PRIMARY CARE TO FIND A	
		MEDICAL HOME IN THE CHRISTUS SPOHN FAMILY HEALTH CENTERS OR AREA FQHC'S IN FY 2013 THE CAREVAN HAD OVER 3000 ENCOUNTERS WITH WOMEN AND OTHER VULNERABLE POPULATIONS (4) THE HECTOR P GARCIA AND THE CHRISTUS MEDICAL GROUP FACULTY PRACTICE CLINICS ARE CONVENIENTLY LOCATED AT PHYSICIANS PLAZA WEST, 2601 HOSPITAL BLVD, SUITES 112 AND 117, WITHIN WALKING DISTANCE FROM CHRISTUS SPOHN HOSPITAL AND CORPUS CHRISTI MEMORIAL AN AVERAGE OF 125 TO 150 PATIENTS ARE SEEN ON A DAILY BASIS MOST OF THESE PATIENTS HAVE MEDICAID COVERAGE OR LACK INSURANCE (5) SPECIALTY CLINICS ARE LOCATED ON THE SEVENTH FLOOR AT CHRISTUS SPOHN HOSPITAL CORPUS CHRISTI MEMORIAL THESE CLINICS EXIST FOR FOLLOW UP CARE AND SPECIALTY CARE PHYSICIANS/PROVIDERS OFFER A CENTRALIZED AREA FOR EASY ACCESS TO CARDIOVASCULAR, NEUROLOGY, NEPHROLOGY, ORTHOPEDIC, AND PLASTIC SURGERY CARE ALSO, CONTRACTS WITH OFF CAMPUS PROVIDERS INSURE OTHER SPECIALTY MEDICAL SERVICES ARE AVAILABLE FOR THOSE VULNERABLE PEOPLE WHO WOULD NORMALLY NOT BE ABLE TO ACCESS SPECIALTY CARE OUTSIDE OF THIS TYPE OF CONTROLLED SETTING (6) THE REVAMPING OF THE NUECES COUNTY HEALTH DEPARTMENT'S (NCHD) INDIGENT CARE PROGRAM HAS PROVIDED A REORGANIZATION OF SERVICES, ONE KEY GOAL OF WHICH IS TO ROUTE ELIGIBLE PARTICIPANTS TO THE APPROPRIATE SETTINGS THE FOLLOWING PROGRAMS ARE INCLUDED (A) UM/CM PLAN, (B) PRE-APPROVAL OF SERVICES WITH VERIFICATION OF MEDICAL NECESSITY	
		AND A TIE-IN TO THE CARE MANAGEMENT PROGRAM, (C) AN EMPANELMENT OF CLIENTS INTO A MEDICAL HOME CONCEPT, (D) TARGET OF POPULATIONS, I E , DIABETIC PATIENTS WITH A1C'S GREATER THAN 10, INTO FULL SERVICE TRACK, (E) WEEKLY MULTIDISCIPLINARY DIABETIC CLINIC TO MEET TARGET POPULATION'S NEED, (F) PHARMACEUTICAL CASE MANAGEMENT, (G) PREFERRED PROVIDER LIST WITH CM/UM MANAGEMENT, AND (H) MEDICAL DIRECTOR FOR INDIGENT CARE PLAN (7) CHRISTUS SPOHN HOSPITAL CORPUS CHRISTI MEMORIAL IS THE DESIGNATED CONTRACT PROVIDER WITH NUECES COUNTY MHMR IT PROVIDES PSYCHIATRIC ONSITE TRIAGE AS PART OF ITS CONTRACTUAL RELATIONSHIPS WITH MHMR THIS PREVENTS PATIENTS FROM VISITING THE EMERGENCY DEPARTMENT AS A FIRST RESORT (8) CHRISTUS SPOHN HEALTH SYSTEM CORPORATION HAS RURAL CLINICS IN BEEVILLE AND FREER PROVIDING SERVICES TO THE COMMUNITY WITH AN EMPHASIS ON THE UNINSURED AND UNDER INSURED POPULATION IN THE AREA THE CHRISTUS SPOHN FAMILY HEALTH CENTER-FREER PROVIDES PRIMARY CARE TO THIS UNDERSERVED AND RURAL COMMUNITY THE NURSE PRACTITIONERS, NURSES, AND OFFICE STAFF IN THESE CLINICS ARE EMPLOYED BY CHRISTUS SPOHN HEALTH SYSTEM CORPORATION (9) CHRISTUS SPOHN HEALTH SYSTEM CORPORATION HOSPITALS IN ALICE, BEEVILLE, AND KLEBERG COLLABORATE WITH THE COMMUNITY ACTION CORPORATION OF SOUTH TEXAS' FQHC IN THEIR RESPECTIVE AREAS THESE CLINICS PROVIDE PRIMARY CARE TO UNINSURED AND UNDER INSURED PATIENTS THIS PREVENTS PATIENTS FROM UTILIZING THE	
		HOSPITAL EMERGENCY DEPARTMENTS AS THEIR MEDICAL HOME (10) CHRISTUS SPOHN HEALTH SYSTEM CORPORATION CONTINUES INITIATIVES WITH THE COASTAL BEND RURAL HEALTH PARTNERSHIP AND MENTAL HEALTH PROVIDERS TO HELP KEEP PSYCHIATRIC PATIENTS OUT OF THE EMERGENCY DEPARTMENT (11) IN CONJUNCTION WITH MISSION OF MERCY, A NATIONAL NONPROFIT ORGANIZATION, CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PROVIDES FREE PRIMARY CARE TO UNINSURED PATIENTS THEIR FIVE LOCATIONS (CORPUS CHRISTI AND RURAL AREAS) ARE OPEN ONE DAY PER WEEK, ALTERNATING WEEKS, AND ARE STAFFED BY VOLUNTEER PHYSICIANS AND NURSES CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PROVIDES LAB WORK, DIABETES EDUCATION, AND FLU VACCINATIONS TO PATIENTS AT NO CHARGE IN ADDITION, THE CHRISTUS SPOHN CAREVAN REFERS UNINSURED PATIENTS WHO NEED PRIMARY CARE TO MISSION OF MERCY LIKEWISE, MISSION OF MERCY REFERS WOMEN NEEDING A MAMMOGRAM OR PRE-NATAL CARE TO THE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION CAREVAN MOBILE UNIT (12) DIABETES EDUCATION IS PROVIDED THROUGH DIABETES SELF MANAGEMENT TRAINING (DSMT) CLASSES THESE CLASSES ARE OFFERED AT THE THREE COMMUNITY HOSPITALS (CHRISTUS SPOHN HOSPITAL ALICE, KLEBERG AND BEEVILLE) DIABETES SUPPORT GROUPS CURRENTLY MEET AT SEVERAL LOCATIONS REGIONAL EDUCATION IS COORDINATED THROUGH THE COASTAL BEND DIABETES COMMUNITY COALITION AND DIABETES HEALTH FAIRS THE THREE	
		COALITION AND DIABETES HEALTH FAIRS THE THREE CHRISTUS SPOHN CORPUS CHRISTI HOSPITALS REFER TO THE COASTAL BEND HEALTH EDUCATION CENTER (CBHEC) TO PROVIDE OUTPATIENT EDUCATION FOR DIABETIC PATIENTS INCLUDING COOKING AND NUTRITION CLASSES ALL SIX CHRISTUS SPOHN CAMPUSES NOW HOLD THE AMERICAN DIABETES ASSOCIATION ACCREDITATION FOR DIABETES EDUCATION (13) IN PARTNERSHIP WITH THE FIRST FRIDAY PROGRAM, CHRISTUS SPOHN HEALTH SYSTEM CORPORATION PERFORMED OVER 1,000 FREE MAMMOGRAMS IN FISCAL YEAR 2013 TO ASSIST PERSONS WHO WOULD NOT ORDINARILY HAV	

Identifier	ReturnReference	Explanation
"COMMUNITY SERVICES FOR A BROADER COMMUNITY" IS ALSO		SPOHN HEALTH SYSTEM CORPORATION'S OVERALL COMMUNITY BENEFIT THE GREATEST SHARE OF THESE
A PART OF CHRISTUS		EXPENSES IS FOR EDUCATING HEALTH PROFESSIONALS (GRADUATE MEDICAL EDUCATION, NURSING STUDENTS, ALLIED HEALTH PROFESSIONALS, PHARMACISTS, ETC)
		HELPING TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A DISTINGUISHING CHARACTERISTIC OF NONPROFIT HEALTH CARE AND
		CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT CHRISTUS SPOHN HEALTH CARE CORPORATION
		PROVIDED OVER \$7,250,418 IN HEALTH PROFESSIONS EDUCATION DURING FY 2013, INCLUDING CLINICAL EXPERIENCES AND OTHER EDUCATION FOR PHYSICIANS
		AND NURSES CHRISTUS HEALTH ALSO USED CASH DONATIONS AS A VEHICLE TO HELP OUR COMMUNITIES THE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION
		MADE CASH DONATIONS, IN ADDITION TO GRANTS AWARDED THROUGH THE CHRISTUS FUND, TO SUPPORT
		CAUSES LIKE THE FIGHT AGAINST CANCER, DIABETES, HEART DISEASE, PROVISION OF A CONTINUUM OF CARE FOR OUR ELDERLY, SUPPORT FOR THOSE SUFFERING
		FROM HIV/AIDS, AND FOR MANY OTHER EQUALLY WORTHY PURPOSES AS A NONPROFIT ORGANIZATION AND AS A PART OF CHRISTUS HEALTH, A REGIONAL
		GOVERNING BOARD COMPRISED LARGELY OF INDEPENDENT COMMUNITY MEMBERS REPRESENTING
		THE MAKEUP OF THE AREA WE SERVE GUIDES CHRISTUS SPOHN HEALTH SYSTEM CORPORATION WE ARE PRIVILEGED TO HAVE AN OPEN MEDICAL STAFF
		COMPRISED OF QUALIFIED PHYSICIANS WHO WORK WITH US TO PROVIDE CARE TO OUR COMMUNITIES ALL QUALIFIED PHYSICIANS WHO ARE GRANTED PRIVILEGES
		TO SERVE WITH US IN OUR HOSPITALS MUST UNDERGO A THOROUGH AND COMPREHENSIVE CREDENTIALING AND ORIENTATION PROCESS ALL PERSONS EMPLOYED AND
		AFFILIATED WITH CHRISTUS SPOHN HEALTH SYSTEM CORPORATION ARE REQUIRED TO COMPLETE ANNUAL
		CONFLICT OF INTEREST STATEMENTS CHRISTUS HEALTH REINVESTS ALL SURPLUS FUNDS BACK INTO THE COMMUNITIES IT SERVES THROUGH EXPANDED HEALTH
		SERVICES, NEW TECHNOLOGIES, AND BETTER FACILITIES DURING FY 2013, CHRISTUS HEALTH ADVOCATED FOR IMPROVEMENT IN PUBLIC POLICIES
		AND WORKED TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY FOR GREATER ACCESS TO HEALTH CARE SERVICES FOR ALL PART VI,
		LINE 6 AFFILIATED HEALTH CARE SYSTEM CHRISTUS SPOHN HEALTH SYSTEM CORPORATION IS PART OF
		CHRISTUS HEALTH, AN INTERNATIONAL, CATHOLIC, FAITH BASED, NONPROFIT HEALTH SYSTEM COMPRISED OF ALMOST 350 SERVICES AND FACILITIES INCLUDING
		MORE THAN 60 HOSPITALS AND LONG TERM CARE FACILITIES, 175 CLINICS AND OUTPATIENT CENTERS, AND OTHER COMMUNITY HEALTH MINISTRIES AND
		COMMUNITY DEVELOPMENT VENTURES CHRISTUS SERVICES CAN BE FOUND IN ARKANSAS, GEORGIA, IOWA, LOUISIANA, MISSOURI, NEW MEXICO, TEXAS, AND
		IN SIX PROVINCES OF MEXICO A COMMON MISSION, CORE VALUES, AND VISION UNITE THE HEALTH SYSTEM
		EACH REGION, INCLUDING CHRISTUS SPOHN HEALTH SYSTEM CORPORATION, DEVELOPS FIVE-YEAR AND TEN- YEAR STRATEGIC PLANS THAT HELP SET THE YEARLY
		OPERATIONAL PLANS AND BUDGETS REGIONAL STRATEGIC GOALS ARE SET IN COLLABORATION WITH CHRISTUS HEALTH AND INCLUDE METRICS THAT WILL BE
		USED TO MEASURE COMMUNITY BENEFIT, CLINICAL OUTCOMES, PATIENT SATISFACTION, AND ASSOCIATE ENGAGEMENT CHRISTUS HEALTH PROVIDES UPDATED
		MARKET, DEMOGRAPHICS, AND HEALTH INDICATOR DATA ON AN ANNUAL BASIS THE DATA SUPPLIED FROM
		CHRISTUS HEALTH ALONG WITH THE SYSTEM WIDE STRATEGIC INITIATIVES ARE CONSISTENT WITH THE COMMUNITY NEEDS ASSESSMENT OF THE REGION
		CHRISTUS SPOHN HEALTH SYSTEM CORPORATION, IN TURN, PARTNERS WITH OTHER NONPROFIT GROUPS (CHURCHES, HEALTH CARE PROVIDERS, AND
		GOVERNMENT AGENCIES) TO CREATE COLLABORATIONS WHERE HEALTH NEEDS CAN BE ADDRESSED AND THE GENERAL HEALTH OF INDIVIDUALS AND THE COMMUNITY
		IS IMPROVED PART VI, LINE 7 COMMUNITY BENEFIT REPORT CHRISTUS SPOHN IS COMMITTED TO BUILDING HEALTHIER COMMUNITIES AND WILL CONTINUE TO
		COLLABORATE WITH OTHER HOSPITALS AND PROVIDERS IN THE REGION, WHENEVER POSSIBLE, TO ADDRESS
		THOSE NEEDS NOT SPECIFICALLY TARGETED BY OUR SYSTEM'S COMMUNITY BENEFIT PLAN THE IDENTIFIED NEED TO ADDRESS THE EPIDEMIC OF OBESITY WHICH
		IMPACTS COMMUNITIES ACROSS OUR REGION, AS WELL AS OUR NATION, IS ACTUALLY BEYOND THE SCOPE OF HEALTHCARE PROVIDERS WHILE WE ARE CONFIDENT
		THAT OUR EFFORTS TO IMPROVE MANAGEMENT OF CHRONIC ILLNESSES THAT ARE CO-MORBIDITIES ASSOCIATED WITH OBESITY IS A MEANINGFUL
		CONTRIBUTION, ADDRESSING THIS LEGITIMATE HEALTH ISSUE THAT IMPACTS A GROWING NUMBER OF PERSONS IN OUR COMMUNITY WILL REQUIRE A BROAD SPECTRUM
		APPROACH OF WHICH HEALTHCARE IS ONLY ONE SEGMENT FOR THIS REASON WE CANNOT CLAIM TO BE
		ADDRESSING THIS ISSUE IN A DIRECT WAY, BUT WILL CONTINUE TO PROVIDE THE CHRONIC DISEASE MANAGEMENT AS A CONTRIBUTION TO THIS LARGER
		PHENOMENON MISCELLANEOUS COMMUNITY ENGAGEMENT COMMUNITY SERVICES FOR A BROADER COMMUNITY IS ALSO A PART OF CHRISTUS SPOHN
		HEALTH SYSTEM CORPORATION'S OVERALL COMMUNITY BENEFIT THE GREATEST SHARE OF THESE EXPENSES IS FOR EDUCATING HEALTH PROFESSIONALS (GRADUATE
		MEDICAL EDUCATION, NURSING STUDENTS, ALLIED HEALTH PROFESSIONALS, PHARMACISTS, ETC) HELPING
		TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A DISTINGUISHING CHARACTERISTIC OF NONPROFIT HEALTH CARE AND CONSTITUTES A SIGNIFICANT
		COMMUNITY BENEFIT CHRISTUS SPOHN HEALTH CARE CORPORATION PROVIDED OVER \$206,691 IN HEALTH PROFESSIONS EDUCATION DURING FY 2013, INCLUDING
		CLINICAL EXPERIENCES AND OTHER EDUCATION FOR PHYSICIANS AND NURSES CHRISTUS HEALTH ALSO USED CASH DONATIONS AS A VEHICLE TO HELP OUR
		COMMUNITIES THE CHRISTUS SPOHN HEALTH SYSTEM CORPORATION MADE CASH DONATIONS, IN ADDITION TO GRANTS AWARDED THROUGH THE CHRISTUS FUND, TO
		SUPPORT CAUSES LIKE THE FIGHT AGAINST CANCER, DIABETES, HEART DISEASE, SUPPORT FOR THOSE
		SUFFERING FROM HIV/AIDS, AND FOR MANY OTHER EQUALLY WORTHY PURPOSES AS A NONPROFIT ORGANIZATION AND AS A PART OF CHRISTUS HEALTH, A
		REGIONAL GOVERNING BOARD COMPRISED LARGELY OF INDEPENDENT COMMUNITY MEMBERS REPRESENTING THE MAKEUP OF THE AREA WE SERVE GUIDES CHRISTUS
		SPOHN HEALTH SYSTEM CORPORATION WE ARE PRIVILEGED TO HAVE AN OPEN MEDICAL STAFF COMPRISED OF QUALIFIED PHYSICIANS WHO WORK WITH
		US TO PROVIDE CARE TO OUR COMMUNITIES ALL QUALIFIED PHYSICIANS WHO ARE GRANTED PRIVILEGES
		TO SERVE WITH US IN OUR HOSPITALS MUST UNDERGO A THOROUGH AND COMPREHENSIVE CREDENTIALING AND ORIENTATION PROCESS ALL PERSONS EMPLOYED AND
		AFFILIATED WITH CHRISTUS SPOHN HEALTH SYSTEM CORPORATION ARE REQUIRED TO COMPLETE ANNUAL CONFLICT OF INTEREST STATEMENTS CHRISTUS HEALTH
		REINVESTS ALL SURPLUS FUNDS BACK INTO THE COMMUNITIES IT SERVES THROUGH EXPANDED HEALTH SERVICES, NEW TECHNOLOGIES, AND BETTER
		FACILITIES DURING FY 2013, CHRISTUS HEALTH ADVOCATED FOR IMPROVEMENT IN PUBLIC POLICIES
		AND WORKED TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY FOR GREATER ACCESS TO HEALTH CARE SERVICES FOR ALL STATE
		FILING OF COMMUNITY BENEFIT REPORT TX PART VI, LINE 8 FACILITY REPORTING GROUP THE NARRATIVE INFORMATION PROVIDED FOR THE APPLICABLE LINE IN
		PART VI, LINE 1 APPLIES TO ALL HOSPITAL FACILITIES UNDER THIS LEGAL ENTITY

