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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

C Name of organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Doing Business As
SEE SCHEDULE O

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1055 NORTH CURTIS ROAD

City or town, state or country, and ZIP + 4
BOISE, ID 83706

D Employer identification number
82-0200895

E Telephone number
(208) 367-2121

G Gross receipts $ 545,693,895

F Name and address of principal officer
SALLY JEFFCOAT
1055 NORTH CURTIS ROAD
BOISE,ID 83706

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

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

H(c) Group exemption number ▶ 0928

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

J Website: ▶ WWW SAINTALPHONSUS ORG/SARMC

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

L Year of formation 1958

M State of legal domicile ID

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HEALTHCARE SERVICES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	3,883
6	Total number of volunteers (estimate if necessary)	**6**	2,873
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	13,381
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	2,319,894	2,631,403
9	Program service revenue (Part VIII, line 2g)	499,046,264	521,072,168
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,667,095	11,678,506
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,819,959	9,753,147
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	515,853,212	545,135,224
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	579,057	1,051,917
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	216,875,695	226,000,231
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶873,730		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	266,202,018	275,025,771
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	483,656,770	502,077,919
19	Revenue less expenses Subtract line 18 from line 12	32,196,442	43,057,305

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	631,742,977	676,345,470
21	Total liabilities (Part X, line 26)	295,262,732	298,311,672
22	Net assets or fund balances Subtract line 21 from line 20	336,480,245	378,033,798

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2014-05-08

BLAINE PETERSEN CFO, ST ALPHONSUS HEALTH SYSTM
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

HEALTHCARE SERVICES - SEE LINE 4 AND SCHEDULE H FOR ADDITIONAL INFORMATION

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 439,245,637 including grants of $ 1,051,917) (Revenue $ 528,579,408)

SAINT ALPHONSUS REGIONAL MEDICAL CENTER, A NOT-FOR-PROFIT CORPORATION, OWNS AND OPERATES AN ACUTE CARE HOSPITAL IN BOISE, IDAHO THE HOSPITAL PROVIDES SERVICES TO RESIDENTS OF THE LOCAL GEOGRAPHIC REGION THE HOSPITAL IS A MEMBER OF CHE TRINITY HEALTH, AN INDIANA NOT-FOR-PROFIT CORPORATION SPONSORED BY CATHOLIC HEALTH MINISTRIES, A PUBLIC JURIDIC PERSON OF THE HOLY ROMAN CATHOLIC CHURCH FOR MORE INFORMATION ON SPECIFIC SERVICES PROVIDED, PLEASE SEE SAINT ALPHONSUS REGIONAL MEDICAL CENTER'S WEBSITE AT WWW SAINTALPHONSUS ORG/SARMC THE MISSION STATEMENT OF THE HOSPITAL IS AS FOLLOWS WE, CHE TRINITY HEALTH, SERVE TOGETHER IN THE SPIRIT OF THE GOSPEL AS A COMPASSIONATE AND TRANSFORMING HEALING PRESENCE WITHIN OUR COMMUNITIES

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 439,245,637

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *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**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**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**	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	738		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,883		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ OR

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ BRENT CHERNE CONTROLLER 6301 EMERALD ST BOISE, ID (208) 367-7192

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SALLY JEFFCOAT TRUSTEE, PRESIDENT & CEO	15 00 35 00	X		X				0	750,004	99,876
(2) GEORGE JUETTEN TRUSTEE, CHAIR THROUGH 12/12	1 00 4 00	X		X				0	0	0
(3) RONALD GRAVES TRUSTEE, V CHR THR 12/12,CHR AT 1/13	1 00 4 00	X		X				0	0	0
(4) MIKE REULING TRUSTEE, VICE CHAIR AS OF 1/13	1 00 4 00	X		X				0	0	0
(5) J RICHARD O'CONNELL TRUSTEE, EVP & PRES TRIN HLTH DIV	1 00 54 00	X						0	1,036,410	130,423
(6) KAYE O'RIORDAN TRUSTEE	1 00 4 00	X						0	0	0
(7) SR SHARLET WAGNER CSC TRUSTEE	1 00 4 00	X						0	0	0
(8) SR SHARON FORD RSM TRUSTEE	1 00 4 00	X						0	0	0
(9) VICTOR YAMAMOTO TRUSTEE	1 00 4 00	X						0	0	0
(10) JON WAGNILD MD TRUSTEE	1 00 4 00	X						0	0	0
(11) LYNN HARRIS TRUSTEE (NON-VOTING)	1 00 4 00	X						0	0	0
(12) KENNETH HART TRUSTEE THROUGH 12/12	1 00 4 00	X						0	0	0
(13) BRENT LLOYD TRUSTEE THROUGH 12/12	1 00 4 00	X						0	0	0
(14) MATTHEW SHIRTCLIFF TRUSTEE	1 00 4 00	X						0	0	0
(15) DARREL ANDERSON TRUSTEE AS OF 1/13	1 00 4 00	X						0	0	0
(16) ANDREW BENTZ TRUSTEE AS OF 1/13	1 00 4 00	X						0	0	0
(17) STEPHANIE WESTERMEIER SECRETARY, VP & GEN CNSL	15 00 35 00			X				0	279,328	39,462