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Schedule I (Form 990)

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

DLN: 93493132036124

Inspection

Department of the Treasury Internal Revenue Service

Name of the organization Christus Spohn Health System Corporation Employer identification number

74-1109836

Does the organization main the selection criteria used Describe in Part IV the org	to award the grants	orassistance?					. 🔽 Yes 🗆
Part II Grants and Othe		Governments and receive					ed "Yes" to
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) CHRISTUS Spohn Health System Development FND 600 Elizabeth St Suite 203 Corpus Christi,TX 78404	74-1906005	501(c)(3)	1,811,413				PRGRM SUPPORT/PURCH CAP ASSET/EQUIPMENT
(2) City of Corpus Christi 1201 Leopard St Corpus Christi,TX 78401	74-6000574	GOVT	198,712				Donated F/5 Defibrillators
(3) A merican Diabetes Association 500 N Shoreline Blvd Suite 600 Corpus Christi, TX 78401	13-1623888	501(c)(3)	11,500				Support Diabetes Research/Red Strider Sponsor/Walk This Way Sponsor/Bronze Sponsor
(4) American Heart Association 500 N Shoreline Blvd Corpus Christi, TX 78401	13-5613797	501(c)(3)	11,000				Support Cardio Disease and Stroke Research
(5) It's Your Life Foundation PO Box 60183 Corpus Christi, TX 78466	26-2968061	501(c)(3)	7,500				Project Knights -I Care 4 U movie (ICU movie on family education)
(6) American Cancer Society 4101 S Alameda St Corpus Christi,TX 78411	13-1788491	501(c)(3)	9,000				Support Cancer Research
Corpus Cilifati, FX 70411							

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

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) A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
1) Indigent Assistance	267		401,844	FMV	HOMECARE, DME

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
Description of	FORM 990, SCHEDULE I, PART	THE ORGANIZATION FOLLOWS CHRISTUS HEALTH MANAGEMENT DIRECTIVE NO 0006,
Organization's	I, LINE 2	CONTRIBUTIONS/DONATIONS TO OTHER ORGANIZATIONS" BEFORE ANY DONATION IS MADE, TWO CRITERIA
Procedures for Monitoring		ARE ADDRESSED (1) ORGANIZATION TEST AND (2) IRS TEST THE ORGANIZATION TEST ENSURES THAT
the Use of Grants		DONATIONS ARE EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, EDUCATIONAL, AND RELIGIOUS PURPOSES, AND
		IN FURTHERANCE OF OUR PURPOSE OF SUPPORTING THE HEALING MINISTRY OF JESUS CHRIST AND
		ADVANCING, PROMOTING, AND SUPPORTING THE HEALTHCARE MINISTRIES OF THE SPONSORING
		CONGREGATIONS CONTRIBUTIONS CAN BE MADE TO SUPPORT CHRISTUS SYSTEM MEMBERS AND TO OTHER
		QUALIFYING TAX-EXEMPT ORGANIZATIONS, PARTICULARLY THOSE DESIGNED TO SUPPORT AND BENEFIT THE
		POOR AND UNDERSERVED THE ORGANIZATION CONSIDERED FOR DONATIONS MUST BE AN IRS SECTION 501(C)
		(3) ORGANIZATION AND DOCUMENTATION TO THAT EFFECT OBTAINED TO SATISFY THE IRS TEST
		CONTRIBUTIONS GIVEN MUST BE DEDICATED TO ACHIEVING CHARITABLE PURPOSES NOT FOR PERSONAL
		BENEFIT BUT FOR PUBLIC BENEFIT CONTRIBUTIONS ARE PROHIBITED TO ORGANIZATIONS THAT CONTRIBUTE
		TO POLITICAL CAMPAIGNS, CANDIDATES FOR OFFICE, OR CONDUCT MORE THAN INCIDENTAL LOBBYING
		DOCUMENTATION MUST SUPPORT HOW THE DONATION MEETS ORGANIZATIONAL PURPOSES AND
		FURTHERANCE OF MISSION DONATIONS SHOULD BE MODEST IN SCOPE THE FILING ORGANIZATION PROVIDES
		INDIGENT FUNDING GRANTS TO THE COUNTIES IN WHICH CHRISTUS HEALTH SYSTEM AFFILIATES SERVE VIA
		GRANTS PAID TO OTHER HOSPITALS AND HEALTHCARE ORGANIZATIONS LOCATED WITHIN SUCH COUNTIES
		THIS CHARITABLE DONATION HELPS RELIEVE THE ADDITIONAL EXPENSE OF HEALTHCARE FOR THE INDIGENT
		POPULATION WITHIN OUR COMMUNITIES THAT THE FILING ORGANIZATION MAY NOT DIRECTLY SERVE IN ONE
		OF ITS HOSPITALS THIS IS A RESULT OF OUR MISSION TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST,
		ESPECIALLY TO THE POOR AND UNDERSERVED

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DLN: 93493132036124

OMB No 1545-0047

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Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

For certain Officers, Directors, Trustees, Key Employees, and Highest **Compensated Employees** ► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

Compensation Information

► Attach to Form 990. ► See separate instructions.

Employer identification number

Chri	ristus Spohn Health System Corporation			• •			
· · · · ·	San Special Country of Persons			74-1109836			
Pa	rt I Questions Regarding Compensation	n	_				
						Yes	No
1a	Check the appropriate box(es) if the organization pro	vided a	ny of the following to or for a person l	ısted ın Form			
	990, Part VII, Section A, line 1a Complete Part III	I to prov	vide any relevant information regardir	ng these items			
	First-class or charter travel		Housing allowance or residence for	•			
	▼ Travel for companions		Payments for business use of perso				
	Tax idemnification and gross-up payments		Health or social club dues or initiat				
	Discretionary spending account	ı	Personal services (e g , maid, chau	ffeur, chef)			
b	If any of the boxes in line 1a are checked, did the or reimbursement or provision of all of the expenses de				1b	Yes	
2	Did the organization require substantiation prior to indirectors, trustees, and the CEO/Executive Directors			all officers,	2	Yes	
3	Indicate which, if any, of the following the filing orga organization's CEO/Executive Director Check all th used by a related organization to establish compens	hat appl	y Do not check any boxes for metho	ds			
	Compensation committee	Γ	Written employment contract				
	Independent compensation consultant	Γ	Compensation survey or study				
	Form 990 of other organizations	Г	Approval by the board or compensa	tion committee			
4	During the year, did any person listed in Form 990, or a related organization	Part VI	I , Section A , line 1a with respect to t	he filing organization			
а	Receive a severance payment or change-of-control	paymer	nt?		4a	Yes	
b	Participate in, or receive payment from, a suppleme	ntal nor	nqualified retirement plan?		4b	Yes	
c	Participate in, or receive payment from, an equity-b	ased co	mpensation arrangement?		4 c		Νo
	If "Yes" to any of lines 4a-c, list the persons and pr	ovide th	ne applicable amounts for each item i	n Part III			
	Only 501(c)(3) and 501(c)(4) organizations only mu	ust com	plete lines 5-9.				
5	For persons listed in Form 990, Part VII, Section A compensation contingent on the revenues of	, line 1 a	a, did the organization pay or accrue a	any			
а	The organization?				5a		Νo
b	Any related organization?				5b		Νo
	If "Yes," to line 5a or 5b, describe in Part III						
6	For persons listed in Form 990, Part VII, Section A compensation contingent on the net earnings of	, line 1 a	a, did the organization pay or accrue a	any			
а	The organization?				6a		Νo
b	Any related organization?				6b		Νo
	If "Yes," to line 6a or 6b, describe in Part III						
7	For persons listed in Form 990, Part VII, Section A payments not described in lines 5 and 6? If "Yes," o			n-fixed	7		No
В	Were any amounts reported in Form 990, Part VII,						
	subject to the initial contract exception described in Part III	n Kegula	ations section 53 4958-4(a)(3)? If "	res," describe	8		No
9	If "Yes" to line 8, did the organization also follow the section 53 4958-6(c)?	e rebutt	able presumption procedure describe	d in Regulations	9		

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

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

Note. The sum of columns (B)(1)-(111) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

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

Schedule J (Form 990) 2012

Part III Supplemental Information

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

onal information Return Reference	Evolunation
	·
Return Reference SCHEDULE J, PART I, LINE 1A, COMPANION TRAVEL	Explanation TAXABLE COMPENSATION WAS REPORTED TO VARIOUS OFFICERS AND BOARD MEMBERS RELATED TO COMPANION TRAVEL TO CHRISTUS MEETINGS FORM 950, PART VII, LINE 1A AND SCHEDULE 3, PART II DIRECTORS AND EX-OFFICIO DIRECTORS PROVIDE THEIR SERVICES AS MEMBERS OF THE BOARD WITHOUT COMPENSATION OR BENEFITS TO SIGN DERNETTIS DISCLOSED FOR SUCH PERSONS IS EARNED IN THE RESPECTIVE INDIVIDUAL'S ROLE AS AN OFFICER OR EMPLOYEE OF THE ORGANIZATION, NOT FOR THE HINDIVIDUAL'S ROLE AS AN OFFICER OR EMPLOYEE OF THE ORGANIZATION, NOT FOR THE HINDIVIDUAL'S ROLE AS A BOARD MEMBER OR DIRECTOR OFFICERS, KEY EMPLOYEES AND HIGHEST FAID EMPLOYEES ARE FULL-TIME EMPLOYEES BOARD MEMBERS SPEND TIME AS NEEDED FOR BOARD MERTINGS AND FUNCTIONS RELATED ORG DETERMINING CEO/EXECUTIVE DIRECTOR'S COMPENSATION FORM 990, SCHEDULE 3, PART I, LINE 3 THE FILING ORGANIZATION'S COMPENSATION FOR 18 MEMBER OR DIRECTOR'S COMPENSATION FOR 18 MEMBER OR DIRECTOR'S COMPENSATION AS A RESULT, COMPENSATION THAVE A ROLE IN IMPLEMENTING THE METHODS USED TO ESTABLISH COMPENSATION OR IN DETERMINING CEO/EXECUTIVE DIRECTOR'S COMPENSATION OR IN DETERMINING CEO/EXECUTIVE DIRECTOR COMPENSATION OR IN DETERMINING CEO/EXECUTIVE DIRECTOR THIS COMPENSATION CHRISTUS HEALTH LEVEL AND THE COMPENSATION OF THE FILLING ORGANIZATION'S CEO/EXECUTIVE DIRECTOR THIS COMMITTEE USES ARE INDEPENDENT OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OF THE FILLING ORGANIZATION OR THE COMPENSATION OF THE FILLING ORGANIZATION OR THE COMPENSATION OF THE FILLING ORGANIZATION OR THE COMPENSATION OR THE FILLING ORGANIZATION OR THE COMPENSATION OR THE FILLING ORGANIZATION OR THE FILLING ORGANIZATION OR THE FILLING ORGANIZATION ORGANIZATION OR THE FILLING ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZATION ORGANIZAT
	COMPENSATION WAS PAID TO THE FOLLOWING PERSONS BY CHRISTUS HEALTH, A RELATED ORGANIZATION OF THE FILING ENTITY PAMELA ROBERTSON, PAMELA BROWER, MARK CASANOVA, MARIA E CHAPA, STEVEN DANIEL, PAUL GADEN, MARY LAFRANCOIS, SCOTT MERRYMAN, JULIE PINA,
	Return Reference SCHEDULE J, PART I, LINE 1A,

Software ID: **Software Version:**

EIN: 74-1109836

Name: Christus Spohn Health System Corporation

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees								
		(B) Breakdown o	of W-2 and/or 1099-MIS	SC compensation	(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(ı)-(D)	(F) Compensation reported in prior Form
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	Compensation	Denencs	(0)(1)*(0)	990 or Form 990-EZ
Pamela S Robertson	(I) (II)	• •	172,818	84,662	153,625 0	6,343 0	918,575	75,661 0
Pam Brower	(I) (II)		58,182	27,893	69,198 0	8,394 0	412,516	19,772 0
Charles T Volk	(I) (II)		70,044	27,645	102,595	8,418	530,628	0
Mark W Casanova	(ı) (ıı)		56,773	3 16,317 0 0	40,375 0	19,752	336,276	15,817 0
Maria E Chapa	(ı) (ıı)		98,765	31,726	94,627 0	15,592	576,204	6,508 0
Steven G Daniel	(I) (II)		67,961	24,078	53,662 0	28,679 0	407,759	22,897 0
Paul A Gaden	(I) (II)		89,967	13,569	74,077 0	23,775	5 514,657	0
Raymundo Ramos Jr	(ı) (ıı)		48,386	16,618	44,459 0	5,773 0	280,010	0
Norman L McBride	(ı) (ıı)) 143,189) 0	50,110	135,947	38,624 0	15,776 0	383,646	61,329 0
James A Cato	(ı) (ıı)		40,766	21,077	74,883 0	5,206	416,907	0
Margaret Colleen McHugh	(I) (II)		51,791	96,722	55,638 0	7,481	419,011	49,119 0
Mary A Lafrancois	(ı) (ıı)		51,054	19,944	40,468 0	23,531		15,340 0
Julie A Pina	(I) (II)		52,473	0	48,449 0	1,523	304,610	0
Mary Sylvia Roberts	(I) (II)		2 47,256 0 0	35,719	38,382 0	6,236	286,035	26,156 0
Brian P Smith	(I) (II)) 163,724) 0	52,075	22,017	29,247 0	9,281	276,344	15,416 0
SCOTT MERRYMAN	(ı) (ıı)		0 89,425	0 90,330	0 72,686	0 10,170	0 562,621	0 50,196
RICHARD C DAVIS	(I) (II)		0			0		·
FRANCIS A POMMETT JR	(I) (II)		0	262,714	15,011	0	277,725	0

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Schedule L Tran

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Transactions with Interested Persons

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

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the orga Christus Spohn Heal		orporation							-1109e		ication	number	•
						and section 5		ganıza	ations	only).			
1 (a) Name					between di	Part IV, line 2.	(c) Descri					(d) Corre	ected?
1 (4) (14)	or aloqual	med pere	1 ' '		nd organizati		(4) 5 65 611	p c. o o	······	, 400, 1011		Yes	No
											+		
2 Enter the an	nount of ta	x inclirre	d by organiz	ation man	agers or dis	qualified perso	ons during the	veari	ınder	section			
4958				• •						F \$			
3 Enter the an	nount of ta	x, ıf any,	on line 2, ab	ove, reım	bursed by th	ne organizatior	1			> \$			
Part III Loa	ns to an	d/or F	rom Inter	ested F	ersons.								
						O-EZ, Part V, I	ıne 38a, or Fo	rm 99	0,Par	t IV , lını	e 26, o	r ıf the	
(a) Name of			(c) Purpose			e 5, 6, or 22 (e) O riginal	(f)Balance	(a)) In	(h)	<u> </u>	(i)Wri	tten
ınterested		anızatıon		or from	the	principal	due		ult?	Appro	ved	agreen	
person				organıza	tion?	amount				by boa			
				То	From			Yes	No	Yes	No	Yes	No
												_	
					-							_	
												_	
												_	
												_	
Total				► \$									
			ce Benefit			Persons. rm 990, Par	t IV line 27						
(a) Name of int			ationship be			of assistance	(d) Type o		tance	(e)	Purpos	e of assi	stance
person		interest	ted person a								,		
			organization										
							_						
							_						
		1											

Part IV Busi	ness Transactions	Involving	Interested	Persons.
--------------	-------------------	-----------	------------	----------

Complete if the organization (a) Name of interested person	(b) Relationship between interested	orm 990, Part IV, IIr (c) Amount of transaction	(d) Description of transaction	(e) Sh	_
	person and the organization	transaction		1	zatıon's
				Yes	No
(1) PSYCHIATRIC CONSULTING SERVICES	NESTOR PRADERIO BRD MBR	270,000	SEE SUPPLEMENTAL INFORMATION		No
(2) vinson Elkins law firm	CHARLES VOLK, OFFICER	739,049	see supplemental information		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS WITH INTERESTED PERSONS	, , ,	FEES OF \$270,000 PAID TO PSYCHIATRIC CONSULTING SERVICES FOR MEDICAL DIECTOR FEES PROVIDED BY DR PRADERIO DR PRADERIO IS OWNER OF PSYCHIATRIC CONSULTING SERVICES VINSON & ELKINS LAW FIRMS WAS PAID \$739,049 FOR SERVICES CHARLES VOLK'S BROTHER IS A PARTNER AT VINSON & ELKINS LAW FIRM