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) BLAINE PETERSEN TREASURER AND SYSTEM CFO	10 00 40 00			X				0	424,173	43,193
(19) JOSEPH SWEDISH TRINITY PRES & CEO THR 3/13	2 00 53 00				X			0	3,233,500	601,476
(20) KEDRICK ADKINS TRINITY PRES INTEGR SYS THR 6/13	2 00 53 00				X			0	1,821,619	126,167
(21) JEAN BASOM REGIONAL DIRECTOR, SUPPLY CHAIN	15 00 35 00				X			0	165,122	69,608
(22) RODNEY REIDER COO THR 9/12, PRES AS OF 9/12	16 00 34 00				X			0	412,725	62,588
(23) JAMES POLK SAHS, CHIEF QUALITY OFFICER	16 00 34 00				X			0	367,761	52,061
(24) KENNETH FRY CFO	50 00 0 00				X			318,613	0	54,654
(25) CHRISTIAN ZIMMERMAN MD PHYSICIAN-NEUROSURGERY	50 00 0 00					X		1,675,124	0	44,044
(26) STEPHEN JONES MD PHYSICIAN-THORACIC SURGEON	50 00 0 00					X		788,559	0	42,984
(27) MARK G PARENT MD PHYSICIAN-CARDIOLOGY	50 00 0 00					X		766,639	0	43,125
(28) STEPHEN FALL MD PHYSICIAN-THORACIC SURGEON	50 00 0 00					X		745,826	0	51,025
(29) MICHAEL COUGHLIN MD PHYSICIAN-ORTHOPEDICS	50 00 0 00					X		725,564	0	44,971
(30) MICHAEL MURPHY FORMER KEY EMPLOYEE	0 00 0 00						X	0	180,882	16,630
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								5,020,325	8,671,524	1,522,287

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 263

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
REHABILITATION MANAGEMENT ASSOCIATES INC 901 N CURTIS 204 BOISE ID 83706	REHABILITATION SERVICES	7,527,991
INTERMOUNTAIN MEDICAL IMAGING LLC 877 WEST MAIN ST STE 603 BOISE ID 83702	RADIOLOGY SERVICES	3,626,579
KREIZENBECK CONSTRUCTORS 11724 WEST EXECUTIVE DRIVE BOISE ID 83713	CONSTRUCTION SERVICES	2,199,452
BOISE ANESTHESIA PA PO BOX 4268 PORTLAND OR 97208	ANESTHESIA SERVICES	1,774,389
TREASURE VALLEY LABORATORY PO BOX 2693 SPOKANE WA 99220	LABORATORY SERVICES	1,183,087

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 ▶ 103

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	437,658			
	d	Related organizations	1d	39,343			
	e	Government grants (contributions)	1e	61,884			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,092,518			
	g	Noncash contributions included in lines 1a-1f $		199,842			
	h	**Total.** Add lines 1a-1f			2,631,403		
Program Service Revenue			Business Code				
	2a	NET PATIENT SVC REV	900099		518,985,716	518,985,716	
	b	INTERCO ALLOCATION	900099		2,086,452	2,086,452	
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			521,072,168		
	3	Investment income (including dividends, interest, and other similar amounts)			7,789,547		7,789,547
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	370,766				
	b	Less rental expenses	0				
	c	Rental income or (loss)	370,766				
	d	Net rental income or (loss)			370,766		370,766
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	3,889,491	2,475			
	b	Less cost or other basis and sales expenses	0	3,007			
	c	Gain or (loss)	3,889,491	-532			
	d	Net gain or (loss)			3,888,959		3,888,959
Other Revenue	8a	Gross income from fundraising events (not including $ 437,658 of contributions reported on line 1c) See Part IV, line 18	a	555,564			
	b	Less direct expenses	b	555,564			
	c	Net income or (loss) from fundraising events			0		
	9a	Gross income from gaming activities See Part IV, line 19	a	14,976			
	b	Less direct expenses	b	100			
	c	Net income or (loss) from gaming activities			14,876		14,876
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	MEDICARE/MEDICAID HIT	900099		2,818,325	2,818,325	
	b	CAFETERIA REVENUE	900099		1,809,154		1,809,154
	c	BIO-MEDICAL REPAIR	811000		13,381	13,381	
	d	All other revenue			4,726,645	4,688,915	37,730
	e	**Total.** Add lines 11a–11d			9,367,505		
	12	**Total revenue.** See Instructions			545,135,224	528,579,408	13,381	13,911,032