Schedule L (Form 990 or 990-EZ) 2012

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OMB No 1545-0047

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SCHEDULE M (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization Christus Spohn Health System Corporation

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

Noncash Contributions

Inspection **Employer identification number**

Da	rt I Types of Property				/4-1109836			
	Types of Property	(a) Check If applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line	(d Method of d noncash contrib	etermı	_	is
1	Art—Works of art			- 3				
2	Art—Historical treasures .							
3	Art—Fractional interests							
4	Books and publications							
	Clothing and household							
	goods							
6	Cars and other vehicles							
7	Boats and planes							
8	Intellectual property							
9	Securities—Publicly traded .							
10	Securities—Closely held stock .							
11	Securities—Partnership, LLC, or trust interests							
12	Securities—Miscellaneous							
13	Qualified conservation contribution—Historic structures							
14	Qualified conservation contribution—Other							
15	Real estate—Residential .							
16	Real estate—Commercial							
17	Real estate—Other							
18	Collectibles							
19	Food inventory							
20	Drugs and medical supplies .							
21	Taxidermy							
22	Historical artifacts							
23	Scientific specimens							
24	Archeological artifacts							
	EQUIP, SPLS, RENT,							
25	Other►(SVCS)	X	5	286,201	COST			
	Other►()			,				
	Other ►()							
	Other►()							
	Number of Forms 8283 received	by the orga	nization during the tax yea	r for contributions				
	for which the organization comple				29			
							Yes	No
30a	During the year, did the organiza	ition receiv	e by contribution any prope	rty reported in Part I, lines	1-28 that it			
	must hold for at least three year	s from the o	date of the initial contribution	on, and which is not require	d to be used			
	for exempt purposes for the enti	re holding p	erıod [?]			30a		No
b	If "Yes," describe the arrangeme	ent in Part I	I					
31	Does the organization have a gif			review of any non-standard	contributions?	31		No
32a	Does the organization hire or us contributions?	e third parti	es or related organizations	to solicit, process, or sell	noncash 	32a		No
h	If "Yes," describe in Part II					JZG		110
33	If the organization did not report	an amount	in column (c) for a type of	property for which column (a)is checked			
JJ	describe in Part II	. an amount	column (c) for a type of	property for which column (a, is checked,			

Page 2

Schedule M	(Form 990) (201:
Part II	Supplem

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

Identifier Return Reference Explanation

Schedule M (Form 990) (2012)

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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

Open to Public Inspection

	Employer identifi	cation number
Christus Spohn Health System Corporation		
	74-1109836	

Identifier	Return Reference	Explanation
DOING BUSINESS AS	FORM 990, PART I, LINE C	EARSTUS SPONH HOSPITAL CORPUS CHRISTI CARISTUS SPONH HOSPITAL ALICE LAVIANA PLAZA CARISTUS SPONH FAMILY HEALTH CENTER BROCKS COUNTY CHRISTUS SPONH WING WELL CRITER CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. MEMORRAL CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. SHOTH HOSPITAL CORPUS CHRISTI. SHOTH CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. SHOTH CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. SOUTH CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. SOUTH CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. SOUTH CHRISTIS SPONH HOSPITAL CORPUS CHRISTI. SOUTH CHRISTUS SPONH HOSPITAL CORPUS CHRISTI. SOUTH CHRISTUS SPONH HOSPITAL CHRISTUS SPONH HOSPITAL EXPONENCE CHRISTUS SPONH HOSPITAL EXPONENCE CHRISTUS SPONH HOSPITAL CHRISTUS SPONH HOSPITAL CHRISTUS SPONH CORPUS CHRISTUS CHRISTIS. SPONH CORPUS CHRISTUS

ldentifier	Return Reference	Explanation
DOING BUSINESS AS	FORM 990, PART I, LINE C	SPECTRUM OF SERVICES FROM COMMUNITY CLINICS TO IMMUNIZATIONS FOR CHILDREN AND SENIORS, MEA LS FOR HOMELESS SHELTERS, TRANSPORTATION SERVICES, AND A VARIETY OF OTHER SOCIAL SERVICES CHRISTUS HEALTH HAS ESTABLISHED THE CHRISTUS FUND TO PROVIDE RESOURCES TO NOT-FOR-PROFIT AGENCIES AND GROUPS WHOSE VISION, MISSION AND GOALS ARE CONSISTENT WITH CHRISTUS HEALTH'S MISSION, VALUES AND PHILOSOPHY OF A HEALTHY COMMUNITY WE BELIEVE THAT BY WORKING TOGETHER, WE CAN MAKE A PROFOUND DIFFERENCE IN THE QUALITY OF PEOPLES' LIVES AND CREATE SUSTAINABL E HEALTH IN OUR COMMUNITIES DURING FY2013, THE TOTAL GRANT MONEY DISTRIBUTED BY CHRISTUS HEALTH TO THE SPOHN REGION WAS \$209,035 TOTAL OTHER PROGRAM EXPENSES - \$2,822,645 GRANTS AND ALLOCATIONS - \$422,645 REVENUE - \$0

ldentifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINE 6	CHRISTUS HEALTH IS THE SOLE CORPORATE MEMBER OF THE FILING ORGANIZATION DESCRIPTION OF CLASSES OF RESIONS AND THE INATURE OF THEIR RIGHTS FORM 990, PART VI. LINE 7A CHRISTUS HEALTH, THE SOLE CORPORATE MEMBER OF THE FILING ORGANIZATION HAS THE POWER TO A PROTIST ALL MEMBERS OF THE FILING ORGANIZATIONS GOVERNING BODY CLASSES OF FRISCONS, DESISIONS REQUIRING APP R I TYPE OF VOTING RIGHTS FORM 990, PART VI. LINE 78 CHRISTUS HEALTH SEORATO OF DIRECTORS HAS THE FOLLOWING POWERS APPROVE CHANGE AND/OR INTERPRET THE FILING ORGANIZATIONS PHIL COSPHY, MISSION AND VISION APPROVE THE ADDPTION OF AMEMORPH OF THE FILING ORGANIZATIONS PHIL COSPHY, MISSION AND VISION APPROVE THE ADDPTION OF AMEMORPH OF THE FILING ORGANIZATIONS PHIL COSPHY, MISSION AND VISION APPROVE THE ADDPTION OF AMEMORPH OF THE FILING ORGANIZATIONS OF THE BOARD OF DIRECTORS AND VICE CHARRESTS OF BOARD OF DIRECTORS, APPROVE THE FILING ORGANIZATION SEARCH OF THE BOARD OF DIRECTORS AND VICE CHARRESTS OF BOARD OF DIRECTORS, APPROVE THE RICH BOARD OF DIRECTORS AND VICE CHARRESTS OF BOARD OF DIRECTORS, APPROVE CHARRESTS OR BOARD OF DIRECTORS AND VICE CHARRESTS OF BOARD OF DIRECTORS, APPROVE CHARRESTS OR BOARD OF DIRECTORS AND VICE CHARRESTS. OF BOARD OF DIRECTORS, APPROVE CHARRESTS OR BOARD OF DIRECTORS AND VICE CHARRESTS. OF BOARD OF DIRECTORS, APPROVE CAN DEVELOP THE IMPERIOR OR SYSTEM-WIDE OLICIDATION BY THE FILING ORGANIZATION, APPROVE THE IMPERIOR ORGANIZATION, APPROVE THE IMPERIOR ORGANIZATION, APPROVE CAN DEVELOP THE IMPERIOR ORGANIZATION, APPROVE CAN DEVELOP THE IMPERIOR ORGANIZATION, APPROVE CAN DEVELOP THE IMPERIOR ORGANIZATION, APPROVE AND AUTHORIZE ACTION ORGANIZATION, APPROVE AND AUTHORIZE ACTION ORGANIZATION, APPROVE AND AUTHORIZE ACTIONS ORGANIZATION, APPROVE AND AUTHORIZE ACTIONS POR THE FILING ORGANIZATION, APPROVE CAN DEVELOP THE PROPERTY ORGANIZATION APPROVE AND AUTHORIZE ACTIONS POR SERVED ON THE PROPERTY ORGANIZATION APPROVE APPROVE APPROVE APPROVE APPROVE APPROVE AND AUTHORIZE ACTIONS RESERVED IN ORGANIZATION APPROVE APPROVE APPROVE APPROVE A

ldentifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINE 6	HAT NO POTENTIAL OR IDENTIFIED CONFLICT IS DISCLOSED OR EXISTS. THE ORGANIZATIONS BOARD OF DIRECTORS IS RESPONSIBLE FOR ENFORCEMENT OF THE CONFLICT OF INTEREST POLICY OF THE ORGAN IZATION COMPENSATION DETERMINATION PROCESS FORM 990, PART VI, LINES 15.8 & 15.8 THE DREAD IZATION COMPENSATION COMMITTEE OF CHRISTUS HEALTH DETERMINES THE COMPENSATION OF THE CEO (OR EX EQUITIVE DIRECTOR, AS A PPLICABLE), OFFICERS AND KEY EMPLOYEES OF CHRISTUS HEALTH AND CERTAI IN OTHER OFFICERS AND KEY EMPLOYEES OF RELATED ORGANIZATIONS, INCLUDING CHRISTUS SPOHN HEAL TH SYSTEM CORPORATION THE EXECUTIVE COMPENSATION COMMITTEE IS COMPOSED OF INDIVIDUALS WHO HAVE NO CONFLICT OF INTEREST WITH THE COMPENSATION COMMITTEE IS COMPOSED OF INDIVIDUALS WHO HAVE NO CONFLICT OF INTEREST WITH THE COMPENSATION REVIEW, TO BISURE THAT HAND THE EXECUTIVE CO MPENSATION COMMITTEE OF THE CHRISTUS HEALTH BOARD SELECTS AN INDEPENDENT EXTERNAL FIRM TO PERFORM AN INDEPENDENT COMPENSATION REVIEW, TO BISURE THAT ALL COMPENSATION IS REASONABLE AND COMPARABLE TO OTHER SIMILARLY SITUATED ORGANIZATIONS, FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS, AND TO PROVIDE SUPPORTING INFORMATION OF COMPENSATION DECISIONS ON AN ANNUAL BASIS THE EXTERNAL CONSULTANT 1. DEVELOPS THE MERIT INCREASE RE COMMENDATIONS FOR ALL DESIGNATED SYSTEM EXECUTIVES BASED ON MARKET COMPARABLETY 2. RECOMMENDATIONS FOR ALL DESIGNATED SYSTEM EXECUTIVES BASED ON MARKET COMPARABLETY 2. RECOMMENDATIONS FOR ALL DESIGNATED SYSTEM EXECUTIVES BASED ON MARKET COMPARABLETY 2. RECOMMENDATION OF NEWLY CREATED POSITIONS TO RECOMMEND A GRADE PLACEMENT TO THE COMMITTEE FOR THE CHANCES IN THE COMPARABILITY 2. RECOMMENDATION OF NEWLY CREATED POSITIONS TO RECOMMEND A GRADE PLACEMENT TO THE COMMITTEE OF ANY CHANGES PROVIDED AND APPROVAL ON THE MERKET CHANGES 3. COMPENSATION THE COMPENSATION OF THE ORGANIZATION THE REVIEW AND A PROVIDED SYSTEM EXECUTIVES COMPENSATION OF NEWLY CREATED POSITIONS TO RECOMMEND A PROVIDED SYSTEM EXCLUTIVES COMPENSATION OF THE DEPOSITIONS FOR AND A PROVIDED SYSTEM

ldentifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC	PART VI, LINE 19	THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CHRISTUS HEALTH ARE MADE AVAILABLE TO THE PUBLIC VIA THE CHRISTUS HEALTH WEBSITE. THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE TO THE PUBLIC OTHER CHANGES IN NET ASSETS OR FUND BALANCES FORM 990, PART XI, LINE 9 PENSION LIABILITY EXPENSE \$12,753,709 PENSION FUNDING (\$13,572,551) TRANSFER OF NET ASSETS BETWEEN ENTITIES \$16,716 EQUITY ADJUSTMENT UNCONCOL SUBS (\$694) QUARTERLY RETAIL PAYOUTS \$264,469 TEMPORARY RESTRICTED CONTRIBUTIONS (\$8,826) TRANSFER OF RESTRICTED NET ASSETS \$9,100 ROUNDING \$1

SCHEDULE R

Related Ord

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

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

OMB No 1545-0047

Employer identification number

DLN: 93493132036124

Open to Public

Inspection

Schedule R (Form 990) 2012

Department of the Treasury
Internal Revenue Service

Name of the organization

Christus Spohn Health System Corporation

(Form 990)

► Attach to Form 990. ► See separate instructions.

74-1109836 Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.) (e) (f) Name, address, and EIN (if applicable) of disregarded entity Primary activity Legal domicile (state Total income End-of-year assets Direct controlling or foreign country) entity Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one Part II or more related tax-exempt organizations during the tax year.) (c) (d) (e) (f) (g) Name, address, and EIN of related organization Primary activity Legal domicile (state Exempt Code section Public charity status Direct controlling Section 512(b) or foreign country) (13) controlled (if section 501(c)(3)) entity entity? Yes See Additional Data Table

Cat No 50135Y

(a) Name, address, and EIN of related organization		(b) Primary activity		(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)		(f) Share of total incom	f Share o me end-of-ye assets	f Dispro	1) prtionate tions?	e Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man part	j) eral or aging ener?	(k) Percentag ownershij	p
					1				Yes	No		Yes	No		
											+				_
															_
										 					-
															_
	d Organizations Taxable or more related organizati								nswere	ed "Ye	es" to Form	990,	Part	IV,	
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicil (state or fo country	e reign	Direct of	(d) controlling ntity	Type o	e) of entity , S corp, rust)	(f) Share of tota Income	Share	(g) of end- year assets	of- Percen owner	tage		(i) Section 512 (b)(13) controlled entity?	
(1) SPOHN HEALTH NETWORK	HLTH PLAN ADM			CSPHSO	0	C CORP	,	304,04	5	1,314,6	575 100 00	0 %		Yes No Yes	<u>-</u>
600 ELIZABETH STREET CORPUS CHRISTI, TX 78404 74-2616328		TX													
(2) SPOHN INVESTMENT CORPORATION	Rental			CSPHSO	2	C CORP	'	641,25	2 1	15,752,8	100 00	0 %	1	res	_
600 ELIZABETH STREET CORPUS CHRISTI, TX 78404 74-2322574		TX													
(3) CHRISTUS Muguerza SAPI de CV	HLTHCARE SVC	MX		СН		C corp								No	
HIDALGO PTE 2525 COL OBISPADO, MONTERREY, N L 64060 MX															
(4) EMERALD ASSURANCE CAYMAN LTD	INSURANCE	CJ		СН		C CORP								No	_
98-0407545													\perp		_
															_
		+				1	-		-					-	_

	Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule					Yes	No		
1 D	uring the tax year, did the orgranization engage in any of the following transactions with one or more re	ated organizations li	sted in Parts II-IV?						
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity									
b	b Gift, grant, or capital contribution to related organization(s)								
С	c Gift, grant, or capital contribution from related organization(s)								
d	d Loans or loan guarantees to or for related organization(s)								
е	Loans or loan guarantees by related organization(s)				1e		No		
f	Dividends from related organization(s)				1f		No		
g	Sale of assets to related organization(s)				1g		No		
h	Purchase of assets from related organization(s)				1h		No		
i	Exchange of assets with related organization(s)				1i		No		
j	Lease of facilities, equipment, or other assets to related organization(s)				1j	Yes			
k	Lease of facilities, equipment, or other assets from related organization(s)				1k		No		
ı	I Performance of services or membership or fundraising solicitations for related organization(s)								
m Performance of services or membership or fundraising solicitations by related organization(s)									
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)									
• Sharing of paid employees with related organization(s)									
р	Reimbursement paid to related organization(s) for expenses				1 p	Yes			
q	Reimbursement paid by related organization(s) for expenses				1q	Yes			
r	O ther transfer of cash or property to related organization(s)				1r		No		
s	Other transfer of cash or property from related organization(s)				1s	Yes			
2	If the answer to any of the above is "Yes," see the instructions for information on who must complete		· · · · · · · · · · · · · · · · · · ·						
	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amo	ount i	nvolved	l		
ee A	Iditional Data Table								

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

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

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross)

revenue) that was not a related organization See instructions re	garding exclu	sion for ce		nent	partnerships				•	,		Ī	
(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512- 514)	org	(e) all partners section 501(c)(3) anizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtiona allocations?	,	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	_	(k) Percentage ownership
			514)	Yes	No			Yes	No		Yes	No	
												1	

Software ID: Software Version:

Return Reference

EIN: 74-1109836

Name: Christus Spohn Health System Corporation

Explanation

Schedule R (Form 990) 2012

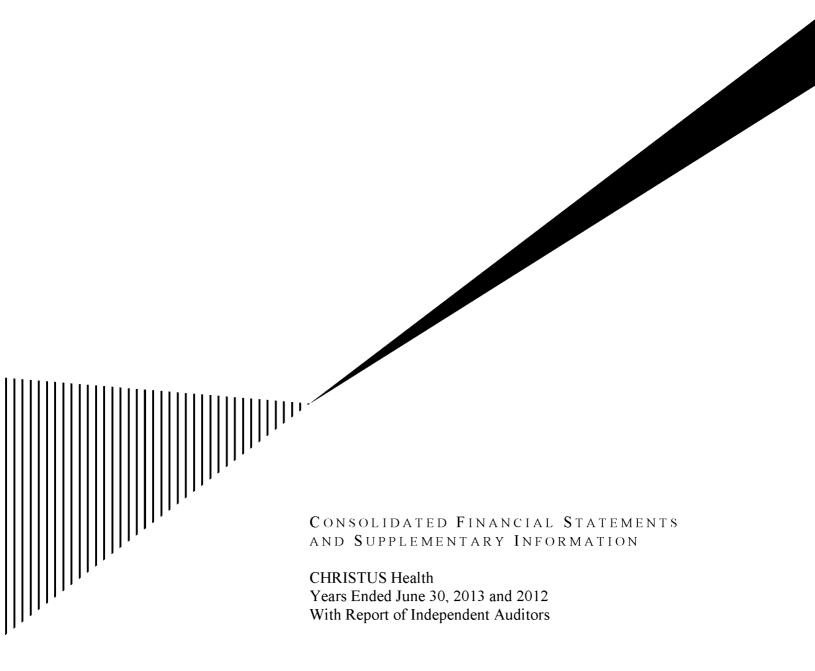
Identifier

Page **5**

Part VII Supplemental Information

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

> Form 990, Schedule R, Part V - Transactions With Related Organizations			
(a) Name of other organization	(b) Transaction type(a-s)	(c) A mount Involved	(d) Method of determining amount involved
CHRISTUS SPOHN HEALTH SYSTEM DEVELOPMENT FDN	A(I)	5,137	ACCRUAL
CHRISTUS SPOHN HEALTH SYSTEM DEVELOPMENT FDN	В	500,341	ACCRUAL
CHRISTUS SPOHN HEALTH SYSTEM DEVELOPMENT FDN	0	421,838	ACCRUAL
CHRISTUS SPOHN HEALTH SYSTEM DEVELOPMENT FDN	Р	73,366	ACCRUAL
CH WILKINSON PHYSICIAN NETWORK	A(I)	1,306,842	ACCRUAL
CH WILKINSON PHYSICIAN NETWORK	М	2,587,839	ACCRUAL
CH WILKINSON PHYSICIAN NETWORK	Р	67,601	ACCRUAL
CHRISTUS HEALTH LIABILITY RETENTION TRUST	Q	302,833	ACCRUAL
SPOHN HEALTH NETWORK	A(I)	32	ACCRUAL
SPOHN INVESTMENT CORPORATION	A(I)	19,190	ACCRUAL
CHRISTUS SPOHN HEALTH SYSTEM DEVELOPMENT FND	S	989,939	ACCRUAL
CHRISTUS SPOHN HEALTH SYSTEM DEVELOPMENT FND	С	7,778,428	ACCRUAL
DUBUIS HEALTH SYSTEM	J	712,837	ACCRUAL
SPOHN INVESTMENT CORPORATION	A(IV)	24,000	ACCRUAL
SPOHN INVESTMENT CORPORATION	Q	242,527	ACCRUAL
SPOHN HEALTH NETWORK	0	280,987	ACCRUAL
SPOHN HEALTH NETWORK	Q	532,704	ACCRUAL
CHRISTUS HEALTH PLAN	М	2,410,239	ACCRUAL
	.	•	•



Ernst & Young LLP



CHRISTUS Health

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

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Report of Independent Auditors	1
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Consolidated Statements of Operations and Changes in Net Assets	5
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Report of Independent Auditors on Supplementary Information	55
Community Benefit (Unaudited)	56



Ernst & Young LLP

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Report of Independent Auditors

The Board of Directors CHRISTUS Health

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 consolidated financial position of CHRISTUS Health at June 30, 2013 and 2012, and the consolidated results of its operations and changes in net assets and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

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

As discussed in Note 3 to the consolidated financial statements, the System changed the presentation of the provision for bad debts as a result of the adoption of ASU No 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities, effective July 1, 2012

Ernst + Young LLP

September 13, 2013

Consolidated Balance Sheets

	June 30			
		2013		2012
		(In The	ous	ands)
Assets				
Current assets				
Cash and cash equivalents	\$	282,389	\$	366,043
Short-term investments		1,043,273		529,738
Assets whose use is limited or restricted, required for current				
liabilities		59,960		56,903
Patient accounts receivable, net of allowance for doubtful accounts of \$93,426 and \$84,366 at June 30, 2013 and				
2012, respectively		357,904		334,971
Notes and other receivables		183,994		57,499
Inventories		88,683		89,658
Securities pledged to creditors		8,858		46,518
Security lending collateral		9,204		46,257
Other current assets		65,226		51,784
Total current assets		2,099,491		1,579,371
Assets whose use is limited or restricted, less current portion		708,174		907,962
Property and equipment, net of accumulated depreciation		1,618,670		1,719,060
Other assets				
Investments in unconsolidated organizations		37,302		209,938
Goodwill		89,730		101,858
Other assets		74,740		74,472
Beneficial interest in supporting organizations and other				
restricted assets	_	68,792		15,540
Total other assets		270,564		401,808
Total assets	\$	4,696,899	\$	4,608,201

Consolidated Balance Sheets (continued)

	June 30			
	2013	2012		
	(In Th	ousands)		
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 409,675	\$ 358,097		
Accrued employee compensation and benefits, including				
pension benefits, current portion	176,427			
Estimated third-party settlements	33,017			
Current portion of long-term debt	51,589	·		
Payable under security lending agreement	9,210			
Total current liabilities	679,918	667,445		
Long-term debt, less current portion	1,071,943	1,124,556		
Long-term deat, less current portion	1,0/1,243	1,124,550		
Accrued pension benefits, long-term portion	75,435	197,177		
Derivative financial instruments	92,624	136,786		
Other long-term obligations – primarily related to self-funded				
liabilities, less current portion	169,613	176,799		
Total liabilities	2,089,533	2,302,763		
Net assets				
Unrestricted				
Attributable to CHRISTUS Health	2,356,267	2,115,411		
Attributable to noncontrolling interest	120,356	119,299		
Total unrestricted	2,476,623	2,234,710		
Temporarily restricted	114,858	54,183		
Permanently restricted	15,885	16,545		
Total net assets	2,607,366	2,305,438		
Total liabilities and net assets	\$ 4,696,899	\$ 4,608,201		

See accompanying notes.

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended 2013	June 30 2012
	(In Thou	sands)
Revenues		
Patient service revenue (net of contractual allowances and		
discounts)	\$ 3,463,569 \$	
Provision for bad debts	(239,406)	(205,518)
Net patient service revenue less provision for bad debts	3,224,163	3,212,259
Premium revenue	182,893	174,283
Other revenue	182,854	181,955
Equity in income of unconsolidated organizations	111,362	27,539
Total revenues	3,701,272	3,596,036
Expenses		
Employee compensation and benefits	1,609,714	1,623,487
Services and other	1,100,712	1,020,213
Supplies	612,132	638,104
Depreciation and amortization	271,965	218,007
Interest	33,697	42,166
Total expenses	3,628,220	3,541,977
Operating income	73,052	54,059
Nonoperating investment gain (loss)	88,212	(91,519)
Other nonoperating loss	(1,585)	(3,935)
Revenues in excess (deficit) of expenses	159,679	(3,935) (41,395)
Less revenues in excess of expenses attributable to		
noncontrolling interest	17,171	12,601
Revenues in excess (deficit) of expenses attributable to		12,001
CHRISTUS Health	142,508	(53,996)
	112,000	(55,550)

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended June 30		
		2013	2012
		(In Thouse	ands)
Changes in unrestricted net assets			
Revenues in excess (deficit) of expenses attributable to	•	1 12 TOO O	(50.005)
CHRISTUS Health	\$	142,508 \$	(53,996)
Net change in unrealized gain (loss) on investments		3,320	(6,390)
Change in pension liabilities		95,141	(89,525)
Acquisition of noncontrolling interest		(3,380)	(2,610)
Change in noncontrolling interest		4,437	8,660
Other		(113)	3,478
Changes in unrestricted net assets		241,913	(140,383)
Temporarily restricted net assets			
Net change in beneficial interest		24,712	_
Contributions		6,142	3,229
Unrealized gain (loss) on investments		453	(2,190)
Net assets released from restrictions and other		(5,992)	(8,252)
Changes in temporarily restricted net assets		25,315	(7,213)
Permanently restricted net assets			
Net change in beneficial interest		(141)	_
Other		(6,000)	2,994
Changes in permanently restricted net assets		(6,141)	2,994
Change in net assets		261,087	(144,602)
Adjustment to beginning temporarily and permanently restricted			
net assets (Note 16)		40,841	_
Net assets – beginning of year		2,305,438	2,450,040
Net assets – end of year	\$	2,607,366 \$	2,305,438

See accompanying notes.

Consolidated Statements of Cash Flows

	Year Ended June 30		
		2013	2012
		(In Thousa	nds)
Operating activities			
Changes in net assets	\$	261,087 \$	(144,602)
Adjustments to reconcile changes in net assets to net cash			
provided by operating activities			
Change in beneficial interest		(24,571)	_
Change in pension liabilities		(120,391)	81,559
Contributions of temporarily restricted net assets		(6,142)	(3,229)
Equity in income of unconsolidated organizations		(111,362)	(27,539)
Equity (earnings) losses on investments in managed funds		(37,436)	4,889
Depreciation and amortization		271,965	218,007
Provision for uncollectible accounts		239,406	205,518
Change in derivative fair value		(44,162)	76,813
Gain on disposal of property and equipment		(3,408)	(2.717)
Changes in operating assets and liabilities, net of acquisitions			
Increase in net patient accounts receivable		(262,339)	(226.837)
(Increase) decrease in trading securities		(99,954)	1,084
(Increase) decrease in notes and other receivables		(126,495)	68,206
Decrease (increase) in inventories		975	(1,226)
Increase in accounts payable, accrued expenses, and accrued			
employee compensation and benefits		54,647	3,365
Decrease in net third-party payor settlements		(250)	(8,815)
(Decrease) increase in liability for self-funded liabilities		(1,110)	3,782
Net cash (used in) provided by operating activities		(9,540)	248,258
Investing activities			
Purchases of property and equipment		(166,199)	(166,264)
Proceeds from sale or disposal of property and equipment		15,278	8,633
Proceeds from sale of investment in Baptist St Anthony, net		299,037	_
Increase in equity investments in managed funds		(179,414)	(70,629)
(Increase) decrease in investments in unconsolidated organizations		(15,038)	6,151
Decrease (increase) in securities pledged to creditors		37,660	(6.307)
Increase in other assets		(3,385)	(5,541)
Decrease (increase) in security lending collateral		37,053	(7.102)
Net cash provided by (used in) investing activities		24,991	(241,059)
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Consolidated Statements of Cash Flows (continued)

	Year Ended June 30		
		2013	2012
		(In Thousa	nds)
Financing activities			
Contributions of temporarily restricted net assets	\$	6,142 \$	3,229
Other costs associated with debt refinancing/conversion		(1,244)	(859)
Payments on long-term debt		(65,925)	(69,728)
(Decrease) increase in payable under security lending agreements		(38,078)	7,826
Net cash used in financing activities		(99,105)	(59,532)
Net decrease in cash and cash equivalents		(83,654)	(52,333)
Cash and cash equivalents – beginning of year		366,043	418,376
Cash and cash equivalents – end of year	\$	282,389 \$	366,043
Noncash investing and financing transactions			
Capital lease obligations incurred for property and equipment	\$	3,171 \$	1,064
Supplemental disclosure of cash flow information			
Cash paid during the year for interest (net of amount capitalized)	\$	36,969 \$	45,372

See accompanying notes

Notes to Consolidated Financial Statements

June 30, 2013

1. Mission, Vision, and Organization of CHRISTUS Health

CHRISTUS Health was incorporated as a Texas nonprofit corporation on December 15, 1998 CHRISTUS Health (CHRISTUS or the System) is sponsored by the Congregation of the Sisters of Charity of the Incarnate Word of Houston, Texas, and the Congregation of the Sisters of the Charity of the Incarnate Word of San Antonio, Texas The Congregation of the Sisters of Charity of the Incarnate Word of Houston, Texas, sponsors the Sisters of Charity Health Care System (SCH), and the Congregation of the Sisters of Charity of the Incarnate Word of San Antonio, Texas, sponsors the Incarnate Word Health System (IWHS) SCH and IWHS continue to exist and carry out their ministries

The mission of CHRISTUS is to extend the healing ministry of Jesus Christ The Gospel values underlying the mission statement challenge CHRISTUS to make choices that respond to the economically disadvantaged and the underserved with health care needs. The growth and development of CHRISTUS are determined by the health care needs of the communities that CHRISTUS serves, its available resources, and the interrelationship of those serving and those being served. Responsible stewardship mandates that CHRISTUS searches out new, effective means to deliver quality health care and to promote wholeness in the human person.

The vision of CHRISTUS is to be a leader, a partner, and an advocate in the creation of innovative health and wellness solutions that improve the lives of individuals and communities so that all may experience God's healing presence and love

The consolidated financial statements of CHRISTUS include activities of its affiliated market-based organizations and other related entities, all of which are wholly or majority-owned and commonly referred to as regions or entities For purposes of these consolidated financial statements, the "System" is defined as CHRISTUS's affiliated market-based organizations and other related entities. The other related entities include, but are not limited to, hospital foundations, professional office buildings, management services organizations, physician groups, outpatient surgery centers, a collection agency, self-insurance trusts, an offshore captive insurance company, health plans, integrated community health networks, and diagnostic imaging companies

CHRISTUS controls or owns, directly or indirectly, or manages various nonprofit and for-profit corporations and other organizations that currently operate in the states of Texas, Arkansas, Georgia, Louisiana, Missouri, New Mexico, Iowa, the country of Chile, and in the Republic of Mexico

Notes to Consolidated Financial Statements (continued)

1. Mission, Vision, and Organization of CHRISTUS Health (continued)

CHRISTUS and certain affiliated nonprofit corporations are generally exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, as organizations described in Section 501(c)(3)

2. Community Health

In accordance with its mission and philosophy, the System commits significant resources to improving the health of the communities it serves In support of its mission, the System provides programs and services for entire communities, with a special consideration for those who are poor and underserved

Programs and Services for the Poor and Underserved – These programs and services represent the financial commitment to serve those who have inadequate resources and/or are uninsured or underinsured Services are offered with the conviction that health care is a basic human right and all deserve access. The categories included as programs and services for the poor and the underserved are as follows.

Charity Care – In accordance with the Catholic Health Association (CHA) guidelines, charity care represents the unpaid costs of free or discounted health services provided to persons who cannot afford to pay and who meet the organization's criteria for financial assistance Traditional charity care is defined by the state of Texas as the unreimbursed costs of providing, funding, or otherwise financially supporting the health care services provided to a person with income at or below 200% of the federal poverty level Charity care services provided to these patients are not reported as revenue in the consolidated statements of operations and changes in net assets as there is no expectation of payment The amount of traditional charity care provided, determined on the basis of cost, excluding the provision for bad debt expense, was approximately \$195,839,000 and \$168,645,000 for the years ended June 30, 2013 and 2012, respectively

Unpaid Costs of Medicaid and Other Public Programs for the Indigent – This category represents the cost of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of any payments received from all sources

Notes to Consolidated Financial Statements (continued)

2. Community Health (continued)

Community Services for the Poor and Underserved – This category represents the unpaid cost of services provided for which a patient is not billed, or for which a fee has been assessed that recovers only a portion of the cost of the rendered service. This category includes services to those in need through community health programs. The programs cover a broad spectrum of services, from community health centers to immunizations for children and seniors, Meals on Wheels, transportation services, home repair projects, and a variety of other social services. These programs may also seek justice for the vulnerable and work to bring about changes in political and economic systems

Examples of CHRISTUS Community Benefits accounted for under Community Services for the Poor and Underserved include

- The CHRISTUS Community Direct Investment (CDI) Program was established to support community-driven initiatives primarily for affordable housing and economic development by providing financing at below-market interest rates. The majority of the support is provided to programs in the CHRISTUS operating regions. The amount the System would have earned on these monies is the forgone income that is considered a community benefit.
- The CHRISTUS Fund was established for the purpose of providing grants to support community planning, healthy community initiatives, and community-based programs, with a focus on the poor and underserved areas where CHRISTUS ministries and sponsoring congregations are involved

Community Services Provided for the Broader Community – This category represents the unpaid cost of services provided for the benefit of the entire community. The majority of these expenditures are for graduate medical education programs, either through CHRISTUS-sponsored or affiliated programs. Other benefits for the broader community include health promotion and wellness programs, health screenings, newsletters, and radio or television programs intended for health education. These programs are not intended to be financially self-supporting

Education and Research – This category represents the direct costs associated with medical education and other health professional educational programs in excess of governmental payments

Other Community Services – This category represents leadership activities, community planning, and advocacy

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of all entities of the System (see Note 1) All significant inter-entity transactions and accounts have been eliminated in consolidation

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management of the System to make assumptions, estimates, and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any The System considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following recognition of net patient service revenues, which include contractual allowances and the provision for bad debt, reserves for losses and expenses related to health care professional and general liabilities, determination of fair values of certain financial instruments, determination of fair value of certain goodwill and long-lived assets, and risks and assumptions for measurement of pension and retiree medical liabilities Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates Actual results could differ materially from these estimates

Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less

Investments

The System's investment portfolio is classified as trading, with unrealized gains and losses included in revenues in excess of expenses Investments in equity securities and funds with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets Investments also include equity investments in managed funds structured as limited liability corporations or partnerships. These investments are accounted for under the equity method. Investment income or loss (including equity investment

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

earnings (losses) on managed funds, realized and unrealized gains and losses, computed on the average-cost basis of the security at the time of sale, and interest and dividends) is included in revenues in excess (deficit) of expenses unless the income or loss is restricted by donor or law

Investment income earned on assets held by trustees under bond indenture agreements, assets held by foundations, assets deposited in trust funds for self-insurance purposes, and funds held by insurance subsidiaries in accordance with industry practices are included in other revenue in the consolidated statements of operations and changes in net assets

Derivative Financial Instruments

The System utilizes interest rate swaps to hedge interest rate exposures. Changes in the fair value of the System's interest rate swaps are recorded as a component of nonoperating investment gain (loss) in the accompanying consolidated statements of operations and changes in net assets. The expense representing the net of the payments made and received under the swap agreements is also recorded as a component of nonoperating investment gain (loss)

Inventories

The System values inventories, which consist principally of medical supplies and pharmaceuticals, at the lower of cost (first-in, first-out, or weighted-average cost valuation method) or market basis

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the time of donation Expenditures that materially increase values, change capacities, or extend useful lives are capitalized Routine maintenance, repairs, and minor equipment replacement costs are charged against operations

Depreciation is calculated and recorded over the estimated useful life of each class of depreciable assets using the straight-line method The American Hospital Association – Estimated Useful Lives of Depreciable Hospital Assets is used as a general guide in establishing depreciable lives Amortization of capital leases is included in depreciation expense

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Asset Impairment

The System periodically evaluates the carrying value of its operating long-lived assets and assets held for sale for impairment when indicators of impairment are identified. These evaluations are primarily based on the estimated recoverability of the assets' carrying value. Impairment writedowns are recognized as a reduction in operating income for the operating long-lived assets and as a reduction in nonoperating gain for the assets held for sale at the time the impairment is identified.

In May 2013, the CHRISTUS board of directors approved a plan to consolidate the operations of two of its hospitals located in its Northern Louisiana Region, which will result in the closure of one of the facilities by the end of 2014 Accordingly, management evaluated the ongoing value of the long-lived assets and determined that the value of certain long-lived assets were no longer recoverable as their carrying value exceeded the expected cash flows At June 30, 2013, the System wrote down the respective long-lived assets to their estimated fair value by recognizing an impairment loss of \$73,981,000, which is included in depreciation and amortization expense in the accompanying consolidated statements of operations and changes in net assets In addition, an impairment loss of \$4,576,000 was recognized in fiscal year 2013 related to other long-lived assets There were no impairments recognized in fiscal year 2012

Investments in Unconsolidated Organizations and Noncontrolling Interest

The System has investments in certain organizations for which it does not have a majority ownership interest or significant control, and, therefore, these organizations are not consolidated Generally, these investments are recorded using the equity method of accounting for those organizations in which the System owns greater than 20% and has significant influence over the organization. The cost method of accounting is used for organizations in which the System owns 20% or less

The System attributed excess of revenue over expenses of \$17,171,000 and \$12,601,000 for the years ended June 30, 2013 and 2012, respectively, to the noncontrolling interest based on the contractual terms of joint ventures and the ownership percentage of the noncontrolling interests in certain of the consolidated subsidiaries. These amounts are reflected in unrestricted net assets in the consolidated balance sheets, net of distributions. As discussed below, the System acquired a portion of the noncontrolling interest in CHRISTUS Muguerza, S.A. de C.V., during fiscal years 2013 and 2012.

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Securities Lending

The System participates in securities lending transactions facilitated by the lending agent Such loans are secured by collateral of 103% of the market value of domestic securities at the time of the loan Per the securities lending agreement, such collateral will typically be cash or debt securities issued by the US government or any of its agencies Cash collateral received in connection with these loans is currently invested in a pooled fund of securities that mature in no more than 13 months and is maintained by the lending agent The securities on loan and invested collateral are marked to market throughout the duration of the loan

Goodwill

The System records goodwill arising from a business combination as the excess of purchase price over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed At June 30, 2013 and 2012, the System had goodwill of \$89,730,000 and \$101,858,000, respectively During fiscal year 2013, the System wrote off goodwill of \$15,823,000 related to the sale of Baptist St Anthony's Health System (BSAHS)

Goodwill is tested at least annually for impairment at the reporting unit level Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value Additional impairment assessments may be performed on an interim basis if the System encounters events or changes in circumstances that would indicate that it is more likely than not that the carrying value of goodwill has been impaired. The System has determined that its reporting units are the various geographic Regions of the System. The first step in the impairment process is to determine the fair value of the reporting unit and then compare it to the carrying value, including goodwill. If the fair value exceeds the carrying value, no further action is required and no impairment loss is recognized.

The System applied the optional provisions of ASU 2011-08, *Intangibles – Goodwill and Other: Testing Goodwill for Impairment* A qualitative impairment analysis concluded that it was more likely than not that the fair value exceeded the carrying value of the applicable reporting units Therefore, no two-step impairment analysis was required, and no impairment charges were recorded in fiscal year 2013 or 2012

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Deferred Financing Costs

Deferred financing costs, net of accumulated amortization, included in other assets at June 30, 2013 and 2012, are \$17,181,000 and \$18,576,000, respectively, which are being amortized using the interest method over the terms of the indebtedness to which they relate

Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose Temporarily restricted net assets also include the System's beneficial interest in the net assets of affiliated and financially interrelated organizations, whose use has been limited by grant agreements and donors to a specific time period or use Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity

Patient Accounts Receivable, Estimated Payables to Third-Party Payors, and Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from established rates. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from third-party payors and others for services rendered. Estimated retroactive adjustments under reimbursement agreements with third-party payors are included in net patient service revenue and estimated third-party payor settlements. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

The System has adopted an uncompensated care policy whereby revenue from services provided to the uninsured is recognized at the time of payment, rather than at the time of service. This policy is a result of the lack of reasonable assurance of collection for services provided to the uninsured due to the System's historically low collection rate. Management has estimated that the difference between recording this revenue on the cash basis versus the accrual basis is immaterial to net patient service revenue for fiscal years 2013 and 2012. Accordingly, all accounts receivable from the uninsured have been fully reserved in the allowance for doubtful accounts. The resulting adjustment is recorded as revenue deductions from gross charges to arrive at net patient service revenue.

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Provision for Bad Debts

The System's recorded allowance for doubtful accounts is based on expected net collections, after contractual adjustments, primarily from patients Management routinely assesses these recorded allowances relative to changes in payor mix, cash collections, write-offs, recoveries, and market dynamics

A summary of activity in the System's allowance for doubtful accounts is as follows (in thousands)

	alance at ginning of Year	Provision for		ritten Off, Net of Recoveries	Balance at End of Year	
Year ended June 30, 2013	\$ 84,366	\$ 239,406	\$	(230,346)	\$	93,426

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH) The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments

CHRISTUS accounts for HITECH incentive payments under the gain contingency model as grants related to income Income from Medicare incentive payments is recognized as revenue after CHRISTUS has determined it is reasonably assured to comply with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended CHRISTUS recognized revenue from Medicaid incentive payments after it adopted certified EHR technology Incentive payments

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

totaling \$25,109,000 and \$27,668,000 for the years ended June 30, 2013 and 2012, respectively, are included in other revenue in the accompanying consolidated statements of operations and changes in net assets Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit Additionally, CHRISTUS's compliance with the meaningful use criteria is subject to audit by the federal government

Premium Revenue and Associated Costs

Premium revenue represents revenues derived under capitated arrangements with third parties. In return for these premiums, the contracting entity is responsible for providing essentially all health care services to enrolled participants. Costs for providing these services, including services provided by other health care providers, are included as operating expenses in the accompanying consolidated financial statements. At June 30, 2013 and 2012, the respective contracting entities have accrued expenses for incurred but not reported claims based upon claims experience. The contracting entities maintain stop-loss insurance coverage to limit exposure for certain catastrophic claims.

Other Revenue

Other revenue is derived from services other than providing health care services or coverage to patients, residents, or enrollees. This revenue typically includes investment income from all funds held by a trustee, malpractice funds, or other miscellaneous investment activities, rental of health care facility space, sales of medical and pharmaceutical supplies to employees, physicians, and others, proceeds from sales of cafeteria meals and guest trays to employees, medical staff, and visitors, and proceeds from sales at gift shops, snack bars, newsstands, parking lots, vending machines, or other service facilities operated by the health care organization

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

International Operations

CHRISTUS Muguerza

The System owns a 75 2% interest in CHRISTUS Muguerza, S A de C V (CHRISTUS Muguerza), headquartered in Monterrey, Mexico CHRISTUS Muguerza is a private health care system and is subject to taxes in accordance with the regulations of the Republic of Mexico The financial statements of CHRISTUS Muguerza are presented in accordance with accounting principles generally accepted in the United States and are consolidated in the CHRISTUS consolidated financial statements CHRISTUS Muguerza has net assets of \$95,519,000 and \$72,909,000 at June 30, 2013 and 2012, respectively

The System increased its ownership interest in CHRISTUS Muguerza from 64 6% to 75 2% by purchasing 6,982,327 additional shares from the noncontrolling interest holders in December 2012 for cash consideration in the amount of \$7,000,000 and 3,377,462 additional shares for cash consideration of \$3,500,000 in May 2013 Additionally, the System acquired newly issued shares of CHRISTUS Muguerza for \$11,079,000 in April 2013 During the year ended June 30, 2012, the System acquired 11,300,168 additional shares for cash consideration in the amount of \$6,000,000

In November 2012, the System and certain noncontrolling interest holders entered into a revised shareholders agreement, whereby the noncontrolling interest holders of CHRISTUS Muguerza have a series of put options through December 31, 2028 These options will require the System to acquire shares, subject to an annual cap of either \$3,500,000 or \$2,000,000 depending on the year, at a formula price as defined At June 30, 2013, the System had \$3,739,000 recorded as unrestricted net assets attributable to noncontrolling interest to reflect such obligation to the noncontrolling interest holders in connection with the agreement

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Pontificia Universidad Católica de Chile

CHRISTUS has signed a memorandum of understanding with Pontificia Universidad Católica de Chile (PUC) in Santiago, Chile, to enter into a joint venture agreement for the ownership, operation, and expansion of PUC's health network PUC is owned by the Catholic Church and operates one of the largest health systems in Chile for medical care and teaching CHRISTUS and PUC will complete due diligence and negotiations over the coming months

CHRISTUS and PUC have also entered into an interim management agreement under which CHRISTUS will provide management services to the PUC health network through the due diligence and negotiation period. This agreement commenced March 1, 2013

Minimum Revenue Guarantees

CHRISTUS enters into agreements with non-employed physicians that include minimum revenue guarantees These guarantees primarily arise through physician recruiting efforts and vary by physician specialty. Generally, the term of these guarantees ranges from one to two years, with the majority including a forgiveness period that begins during the second year of the guarantees. The estimated amount of the liability for CHRISTUS's obligation under these guarantees was \$8,755,000 and \$9,129,000 at June 30, 2013 and 2012, respectively, and is included in accrued expenses and other long-term obligations in the accompanying consolidated balance sheets

The maximum amount of future payments that the System could be required to make under all existing guarantees is approximately \$21,398,000

Uncertainty in Income Taxes

The authoritative guidance in Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements Under the requirements of this guidance, tax-exempt organizations could be required to record an obligation as the result of a tax position they have historically taken on various tax exposure items. There are no material unrecorded tax liabilities as of June 30, 2013 and 2012.

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

New and Pending Accounting Pronouncements

In May 2011, the FASB issued ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) The amendments in the ASU result in common fair value measurement and disclosure requirements in GAAP and IFRS Additionally, the ASU changes the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. This ASU was effective for the System on July 1, 2012. The adoption of this standard did not have an effect on the System's consolidated financial statements.

In July 2011, the FASB issued ASU 2011-07, Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities. The amendments in the ASU require the System to change the presentation of its consolidated statement of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, the ASU requires enhanced disclosure about the System's policies for recognizing revenue and assessing bad debts, patient service revenue (net of contractual allowances and discounts), and qualitative and quantitative information about changes in the allowance for doubtful accounts. This ASU was effective for the System on July 1, 2012. This amended presentation is reflected in the System's accompanying consolidated statements of operations and changes in net assets.

In December 2011, the FASB issued ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities*, an amendment to the accounting guidance for disclosure of offsetting assets and liabilities. In January 2013, the FASB issued ASU 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. These ASUs expand the disclosure requirements in that entities will be required to disclose both gross and net information about instruments and transactions eligible for offset in the balance sheet. This new guidance is effective for the System on July 1, 2013. The adoption of this standard will not have a material effect on the System's consolidated financial statements.

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current-year presentation. These include the presentation of investments (see Note 5) and the classification of certain activities as nonoperating

4. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Amounts subject to retroactive adjustments are estimated and recorded in the period the related services are rendered and adjusted in future periods as final settlements are determined. The estimated settlements recorded at June 30, 2013 and 2012 could differ from actual settlements. Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient diagnosis-related group classification system that is based on clinical, diagnostic, and other factors

For fiscal years 2013 and 2012, net patient service revenue increased approximately \$7,153,000 and \$16,629,000, respectively, related to changes in estimates for cost report re-openings, appeals, and tentative and final cost report settlements on filed cost reports, of which some are still subject to audit, additional re-opening, and/or appeal

Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid under cost reimbursement methodologies, prospectively determined rates per discharge, and prospectively determined or negotiated rates

Revenue from the Medicare and Medicaid programs accounted for approximately 23% and 10%, respectively, of the System's net patient revenue for the fiscal year ended June 30, 2013, and 27% and 10%, respectively, of the System's net patient revenue for the fiscal 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 will change by a material amount in the near term

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue (continued)

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

Patient service revenue (in thousands), net of contractual allowances and discounts (but before the provision for bad debts) recognized for the year ended June 30, 2013, by payor, was

	_	% of Total		
Medicare	\$	797,700	23%	
Medicaid		328,332	10%	
Managed care organizations		1,498,620	43%	
Commercial payors		256,497	7%	
Self-pay and other		582,420	17%	
	\$	3,463,569	100%	

Federal law requires that state Medicaid programs make special payments to hospitals that serve a disproportionately large number of Medicaid and low-income patients. Such hospitals are called disproportionate share hospitals and receive disproportionate share funding under the program known as "DSH" DSH funds are different from most other Medicaid payments because they are not tied to specific services for Medicaid-eligible patients. There were 172 Texas hospitals that qualified to receive such payments in both 2013 and 2012. The state of Texas has been making DSH payments to providers since 1987.

Additionally, the federal Medicaid rules allow for hospitals to be reimbursed for some of the uncompensated cost of treating Medicaid and uninsured patients up to an Upper Payment Limit (UPL) as modified by the 1115(b) demonstration waiver UPL programs act as mechanisms to draw federal Medicaid dollars into local communities. The Texas Medicaid program has chosen a county-specific UPL strategy to receive supplemental federal matching funds. Under these programs, various hospital participants in the respective counties have elected to provide health care services to the indigent population in the county as charity services and, as such, no third party has an obligation to pay for these services. Separately, and with no legal obligation or link to the hospitals' provision of charity services, the tax-supported governmental entity may choose,

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue (continued)

entirely at its discretion, to contribute a portion of its tax revenues into the state's Medicaid program. The amounts transferred by the governmental entity to the state Medicaid program are then matched at the federal level, and the total amount (the amount transferred to the state Medicaid program by the governmental entity and the related federal match) is then paid to the hospital participants based upon each hospital's individual applicable funding entitlement. In addition to the allocations received by the Medicaid program, hospital participants in some communities may make charity community benefit transfers to each other throughout the year to reach a previously agreed-upon sharing ratio

Medicaid supplemental payments, which include Medicaid DSH and UPL payments, net of settlements and amounts transferred between program participants, of approximately \$329,829,000 and \$252,756,000 were recorded in 2013 and 2012, respectively Net patient service revenue in the accompanying consolidated statements of operations and changes in net assets includes all Medicaid supplemental funds

The Texas Health and Human Services Commission (HHSC) filed an application with the Centers for Medicare and Medicaid Services (CMS) to approve an 1115(b) demonstration waiver (the 1115(b) waiver) from traditional Medicaid financial and eligibility rules Texas is approaching the third demonstration year for the Texas 1115(b) waiver program, beginning October 1, 2013 While in its third year of implementation, the program has had a slow transition from a traditional UPL program to a pay-for-performance program The pay-for-performance program provides payments to hospitals through two pools, the Uncompensated Care Pool and the Delivery System Reform Incentive Pool (DSRIP) Both pools replace the former UPL program and can cover the unreimbursed shortfall on Medicaid claims CHRISTUS has operations in five different regional health partnerships (RHP) under this program and has approximately 40 DSRIP projects that are eligible for funding to our hospitals, the projects are currently under review by CMS For fiscal year 2013, CHRISTUS has received \$9,713,000 in DSRIP funding, which is included in other revenue in the accompanying consolidated statement of operations and changes in net assets

While DSH and UPL funds are separate, the implementation of the 1115(b) waiver created a disincentive for transferring hospitals to participate in the DSH program, jeopardizing the full funding of the program. These funds helped to offset the uncompensated cost of care due to the State of Texas's limited Medicaid funding and the growing uninsured population. In the Texas 83rd legislative session, lawmakers passed a budget rider that requires the Texas HHSC to work with both public and private providers, through the rule-making process, to maintain the supplemental program for program years 2014 and 2015

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue (continued)

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, participation requirements of government health care programs, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued 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. There are matters currently under audit and/or review by regulatory and government officials. These reviews and audits may or may not result in revisions to cost reports, resubmitted billings, unasserted possible claims that are probable of assertion, or loss contingencies. Compliance with such laws and regulations may be subject to future government review and interpretation, as well as regulatory actions.

5. Cash and Investments

Total cash and investments for the System at June 30, including assets whose use is limited, are as follows (in thousands)

	 2013	2012
Cash and cash equivalents Certificates of deposit Domestic equities and equity funds Preferred stocks Fixed-income securities and fixed-income funds	\$ 430,663 12,250 210,967 141 665,211	\$ 549,591 9,928 240,732 494 614,801
International equities U S government securities	73,666 269,568	97,290 115,257
Equity in managed funds Fixed-income funds	193,695	90,429
Hedge funds Private equity, real estate, and other	\$ 244,359 2,134 2,102,654	\$ 186,481 2,161 1,907,164

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments (continued)

Cash and cash equivalents include cash, money market bank accounts, interest-bearing bank accounts, and debt securities with original maturities of less than three months. United States government securities include debt securities issued by the U.S. government or a U.S. government agency. Fixed-income securities and fixed-income funds include corporate debt securities and common collective trusts. Domestic equities and equity funds, preferred stocks, and international equities include domestic and foreign stocks, as well as mutual funds and common collective trusts.

Equity in managed funds includes investments in limited liability partnerships or corporations and other alternative investments. The System's equity investments in managed funds are recorded based on the System's share of the underlying value of marketable securities and nonmarketable interests held by these funds, as reported to the System Equity-method investments include reported changes in value as reported to the System by the fund custodians. These investments are recorded at amounts confirmed by fund custodians, and there can be no assurance such reported amounts will be ultimately realized

The System's investments are subject to various types of risks, as explained below

Fixed Income

This investment class includes investments in various fixed-income instruments that include investment-grade and high-yield domestic and international bonds, preferred stocks, mortgage pools, master limited partnership units, and bonds issued by U S government agencies. This investment class also includes investments in common trust funds, mutual funds, and exchange-traded funds that hold investments in fixed-income securities. The fixed-income investments are exposed to various kinds and levels of risk, including interest rate risk, credit risk, foreign exchange risk, and liquidity risk.

Equities

This investment class consists primarily of common and preferred equity securities of domestic and foreign companies. These securities trade through the major public domestic and international exchanges. This investment class also includes investments in common trust funds, mutual funds, and exchange-traded funds that hold investments in equity securities. The equity securities investments are exposed to various risks, including market risk, individual security risk, foreign exchange risk, and, for common equity of companies with a small market capitalization, liquidity risk

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments (continued)

Equity Investments in Managed Funds

These funds are invested with external investment managers who invest primarily in various categories, including fixed income, long and short equity positions, managed futures, emerging markets, distressed enterprises, arbitrage, risk parity, private equity, and real estate positions. These investments are domestic and international in nature, are illiquid, and may not be realized for a period of several years after the investments are made. The risks associated with these investments are numerous, resulting in a greater likelihood of losing invested capital. The risks include the following.

Nonregulation Risk – Some of these funds are not required to register with the Securities and Exchange Commission (SEC) and are not subject to regulatory controls

Managerial Risk – Fund managers may fail to produce the intended returns and are not subject to oversight

Mınımal Lıquıdıty – Many funds impose lock-up periods that prevent investors from redeeming their shares or impose penalties to redeem

Limited Transparency – As unregistered investment vehicles, funds are not required to disclose the holdings in their portfolios to investors

Investment Strategy Risk – The funds often employ sophisticated, risky investment strategies, are speculative, and may use leverage, which could result in volatile returns

The System has classified certain funds with underlying investments in fixed income securities under the caption "Equity in managed funds – fixed income funds" at June 30, 2013 and 2012 Previously, these funds totaling \$90,429,000 at June 30, 2012 were classified under the caption "Fixed-income securities and fixed-income funds"

The System has no commitments for funding to equity investments in managed funds as of June 30, 2013

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments (continued)

Assets whose use is limited or restricted consisted of the following at June 30 (in thousands)

	2013	2012
Assets whose use is limited or restricted, required for current bond indenture and self-insurance liabilities	\$ 58,578	\$ 56,903
Other investments, internally designated for capital		
expansion and other purposes	361,020	577,105
Under bond indenture agreement – held by trustee	83,077	83,555
Under liability retention and self-insurance funding		
arrangement – held by trustee	13,523	12,572
Under Emerald Assurance funding arrangements	193,386	177,423
Restricted cash and investments	58,550	57,307
Total assets whose use is limited or restricted	\$ 768,134	\$ 964,865

Investment returns and gains and (losses) for assets limited as to use, cash equivalents, and other unrestricted investments consisted of the following for the years ended June 30 (in thousands)

	 2013	2012
Operating interest and dividend income	\$ 8,490 \$	5,151
Operating (loss) gain, realized and unrealized	(1,948)	5,881
Equity investment earnings (loss) on managed funds	8,926	(894)
Total operating investment income	 15,468	10,138
Nonoperating interest and dividend income	13,754	13,191
Nonoperating gain (loss), realized and unrealized	17,125	(14,327)
Equity investment earnings (loss) on managed funds	28,510	(3,994)
Net swap agreement activity	 28,823	(86,389)
Total nonoperating investment gain (loss)	88,212	(91,519)
Total investment gain (loss)	\$ 103,680 \$	(81,381)

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements

The three-level valuation hierarchy for disclosure of fair value measurements is based on the transparency of inputs to the valuation of an asset or liability as of the reporting date. The three levels are defined as follows

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities at the reporting date
- Level 2 Inputs to the valuation methodology other than quoted market prices included in Level 1 that are observable for the asset or liability. Level 2 pricing inputs include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable for the asset or liability

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. There were no significant transfers between levels during the years ended June 30, 2013 and 2012.

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

The following tables present the financial instruments carried at fair value as of June 30 (in thousands) by the valuation hierarchy (as described above)

	2013					
		Level 1		Level 2	Level 3	Total
Assets						
Investments						
Cash and cash equivalents	\$	430,663	\$	_	\$ - \$	430,663
Certificates of deposit		_		12,250	_	12,250
Domestic equities and equity						
funds		210,967		_	_	210,967
Preferred stocks		141		_	_	141
Fixed-income securities and fixed-						
income funds		20,947		644,264	_	665,211
International equities		73,666		_	_	73,666
U S government securities		_		269,568	_	269,568
Total investments						
Total assets at fair value	\$	736,384	\$	926,082	\$ - \$	1,662,466
Liabilities						
Interest rate swap agreements	\$	_	\$	92,624	\$ - \$	92,264
Total liabilities at fair value	\$	_	\$	92,624	\$ - \$	92,264

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

	2012						
	Level 1		Level 2		Level 3		Total
Assets							
Investments							
Cash and cash equivalents	\$ 545,853	\$	3,738	\$	_	\$	549,591
Certificates of deposit	_		9,928		_		9,928
Domestic equities and equity							
funds	240,732		_		_		240,732
Preferred stocks	494		_		_		494
Fixed-income securities and fixed-							
income funds	_		614,801		_		614,801
International equities	97,290		_		_		97,290
U S government securities	_		115,257		_		115,257
Total investments	884,369		743,724		_		1,628,093
Total assets at fair value	\$ 884,369	\$	743,724	\$	_	\$	1,628,093
Liabilities							
Interest rate swap agreements	\$ 	\$	136,786	\$		\$	136,786
Total liabilities at fair value	\$ 	\$	136,786	\$	_	\$	136,786

Equity investments in managed funds of \$440,188,000 and \$279,071,000 at June 30, 2013 and 2012, respectively, are not included in this table since they are accounted for using the equity method of accounting

The valuation methodologies used for instruments measured at fair value as presented in the tables above are as follows

• Investments – Investments valued at quoted prices available in an active market are classified within Level 1 of the valuation hierarchy Investments valued based on evaluated bid prices provided by third-party pricing services where quoted market prices are not available are classified within Level 2 of the valuation hierarchy

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

• Interest rate swap agreements – Interest rate swap agreements are valued using thirdparty models that use observable market conditions as their input and are classified within Level 2 of the valuation hierarchy

At June 30, 2013 and 2012, the System's financial instruments included cash and cash equivalents, accounts receivable, assets limited as to use, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt. The carrying amounts reported in the consolidated balance sheets for these financial instruments, except for long-term debt, approximate their fair values

The System's fixed-rate debt is enhanced with bond insurance. The estimated fair value of the fixed-rate debt, if it were not enhanced by insurance, approximates \$585,862,000 at June 30, 2013, as compared to its carrying value of \$530,728,000. This fair value is based on a combination of quoted market prices for identical securities when available, a Level 1 input, and quoted market prices for similarly rated healthcare revenue bond issues, a Level 2 input

At June 30, 2013, the System has several issues of variable-rate demand and auction-rate bonds outstanding. The System's continued participation in these debt programs depends on its ability to extend or replace the existing credit facilities supporting the respective standby purchase agreements. If these credit facilities are not available, the System will likely refund these outstanding series with available funds or funds derived from fixed-rate series proceeds. It is not practicable to estimate the fair value of the variable-rate demand and auction-rate bonds separate from the value supported by the credit facilities.

The fair values of nonrecurring impairment losses for long-lived assets in fiscal year 2013 totaling \$78,557,000 were estimated based on a sales comparison approach using Level 2 inputs

Notes to Consolidated Financial Statements (continued)

7. Property and Equipment

Property and equipment at June 30, consisted of the following (in thousands)

	2013	2012
Land Land improvements Buildings and fixed equipment Major movable equipment	\$ 189,592 73,892 2,351,349 1,787,936	\$ 211,243 73,229 2,373,120 1,868,107
Accumulated depreciation	(2,851,335)	
	1,551,434	1,664,380
Construction-in-progress (estimated cost to complete is \$163 million and \$82 million at June 30, 2013	(7.22)	54 690
and 2012, respectively)	67,236	54,680
Total	\$ 1,618,670	\$ 1,719,060

Depreciation expense for the System for fiscal years 2013 and 2012 totaled \$263,298,000 (inclusive of impairment charges of \$78,557,000) and \$209,672,000, respectively

8. Investments in Unconsolidated Organizations

The System has unrestricted investments in unconsolidated organizations of \$37,302,000 and \$209,938,000 at June 30, 2013 and 2012, respectively The following investments account for 63% and 93% of the System's total investments in unconsolidated organizations in both 2013 and 2012 respectively

Baptist St. Anthony's Health System

CHRISTUS has a 50% membership interest in Baptist St Anthony's Health System (BSAHS), a Texas nonprofit corporation On January 2, 2013, BSAHS completed a transaction that resulted in the sale of substantially all the assets of BSAHS to a subsidiary of Ardent Health Services, based in Nashville, Tennessee CHRISTUS recorded a gain of \$95,997,000 on the sale of BSAHS, which is included in equity in income of unconsolidated organizations in the accompanying consolidated statements of operations and changes in net assets At June 30, 2013, CHRISTUS's portion of additional sales proceeds of \$20,963,000 have been placed in escrow for a period of up to 18 months to provide for certain contingencies existing or that may exist as of the date of the transaction

Notes to Consolidated Financial Statements (continued)

8. Investments in Unconsolidated Organizations (continued)

CHRISTUS's recorded investment in BSAHS, accounted for under the equity method, was \$193,376,000, including \$9,148,000 of restricted net assets that were recorded as other restricted assets at the time of the sale At June 30, 2012, the investment in BSAHS was \$184,367,000, including \$15,823,000 of goodwill and \$11,592,000 of restricted net assets. The System also recorded its share of BSAHS's gains from operations through the date of the sale of \$8,624,000 and \$19,906,000 for the year ending June 30, 2012. The System recorded its share of unrealized losses on investments through the date of the sale of \$139,000 and \$538,000 during the year ended June 30, 2012, as changes in unrestricted net assets.

Preferred Professional Insurance Company

CHRISTUS has a 13 1% ownership interest in Preferred Professional Insurance Company (PPIC), a taxable Nebraska corporation This corporation, formed in 1988, was established to provide excess professional and general liability insurance CHRISTUS's recorded investment in PPIC, accounted for under the cost method, was \$17,059,000 at both June 30, 2013 and 2012 The System recorded income from its investment in PPIC in fiscal years 2013 and 2012 of \$320,000 and \$296,000, respectively

CS USP Surgery Centers, L.P.

CHRISTUS Spohn Health System Corporation has a 50% ownership interest in a Texas limited liability partnership with United Surgical Partners International, Inc. for the purpose of owning and operating ambulatory surgery centers in Corpus Christi, Texas. The venture consists of two surgery centers near the campus of Spohn Shoreline, specifically Corpus Christi Outpatient Surgery and SurgiCare CHRISTUS's recorded investment, accounted for under the equity method, was \$5,594,000 and \$5,755,000 at June 30, 2013 and 2012, respectively. The System recorded its share of income from operations in fiscal years 2013 and 2012 of \$853,000 and \$754,000, respectively.

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt

Long-term debt at June 30 consisted of the following (in thousands)

	 2013	2012
Revenue bonds, in variable-rate demand mode, with weighted-average trading rates of 0 14% and 0 16% in		
fiscal 2013 and 2012, respectively, due in 2047	\$ 268,320 \$	268,795
Revenue bonds, in auction mode, with weighted-average interest rates of 0 44% and 0 64% in fiscal 2013 and		
2012, respectively, due in 2031	204,900	212,150
Revenue bonds, in fixed-rate mode, bearing interest from		
3 00% to 6 50%	530,728	562,587
Capital leases for certain hospital facilities, bearing interest at fixed rates ranging from 6 0% to 6 9%, with annual principal payments through 2030, secured by the		
related assets	52,234	54,076
Nonobligated bank notes and capital leases related to		
CHRISTUS Muguerza	37,391	41,672
Other note and capital lease note obligations	29,959	33,681
	1,123,532	1,172,961
Less current portion	(51,589)	(48,405)
Total	\$ 1,071,943 \$	1,124,556

According to the terms of the CHRISTUS Health Master Trust Indenture, the Obligated Group consists of CHRISTUS Health and eight of the System's regions as follows CHRISTUS Spohn Health System, CHRISTUS Health Gulf Coast, CHRISTUS Health Southeast Texas, CHRISTUS Santa Rosa Health Care Corporation, CHRISTUS Health Ark-La-Tex, CHRISTUS Health Northern Louisiana, CHRISTUS Health Central Louisiana, and CHRISTUS Health Southwestern Louisiana

Certain entities of CHRISTUS that are otherwise included in the consolidated financial statements of CHRISTUS are excluded from the CHRISTUS Health Obligated Group These entities include, but are not limited to, the CHRISTUS Health Liability Retention Trust, Emerald Assurance, CHRISTUS St Vincent Regional Medical Center, CHRISTUS Provider Network, CHRISTUS Continuing Care, CHRISTUS St Michael Atlanta, CHRISTUS Muguerza, S A de C V, and various philanthropic foundations

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

Under the provisions of the Master Trust Indenture, the obligations of CHRISTUS and the other members of the Obligated Group are secured by a pledge of gross revenues Additionally, each member of the Obligated Group has undertaken certain covenants, including the following to ensure the payment of debt service, to ensure the payment of taxes and other claims, to deliver compliance statement(s), to preserve corporate existence, to maintain books and records subject to inspection by the Master Trustee, to maintain insurance, to conform to defined lien limitations, to establish adequate service rates, to maintain a sufficient debt service coverage and indebtedness ratio, to maintain a required aggregate amount of unrestricted cash and investments, and to adhere to certain defined conditions with respect to consolidation, merger, conveyance, or transfer, and admission or withdrawal of Obligated Group members pursuant to the Master Trust Indenture, insurer, and letter of credit bank agreements

CHRISTUS has letter of credit bank agreements on Series 2008C and 2009B variable-rate demand bonds (VRDB) Effective October 3, 2012, the letters of credit supporting the outstanding Series 2008C bonds issued by Bank of America were substituted by PNC Bank, NA for the Series 2008C-1 bonds that expire October 2, 2015, The Bank of New York Mellon for the 2008C-2 bonds that expire October 3, 2017, and Bank of Montreal, acting through its Chicago Branch, for the Series 2008C-3 and 2008C-4 bonds that expire October 2, 2017 The Series 2009B VRDBs are supported by letters of credit issued by The Bank of New York Mellon that expire on July 31, 2014 Based on the terms of the letter of credit bank agreements, the Series 2008C and 2009B Bonds are classified as long-term debt in the accompanying consolidated balance sheets

In addition, the System was obligated on approximately \$119,584,000 and \$129,429,000 of additional long-term debt, which included capitalized leases and notes payable to others as of June 30, 2013 and 2012, respectively

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

Principal payments for all long-term debt for the next five years and thereafter are as follows (in thousands)

2014	\$ 51,589
2015	66,127
2016	58,841
2017	58,855
2018	42,914
Thereafter	 845,206
Total debt	\$ 1,123,532

10. Derivative Financial Instruments

Interest rate swap contracts between the System and third parties (counterparties) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate. These swaps expose the System to market risk and credit risk. Credit risk is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for the System's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken. Management also mitigates risk through periodic reviews of their derivative positions in the context of their blended cost of capital. As of June 2013 and 2012, CHRISTUS has interest rate swap agreements to manage interest rate risk exposure, not designated as hedging instruments, with a total notional amount of \$954,185,000 and \$961,435,000, respectively

Notes to Consolidated Financial Statements (continued)

10. Derivative Financial Instruments (continued)

The following tables summarize the fair value at June 30, 2013 and 2012, and the income (loss) recorded related to the interest rate swap agreements as of and for the years ended June 30, 2013 and 2012, in thousands

		Termination	Interest Rate	Notional	Fair	Value	Change in	Fair Value	(Paid)/Received		
Counterparty	Description	Date	Agreements	Amount	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012	
Merrill Lunch *Wells Fargo	Variable Basis Fixed	2012-2023	6	470 000	\$ (4.493)	\$ (7.910)	\$ 3 417	\$ (818)	\$ 82	\$ 197	
C	Pavor	2022 and 2031	1.2	204 925 217 805	(23 991)	(35 107)	11 116	(12 022)	(6 267)	(13 649)	
Citigroup	**Constant Maturity	2022	0.1	0 200 000	_	_	_	(12.375)	_	12 975	
Citigroup	Fixed Payor	2047	2	166 100	(38 490)	(56 095)	17 605	(30 681)	(5 467)	(5.435)	
Citigroup	Fixed Payor	2047	1	113 160	(25 650)	(37 674)	12 024	(20 917)	(3 686)	(3 665)	
		_	12	954 185 961 435	\$ (92 624)	\$ (136 786)	\$ 44 162	\$ (76.813)	\$ (15,338)	\$ (9.577)	

Interest rate swap contracts between the System and third parties (counterparties) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate. These swaps expose the System to market risk and credit risk. Credit risk is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for the System's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings.

CHRISTUS is required to post collateral for negative valuations on each of its swaps according to the terms of (i) the swap insurance agreements, where applicable and (ii) the agreement with each counterparty CHRISTUS has complied with this requirement. At June 30, 2013 and 2012, no collateral was posted. The System does not anticipate nonperformance by its counterparties. The fair value of these swap agreements was a liability of \$92,624,000 and \$136,786,000 at June 30, 2013 and 2012, respectively. The change in fair value of \$44,162,000 and (\$76,813,000) for the years ended June 30, 2013 and 2012, respectively, is combined with the payments, net of receipts made under the agreements, of \$15,338,000 and \$9,577,000 for the years ended June 30, 2013 and 2012, respectively. This total is included in nonoperating investment gain (loss) in the accompanying consolidated statements of operations and changes in net assets.

Notes to Consolidated Financial Statements (continued)

10. Derivative Financial Instruments (continued)

On August 26, 2011, CHRISTUS terminated two swaps with counterparty Citigroup, N A CHRISTUS terminated one of the 2005 Fixed Payor Swaps with a notional amount of \$52,150,000 and a termination date of July 1, 2022, and the Constant Maturity Swap with a notional amount of \$200,000,000 and a termination date of June 1, 2022 CHRISTUS received net proceeds of \$5,785,000 as a result of the terminations

On December 28, 2011, CHRISTUS entered into a swap novation with Citibank, N A as transferor and Wells Fargo Bank, N A as transferee of the Fixed Payor Swap with an original notional amount of \$212,175,000 and had an effective date of January 4, 2012 The original transaction with Citibank, N A had a notional amount of \$225,925,000, a trade date of July 13, 2005, and an effective date of November 8, 2005 The original transaction was insured by FSA (now – Assured Guaranty Municipal Corp) The swap insurance was terminated in connection with the novation The payment terms, expiration, events of default and termination events remain substantially the same The collateral posting threshold under the novated swap increased from \$15 million to \$45 million

The fixed payor swaps are insured by either AMBAC (terminated August 26, 2011), Assured Guaranty Municipal Corp, previously known as FSA (insurance terminated in connection with novation effective January 4, 2012), or MBIA

CHRISTUS currently voluntarily posts, on a quarterly basis, selected information relating to its outstanding interest rate swap transactions on the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access system (EMMA) and the Texas State Repository – Texas Municipal Advisory Council (MAC) No assurances can be given that CHRISTUS will continue to post such information in the future

11. Cash Balance Plan and Postretirement Health Care Benefits

Cash Balance Plan

The System has established a noncontributory, defined-benefit retirement plan that operates as a cash balance plan and covers substantially all CHRISTUS employees who meet age and service requirements. The plan benefits are calculated based on a cash balance formula wherein participants earn an annual accrual based on compensation and participant account balances accrue interest at a rate that tracks 10-year treasury notes, the maximum rate is 8% On

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

October 22, 2012, the CHRISTUS board approved significant plan changes for the plan year starting January 1, 2013 These changes include closing the plan to new participants, reducing the annual accrual rate from 6% to 3%, and eliminating the minimum 2% interest accrual rate The plan was remeasured effective November 1, 2012, due to the changes The remeasurement resulted in an \$83,187,000 decrease in the projected benefit obligation of the plan

Postretirement Health Care Benefits

Comprehensive medical benefits are provided to eligible active employees who, immediately upon retirement and attainment of the age of 55, will receive a pension under the CHRISTUS retirement plan Postretirement benefits are also provided to former employees who are currently receiving pension benefits. The comprehensive medical program, which is self-insured, provides reimbursement benefits until the participant attains the age of 65. The program also covers dependents of retirees, in addition to former employees. Contributions are required. Retirees may choose one of two self-insured indemnity plan options. Effective February 1, 1999, the CHRISTUS postretirement benefit plan was curtailed prospectively. As of the effective date, new employees or employees that had not vested as of that date are not eligible for the postretirement health care benefits. The liability associated with the postretirement plan will be reduced as employee participation decreases.

Simplified Early Retirement Plan (SERP)

Prior to the formation of CHRISTUS, a plan for executives was curtailed prospectively Under this plan, eligible participants receive a cash benefit payment until death and participate in the System's retiree health, dental and group term life program Fewer than two dozen participating retirees currently maintain benefit payment status Benefits are recalculated when participants attain the age of 65 and remain constant thereafter At June 30, 2013 and 2012, the total liability recorded pertaining to this SERP was \$4,734,000 and \$5,215,000, respectively

Restoration Plan

The restoration plan, a nonqualified, deferred compensation plan, was designed to restore benefits that are lost under the cash balance plan due to the statutory limit on recognizable compensation Eligibility is limited to designated executives. The plan provides benefits upon termination of employment to qualifying participants. Plan benefits are calculated using the same methodology for the cash balance plan, vesting requirements are also the same. The restoration plan is unfunded

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The measurement date for all plans is June 30 Components of net periodic benefit cost, recorded as a component of employee compensation and benefits, for the years ended June 30, consisted of the following (in thousands)

	Cash Balance Plan			Postret	irem	ent	SERP		Restoration Plan		
		2013	2012	2013		2012	2013	2012	2013	2012	
Service cost	\$	32,287	41.937 \$	435	\$	512 \$	\$	- \$	258 \$	187	
Interest cost		34,310	40,431	705		1,039		_	155	135	
Expected return on											
assets		(47,549)	(41.929)	-		_	-	-	_	_	
Amortization of prior											
service cost		(8,565)	(642)	_		(3)	_	_	103	103	
Recognized net actuarial											
loss (gam)		23,076	7,897	(462)	1	_	(481)	41	61		
Net benefit cost	\$	33,559	47.694 \$	678	\$	1,548 \$	(481) \$	41 \$	5 77 \$	425	

At June 30, 2013 and 2012, unrestricted net assets have been reduced by \$124,004,000 and \$223,045,000, respectively, of amounts arising from defined-benefit plans that have not yet been recognized in net periodic benefit cost Amounts recognized in unrestricted net assets expected to be recognized in net periodic benefit cost during fiscal 2014 are \$3,930,000

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The following table sets forth the changes in benefit obligations, changes in plan assets, and funded status of the plans measured as of June 30 (in thousands)

		Cash Bal	anc	e Plan	Postretirement				SERF	•		Restoration Plan		
		2013		2012		2013		2012		2013	2012		2013	2012
Changes in benefit obligation Benefit obligations –														
beginning of year	\$	900,776	\$	802,683	\$	19,088	S	21,507	\$	5,215 \$	5,175	\$	4,114 \$	\$2,877
Service cost	-	32,287	-	41,937	-	435	-	512	-		_	-	258	187
Interest cost		34,310		40,431		705		1,039		_	_		155	135
Actuarial loss (gain) Effect of remeasurement for		7,656		49.357		(3,200)		(3,582)		(481)	40		768	1.076
plan amendment		(83,187)		_		_		_		_	_		(802)	_
Benefits paid		(40,736)		(33.632)		(547)		(388)		-	-		(577)	(161)
Benefit obligation – end of vear	\$	851,106	\$	900,776	\$	16,481	\$	19.088	\$	4,734 \$	5,215	\$	3,916 \$	4.114
Change in plan assets Fair value of plan assets – beginning of vear Actual return on plan	\$	706,851	\$	688.606	\$	_	\$	-	\$	- \$	-	\$	- \$	-
assets		56,349		(4.523)		-		_		_	_		_	_
Employer contributions		60,000		56,400		547		388		=	_		577	161
Benefits paid	_	(40,736)		(33.632)	(547		(547)			_			(577)	(161)
Fan value of plan assets — end of year	<u>\$</u>	782,464	\$	706,851	\$	_	\$	_	\$	- \$	_	\$	- \$	_
Funded status of the plans	\$	(68,642)	\$	(193,925)	\$	(16,481)	\$	(19,088)	\$	(4,734) \$	(5,215)	\$	(3,916) \$	(4,114)
Unrecognized net actuarial loss (gain) Unrecognized prior	\$	199,229	\$	223,449	\$	(8,497)	\$	(5,760)	\$	- \$	-	\$	1,547 \$	841
service cost		(76,227)		(1,605)		_		_		-	_		(544)	360
	\$	123,002	\$	221,844	\$	(8,497)	\$	(5,760)	\$	- \$	_	\$	1,003 \$	1,201

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

As of June 30, 2013 and 2012, the CHRISTUS cash balance plan had accumulated benefit obligations of \$847,269,000 and \$848,224,000, respectively Assumptions used to determine benefit obligations and net periodic benefit cost for the fiscal years were as follows

	Cash Balance Plan		Postretir	ement	SER	P	Restoration Plan		
_	2013	2012	2013	2012	2013	2012	2013	2012	
Benefit obligations Discount rate	4.75%	4 21%	3.88%	3 79° o	4.75%	4 21%	4.75%	4 21° o	
Rate of compensation	4./570	4 21 0	3.0070	3 /9 0	4./370	4 21 0	4./570	4 21 0	
merease	4.09	4 09	N/A	N A	N/A	N A	4.09	4 09	
Net periodic benefit cost									
Discount rate	3.92	5 15	3.79	4 96	4.21	5 15	4.21	5 15	
Expected long-term return on plan assets Rate of compensation	6.50	6 00	N/A	N A	N/A	N A	N/A	N A	
merease	4.09	4 09	N/A	N A	N/A	N A	4.09	4 09	

The investment objective with regard to the plan assets is one of long-term capital appreciation and generation of a stream of current income. This balanced approach is expected to earn long-term total returns, consisting of capital appreciation and current income, which are commensurate with the expected rate of return used by the plans

The following information pertains only to the CHRISTUS Health postretirement plan The first table details information pertaining to assumed health care cost trend rates. The second table depicts the effect of a 1% point change in assumed health care cost trend rates.

Dootustiusmant

					Postre	tirem	ient
				1%	Point	19	∕o Point
	Postretii	rement		In	crease	D	ecrease
	2013	2012			(In Th	ousar	ids)
Assumed health care cost trend rates at							
June 30	7.75%	8 5° o					
Health care cost trend rate assumed for			Effect on total of service cost				
next year	7.0	7 75	and interest cost components	\$	98	\$	(87)
Ratio to which the cost trend rate is							
assumed to decline (the ultimate frend	<i>5</i> 0	5 5					
rate) Year that the rate reaches the ultimate	5.0	33	E85-4				
fread rate	2017	2016	Effect on postretirement benefit obligation		1.309		(1,179)
tiena rate	201/	2010	Ooligation		1117		(1.179)

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

Investment Policy and Asset Allocations

The investment policies and strategies for the assets of the cash balance plan incorporate a well-diversified approach that is expected to generate long-term returns from capital appreciation and a growing stream of current income. This approach recognizes that assets are exposed to risk and the market value of the plan assets may fluctuate from year to year. Risk tolerance is determined based on the plan's financial stability and the ability to withstand return volatility. In developing the expected return on plan assets, the System evaluates the historical performance of total plan assets, the relative weighting of plan assets, interest rates, economic indicators, and industry forecasts. In line with the investment return objective and risk parameters, the mix of assets includes a diversified portfolio of equity, fixed income, and alternative investments. Equity investments include international stocks and a blend of domestic growth and value stocks of various sizes of capitalization. The aggregate asset allocation is rebalanced as needed, but not less than on an annual basis.

The asset allocations for the cash balance plan at June 30, by asset category, are detailed below (in thousands) The postretirement plan, SERP, and restoration plan are unfunded

	2013	2012
•	15 Q12 ¢	86,985
Ф	,	,
	,	108,304
	163,672	158,555
	54,650	66,015
	148,208	52,158
	177,231	137,610
	109,041	95,958
	865	1,266
\$	782,464 \$	706,851
	\$	\$ 15,812 \$ 112,985

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The allocation of plan assets by asset category for the cash balance plan as of June 30 is as follows

	2013	2012
Allocation of plan assets by asset category		
Cash and cash equivalents	2.0%	12 0%
Equity securities	21.4	25 0
Fixed-income securities	20.9	22 4
Equity investments in managed funds		
(Note 5)	55. 7	40 6
Total	100.0%	100 0%

The value of the plan assets measured at fair value on a recurring basis was determined using the following inputs, as described in Note 6, at June 30, 2013 (in thousands)

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and cash equivalents	\$ 447	\$ 15,365	\$ - \$	15,812
Domestic common stocks	112,985	_	_	112,985
Fixed-income securities	_	163,672	_	163,672
International equities	54,650	_	_	54,650
Equity investments in managed				
funds				
Fixed-income funds	_	69,901	78,307	148,208
Hedge funds	_	_	177,231	177,231
Private equity, real estate, and				
other funds	_	_	109,041	109,041
Other	865	_	_	865
Total investments	168,947	248,938	364,579	782,464
Total assets at fair value	\$ 168,947	\$ 248,938	\$ 364,579 \$	782,464

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The value of the plan assets measured at fair value on a recurring basis was determined using the following inputs, as described in Note 6, at June 30, 2012 (in thousands)

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and cash equivalents	\$ 416	\$ 86,569	\$ - \$	86,985
Domestic common stocks	108,304	_	_	108,304
Fixed income securities	_	158,555	_	158,555
International equities	66,015	_	_	66,015
Equity investments in managed				
funds				
Fixed-income funds	_	52,158	_	52,158
Hedge funds	_	_	137,610	137,610
Private equity, real estate, and				
other funds	_	_	95,958	95,958
Other	1,266	_	_	1,266
Total investments	176,001	297,282	233,568	706,851
Total assets at fair value	\$ 176,001	\$ 297,282	\$ 233,568 \$	706,851

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy at June 30 (in thousands)

		Hedge Funds	uity, Real state, and	Total		
\$	- \$ - -	42,685	_	78.916 \$ 20.048 (3.006)	179.676 62.733 (8.841)	
•	78,307 -	137,610 19,131 20,490	•	95.958 23,554 (10,471)	233.568 120,992 10,019 364,579	
		Income Funds \$ - \$	Income Funds Hedge Funds \$ - \$ 100.760 - 42.685 - (5.835) - 137.610 78,307 19,131 - 20,490	Fixed-Income Hedge Es Funds Funds Oth \$ - \$ 100.760 \$ - 42.685 - (5.835) - 137.610 78,307 19,131 - 20,490	Income Funds Hedge Funds Estate, and Other Funds \$ - \$ 100.760 \$ 78.916 \$ - 42.685 20.048 - (5.835) (3.006) - 137.610 95.958 78,307 19,131 23,554 - 20,490 (10,471)	

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The cash balance plan has \$76,996,000 of funding commitments to equity investments in managed funds as of June 30, 2013

Contributions

In fiscal year 2014, CHRISTUS expects to contribute \$30,000,000 to the cash balance plan based on asset values for the plan year beginning January 1, 2013 Contributions to the cash balance plan of \$60,000,000, and \$56,400,000 were made for plan years beginning January 1, 2012 and 2011, respectively Since the postretirement plan, SERP, and restoration plan are unfunded, no cash contributions are expected

Benefit Payments

The following benefit payments, which reflect expected future service relative to the cash balance plan and expected benefit payments for services previously rendered relative to the postretirement plan and the SERP, are expected to be paid as follows (in thousands)

	Cas	sh Balance Plan		Post etirement	SERP	Re	estoration Plan
		FIAII	I	ememe	SEKI		<u> Fian</u>
2014	\$	43,083	\$	865	\$ 570	\$	1,047
2015		44,614		1,049	551		319
2016		46,593		1,192	530		345
2017		49,342		1,393	507		363
2018		52,238		1,448	482		369
Years 2019–2023		288,009		7,390	1,990		1,714

Defined-Contribution Plans

The System has a defined-contribution plan (the Matched Savings Plan) covering substantially all CHRISTUS employees Annual employee contributions are limited to 50% of compensation, up to the Internal Revenue Service dollar limits. The System will match 50% of employee contributions, not to exceed 4% of annual compensation. Employer contributions vest to the employee over a five-year period. For the years ended June 30, 2013 and 2012, expenses attributable to the Matched Savings Plan amounted to \$8,097,000 and \$8,059,023, respectively.

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

CHRISTUS St Vincent Regional Medical Center (St Vincent) has two 403(b) defined-contribution plans for union and nonunion employees St Vincent makes a set lump-sum contribution per year for nurse union employees and a contribution of 3 5% of gross salaries for nonunion employees, as defined by the plans' agreements For fiscal years 2013 and 2012, St Vincent has incurred approximately \$3,597,000 and \$3,885,000 in expenses related to the plans, respectively

ExecuFLEX Benefit Plan

The System established an ExecuFLEX plan (ExecuFLEX), which is limited to designated executives Plan participants receive an ExecuFLEX allowance to be allocated among four different components CHRISTUS Health ExecuFLEX Individual Long-Term Disability Plan, CHRISTUS Health ExecuFLEX Supplemental Survivor Plan, CHRISTUS Health ExecuFLEX Spouse Survivor Plan, and CHRISTUS Health ExecuFLEX Deferred Income Account (DIA) Plan

CHRISTUS maintains a collateral interest in the individual life insurance policies under the supplemental survivor plan and the spouse survivor plan to the extent of the cumulative advanced premiums paid on behalf of the participant(s) Upon termination of employment, a participant is required to surrender any policy with a cash surrender value less than the advanced premiums

The DIA Plan is a nonqualified, deferred compensation plan, eligibility is limited to designated executives. Benefits vest based on certain qualifying events and are paid to participants when fully vested. The funds contributed by participants to this component of the ExecuFLEX Plan are held in a Rabbi Trust until vesting requirements have been satisfied. The System has an asset recorded for the investments in the Rabbi Trust with a corresponding liability. As of June 30, 2013 and 2012, the total asset and the corresponding liability were \$9,514,000 and \$6,717,000, respectively

12. Self-Funded Liabilities

The System self-funds and insures for primary professional and general liability, workers' compensation, and employee medical benefits A wholly owned, captive insurance company, Emerald Assurance Cayman Ltd (Emerald), is used to fund primary professional and general liability Additionally, the System internally sets aside funds for workers' compensation and employee medical benefits Funding amounts are based on actuarial recommendations

Notes to Consolidated Financial Statements (continued)

12. Self-Funded Liabilities (continued)

The assets of the captive insurance company, internally designated funds, and the estimated liability for losses are reported in the consolidated balance sheets. Investment income from the assets and the provision for estimated self-funded losses and administrative costs are reported in the accompanying consolidated statements of operations and changes in net assets. The estimated self-funded losses include expected claim payments, including settlement costs for reported claims and an actuarial determination of expected losses related to claims that have been incurred but not reported

Emerald was incorporated in the Cayman Islands on June 27, 2003, and operates subject to the provisions of the Companies Law (2003 Revision) of the Cayman Islands Emerald was granted an Unrestricted Class "B" Insurer's license on June 30, 2003, which it holds subject to the provisions of the Insurance Law (2003 Revision) of the Cayman Islands Emerald has received an undertaking from the Cayman Islands government exempting it from local income, profits, and capital gains taxes until July 29, 2023 No such taxes are currently levied in the Cayman Islands

13. Concentrations of Credit Risk

The System grants credit without collateral to its patients, most of who are local residents of the geographies of the various System health care centers and are insured under third-party payor agreements. The mix of accounts receivables from patients and third-party payors at June 30, was as follows

	2013	2012
Medicare	24.6%	23 2%
Medicaid	6.1	6 1
Managed care organizations	37.4	37 3
Commercial insurance	6.1	6 2
Self-pay	15.3	16 9
Others	10.5	10 3
	100.0%	100 0%

Notes to Consolidated Financial Statements (continued)

14. Commitments and Contingencies

Operating Leases

The System leases various equipment and facilities under noncancelable operating leases expiring at various dates through May 20, 2045 Total rental expense in 2013 and 2012 for all operating leases was approximately \$56,336,000 and \$47,617,000, respectively

The System's leases have varying terms, which may include renewal or purchase options and escalation clauses that are factored into determining minimum lease payments. The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2013, that have initial or remaining lease terms in excess of one year (in thousands)

2014	\$ 38,017
2015	33,504
2016	26,959
2017	28,169
2018	22,442
Thereafter	61,494
Total	\$ 210,585

From time to time, the System is subject to litigation in the ordinary course of operations. In management's opinion, any future settlements or judgments on asserted or unasserted claims will not have a material effect on the System's consolidated financial statements.

CHRISTUS has received notification that several regions have been identified as part of the nationwide Department of Justice (DOJ) investigation to determine whether, in certain cases, implantable cardioverter defibrillators (ICD) were provided to certain Medicare beneficiaries in accordance with national coverage criteria Through September 13, 2013, the DOJ has not asserted any claims against the System The System continues to fully cooperate with the DOJ in its investigation While maximum penalties could have a material effect on CHRISTUS's financial condition, management anticipates that any final settlement will not have a material adverse effect on its financial condition

Because the government's enforcement efforts presently are widespread within the industry and may vary from region to region, there can be no assurance that the compliance program will significantly reduce or eliminate the exposure of the System to civil or criminal sanctions or adverse administrative determinations

Notes to Consolidated Financial Statements (continued)

15. Functional Expenses

The System provides general health care services to residents throughout various geographic locations Expenses related to providing these services at June 30 are as follows (in thousands)

	2013	2012
Health care services	\$ 2,566,8	07 \$ 2,515,189
Physician services	253,7	52 228,298
General and administrative	807,6	61 798,490
Total	\$ 3,628,2	20 \$ 3,541,977

16. Temporarily and Permanently Restricted Net Assets

During 2013, the System determined that in prior years it should have recorded a beneficial interest in the net assets of financially inter-related entities in the Santa Rosa Region, since those entities hold funds that are restricted for the benefit of Santa Rosa Children's Hospital The System determined this amount was not material to the prior-year financial statements, and therefore recorded the beneficial interest in the current-year financial statements The prior-year effect of recording the beneficial interest was \$40,841,000, which is included as an adjustment to beginning net assets in the accompanying consolidated statements of operations and changes in net assets

Temporarily restricted net assets at June 30 are available for the following purposes (in thousands)

	2013		2012	
Purchase of equipment/capital improvement	\$	7 . 816 \$	11,123	
Indigent care	Φ	2,590	2,536	
Health education		2,711	1,959	
Health care services		64,889	4,413	
Community outreach		13,880	13,057	
Other		22,972	21,095	
Total	\$	114,858 \$	54,183	

Notes to Consolidated Financial Statements (continued)

16. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets at June 30 are restricted as follows (in thousands)

	 2013	2012
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income) Endowment requiring income to be added to original gift Other	\$ 7,908 5,951 2,026	\$ 7,801 6,866 1,878
Total	\$ 15,885	\$ 16,545

17. Changes in Consolidated Unrestricted Net Assets

Changes in consolidated unrestricted net assets that are attributable to the System and the noncontrolling interests in subsidiaries are as follows

	Controlling	No	oncontrolling	,	
	 Interest		Interests	,	Total
Balance, June 30, 2011	\$ 2,261,844	\$	113,249	\$	2,375,093
Unrestricted revenues, gains, and other					
support in excess of expenses	(53,996)		12,601		(41,395)
Distributions	_		(5,858)		(5,858)
Acquisition of noncontrolling interest	780		(3,390)		(2,610)
Other activities	(93,217)	ı	2,697		(90,520)
Balance, June 30, 2012	 2,115,411		119,299		2,234,710
Unrestricted revenues, gains, and other					
support in excess of expenses	142,508		17,171		159,679
Distributions	_		(7,323)		(7,323)
Acquisition of noncontrolling interest	2,146		(5,526)		(3,380)
Other activities	 96,202		(3,265)		92,937
Balance, June 30, 2013	\$ 2,356,267	\$	120,356	\$	2,476,623

Notes to Consolidated Financial Statements (continued)

18. Significant Events

Baptist St. Anthony

On January 2, 2013, BSAHS completed a transaction that resulted in the transfer of substantially all the assets of BSAHS to a subsidiary of Ardent Health Services, based in Nashville, Tennessee CHRISTUS recorded a gain of \$95,997,000 on the sale of BSAHS, which is included in the accompanying consolidated statements of operations and changes in net assets in equity in income of unconsolidated organizations. For additional details regarding this transaction refer to Note 8, Investments in Unconsolidated Organizations

Atlanta Memorial Hospital

Effective January 1, 2013, Atlanta Memorial Hospital in Atlanta, Texas, began operating as CHRISTUS St Michael Hospital – Atlanta Through an agreement finalized on August 31, 2013, CHRISTUS St Michael Health System will lease the hospital for 10 years

Santa Rosa City Center

In July 2012, the CHRISTUS Santa Rosa City Center campus ceased adult services and began implementation of a plan to transition the campus to a free-standing pediatric facility, CHRISTUS Santa Rosa Children's Hospital The facility expansion and renovation project is expected to cost \$135,000,000, and is expected to be completed within 24 months The pediatric services will continue operation throughout the project Once completed, the CHRISTUS Santa Rosa Children's Hospital will be licensed for 275 beds

CHRISTUS Spohn and Nueces County Hospital District Relationship

On October 1, 2012, CHRISTUS Spohn Health System Corporation (Spohn) entered into a membership agreement with Nueces County Hospital District (the District) for the purpose of ensuring the continued operation of Spohn as the public safety-net hospital in Nueces County Under the terms of the agreement, the District will provide Spohn with the right to use and operate the facilities at the CHRISTUS Spohn Hospital Corpus Christi – Memorial location As under the terms of the agreement, Spohn will provide to the District a pro rata share, to be determined annually, of the non-federal patient collections For the period October 1, 2012, to September 30, 2013, the pro rata share is 35 5% Through June 30, 2013, Spohn has recorded transfers of \$67,481,000 in revenue to the District under this term of agreement, reflected as expenses within operating income in the accompanying consolidated statements of operations and changes in net assets

Notes to Consolidated Financial Statements (continued)

19. Subsequent Events

The System evaluated events and transactions occurring subsequent to June 30, 2013, and through September 13, 2013, the date of issuance of the accompanying consolidated financial statements During this period, there were no subsequent events requiring recognition in the consolidated financial statements

Supplementary Information



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Ernst + Young LLP

Report of Independent Auditors on Supplementary Information

The Board of Directors CHRISTUS Health

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole The accompanying community benefit information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has not been subjected to the auditing procedures applied in our audits of the financial statements, and, accordingly, we express no opinion on it

September 13, 2013

Community Benefit (Unaudited)

CHRISTUS Health (CHRISTUS or the System) complies with the Catholic Health Association's (CHA), *A Guide for Planning and Reporting Community Benefits*, ⁶ 2008, and the state of Texas reporting requirements CHA guidelines have adopted the instructions for IRS Form 990, Schedule H

Following is a summary of the System's quantifiable costs of community benefits provided for the years ended June 30 (in thousands)

	2013	2012
	 (Unaudi	ted)
Programs and services for the poor and underserved		
Charity care at unpaid cost	\$ 195,839 \$	168,645
Unpaid cost of Medicaid and other public programs	(112,653)	(60,976)
Community services for the poor and underserved	76,776	135,145
Total for the poor and underserved	 159,962	242,814
Community services for the broader community		
Education and research	10,661	11,378
Other community services	 6,001	5,555
Total for the broader community	16,662	16,933
Total community benefits	\$ 176,624 \$	259,747

The totals are calculated following CHA guidelines and adhere to IRS Form 990, Schedule H methodology CHRISTUS has multiple reporting requirements of charity care and community benefit, which vary based on the definitional and timing requirements of each requesting organization

In addition to the community benefits reported above, the state of Texas requires that the unpaid costs of Medicare and other government-sponsored programs be reported. For the fiscal years ended June 30, 2013 and 2012, the unpaid costs of these programs were \$125,732,000 and \$163,223,000, respectively. The unpaid costs of the Medicare program represent the cost of providing services to primarily elderly beneficiaries of the Medicare program, in excess of governmental and managed care contract payments. The unpaid costs of other government-sponsored programs represent the cost for providing health care services to the beneficiaries of the Department of Defense (DOD) civilian care, included as per the State of Texas guidelines

Community Benefit (Unaudited) (continued)

As noted, the CHRISTUS Community Direct Investment (CDI) Program was established to support community-driven initiatives, primarily for affordable housing and economic development, by providing financing at below-market interest rates. At June 30, 2013 and 2012, the CDI Program had \$5,727,000 and \$5,881,000, respectively, in outstanding loans, in both years approximately 83% of these loans relate to projects in CHRISTUS regions. The difference between the interest rates charged on the loans and the amount that the System would have earned on these monies is the forgone interest that is considered a community benefit. In fiscal years 2013 and 2012, the amount recognized as a community benefit related to this program was \$154,000 and \$171,000, respectively

As noted, the CHRISTUS Fund was established for the purpose of providing grants to support community planning, healthy community initiatives, and community-based programs, with a focus on the poor and underserved areas where CHRISTUS ministries and sponsoring congregations are involved During fiscal years 2013 and 2012, the CHRISTUS Fund provided grants of \$1,017,000 and \$1,237,000, respectively, approximately 100% and 95% of the grants relate to programs in CHRISTUS regions in 2013 and 2012, respectively

Ernst & Young LLP

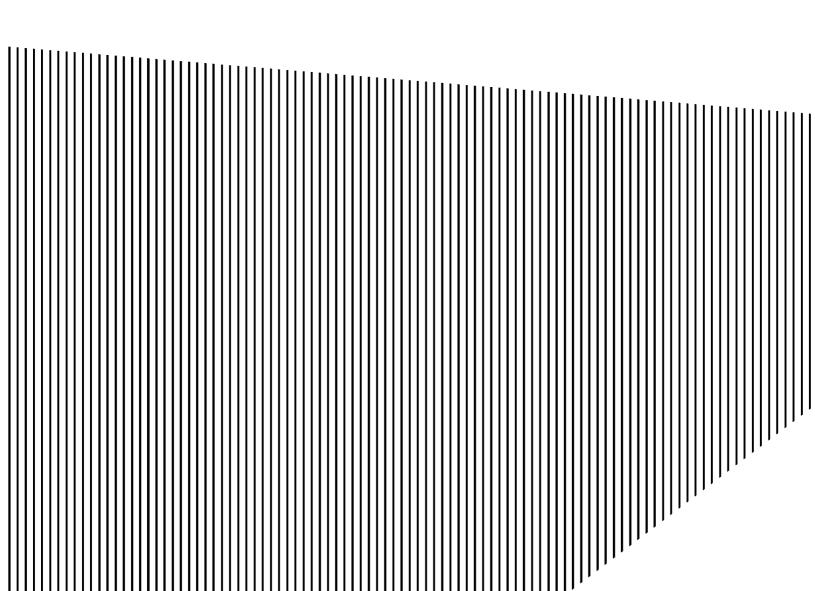
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Software ID: Software Version:

EIN: 74-1109836

Name: Christus Spohn Health System Corporation

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

Form 990, Part VII - Compensation of Compensated Employees, and Independent	ndent Contra	ctors				,,		ſ	1	ı
(A) Name and Title	(B) Average hours per week (list any	dıre	than	onot one son i er an trust	box s bo d a tee)	th	I	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related
	hours for related organizations below dotted line)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			organizations
Rosalında Sosa-Bonilla EdD Director	1 0 0 0	х								
Richard Bowers Director	1 0	х								
Frank Brogan Director	1 0	х								
Martın C Davıs Dırector	10	х								
Ben Donnell Director	10	х								
Brent Hagemeister MD Director	1 0 0 0	х								
Al Jones Director	10	х								
Stephen Tio Kleberg Director	1 0	х								
Anthony LaMantia Director	10	х								
J Douglas Pappas MD Director (terminated 12/31/13)	10	х								
Sister Rosanne Popp MD Director	1 0	х								
Elizabeth Chu Richter Director	10	х								
Pamela S Robertson Director, President, CEO	40 0 0 0	х		х				758,607	0	159,968
Anna Marie Silvas Director	1 0	х								
Karen Urban Director (term 12/31/12)	1 0	х								
Sister Teresa Stanley Director	1 0	х								
Linda B Walker Director	1 0	х								
Pam Brower CFO & Treasurer (eff 1/1/13)	40 0 0 0			х				334,924	0	77,592
Laura Martinez Corporate Secretary	40 0 0 0			х				51,948	0	7,112
Charles T Volk VP, Medical Affairs & CMO	39 0 1 0				х			419,615	0	111,013
Mark W Casanova VP/COO CHRISTUS Spohn Hospital	40 0 0 0				х			276,149	0	60,127
Maria E Chapa Executive VP/COO	40 0 0 0				х			465,985	0	110,219
Steven G Daniel Sr VP/COO ALice/rural fac	40 0 0 0				х			325,418	0	82,341
Paul A Gaden VP/COO Shoreline & MEMORIAL	40 0 0 0				х			416,805	0	97,852
Raymundo Ramos Jr VP/COO, BEEVILLE	40 0 0 0				х			229,778	0	50,232

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	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
	any hours for related organizations below dotted line)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated	Former			related organizations
James A Cato CNE (eff 12/12/11)	40 0 0 0				х			336,818	0	80,089
Margaret Colleen McHugh VP, Compliance, Risk Mgmt	40 0 0 0					х		355,892	0	63,119
Mary A Lafrancois VP Human Resources	40 0 0 0					х		270,437	0	63,999
Julie A Pina CNO SHORELINE	40 0 0 0					х		254,638	0	49,972
Mary Sylvia Roberts FORMER CNO MEMORIAL	0 0					х		241,417	0	44,618
Brian P Smith VP Mission	40 0 0 0					х		237,816	0	38,528
SCOTT MERRYMAN FORMER CFO	0 0						х	0	479,765	82,856
Norman L McBride Former VP/COO KLEEBERG	0 0						х	329,246	0	54,400
RICHARD C DAVIS FORMER VP, MEDICAL AFFAIRS/CFO	0 0						х	173,714		0
FRANCIS A POMMETT JR FORMER VP/COO SHORELINE	0 0						х	262,714		15,011