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	1,013,038	1,013,038		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	38,879	38,879		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	373,932		373,932	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	48,575	48,575		
7 Other salaries and wages	189,382,092	183,701,734	5,435,086	245,272
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,175,017	10,852,806	307,722	14,489
9 Other employee benefits	12,740,726	12,359,329	364,888	16,509
10 Payroll taxes	12,279,889	11,563,967	698,131	17,791
11 Fees for services (non-employees)				
a Management	1,273,969	1,273,969		
b Legal	159,990		159,990	
c Accounting	25,600		25,600	
d Lobbying	66,442		66,442	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	44,910,571	41,079,880	3,632,858	197,833
12 Advertising and promotion	802,512	749,404	25,613	27,495
13 Office expenses	6,368,144	4,567,418	1,508,539	292,187
14 Information technology	525,116	310,938	208,703	5,475
15 Royalties . .				
16 Occupancy	10,665,402	10,067,672	597,312	418
17 Travel	1,418,963	1,291,193	96,671	31,099
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	3,184	2,569	615	
20 Interest	7,629,133	7,629,133		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	28,085,751	25,804,130	2,270,664	10,957
23 Insurance	2,752,092	1,088,594	1,663,498	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	83,163,249	83,163,249		
b INTERCO PURCHASED SVCS	43,159,937		43,159,937	
c BAD DEBT	32,220,702	32,220,702		
d UBI TAXES	135		135	
e All other expenses	11,794,879	10,418,458	1,362,216	14,205
25 **Total functional expenses.** Add lines 1 through 24e	502,077,919	439,245,637	61,958,552	873,730
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		586,794	1	1,807,246
	2	Savings and temporary cash investments		3,600,401	2	2,671,889
	3	Pledges and grants receivable, net		238,049	3	1,169,850
	4	Accounts receivable, net		71,486,453	4	70,647,311
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		54,858	5	41,143
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		426,310	7	542,532
	8	Inventories for sale or use		6,530,940	8	7,370,018
	9	Prepaid expenses and deferred charges		1,316,268	9	1,227,754
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 479,590,769			
	b	Less accumulated depreciation	10b 218,260,138	261,112,244	10c	261,330,631
	11	Investments—publicly traded securities		112,677,102	11	160,434,945
	12	Investments—other securities See Part IV, line 11		133,912,202	12	122,431,344
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		39,801,356	15	46,670,807
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		631,742,977	16	676,345,470
Liabilities	17	Accounts payable and accrued expenses		77,087,175	17	87,023,706
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	989,684
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		218,175,557	25	210,298,282
	26	**Total liabilities.** Add lines 17 through 25		295,262,732	26	298,311,672
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		332,641,795	27	374,192,059
	28	Temporarily restricted net assets		3,838,450	28	3,841,739
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		336,480,245	33	378,033,798
	34	Total liabilities and net assets/fund balances		631,742,977	34	676,345,470

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	545,135,224
2	Total expenses (must equal Part IX, column (A), line 25)	2	502,077,919
3	Revenue less expenses Subtract line 2 from line 1	3	43,057,305
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	336,480,245
5	Net unrealized gains (losses) on investments	5	5,651,279
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-7,155,031
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	378,033,798

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 82-0200895
Name: SAINT ALPHONSUS REGIONAL MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
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GEORGE JUETTEN TRUSTEE, CHAIR THROUGH 12/12	1 00 4 00	X		X				0	0	0
RONALD GRAVES TRUSTEE, V CHR THR 12/12,CHR AT 1/13	1 00 4 00	X		X				0	0	0
MIKE REULING TRUSTEE, VICE CHAIR AS OF 1/13	1 00 4 00	X		X				0	0	0
J RICHARD O'CONNELL TRUSTEE, EVP & PRES TRIN HLTH DIV	1 00 54 00	X						0	1,036,410	130,423
KAYE O'RIORDAN TRUSTEE	1 00 4 00	X						0	0	0
SR SHARLET WAGNER CSC TRUSTEE	1 00 4 00	X						0	0	0
SR SHARON FORD RSM TRUSTEE	1 00 4 00	X						0	0	0
VICTOR YAMAMOTO TRUSTEE	1 00 4 00	X						0	0	0
JON WAGNILD MD TRUSTEE	1 00 4 00	X						0	0	0
LYNN HARRIS TRUSTEE (NON-VOTING)	1 00 4 00	X						0	0	0
KENNETH HART TRUSTEE THROUGH 12/12	1 00 4 00	X						0	0	0
BRENT LLOYD TRUSTEE THROUGH 12/12	1 00 4 00	X						0	0	0
MATTHEW SHIRTCLIFF TRUSTEE	1 00 4 00	X						0	0	0
DARREL ANDERSON TRUSTEE AS OF 1/13	1 00 4 00	X						0	0	0
ANDREW BENTZ TRUSTEE AS OF 1/13	1 00 4 00	X						0	0	0
STEPHANIE WESTERMEIER SECRETARY, VP & GEN CNSL	15 00 35 00			X				0	279,328	39,462
BLAINE PETERSEN TREASURER AND SYSTEM CFO	10 00 40 00			X				0	424,173	43,193
JOSEPH SWEDISH TRINITY PRES & CEO THR 3/13	2 00 53 00				X			0	3,233,500	601,476
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JAMES POLK SAHS, CHIEF QUALITY OFFICER	16 00 34 00				X			0	367,761	52,061
KENNETH FRY CFO	50 00 0 00				X			318,613	0	54,654
CHRISTIAN ZIMMERMAN MD PHYSICIAN-NEUROSURGERY	50 00 0 00					X		1,675,124	0	44,044

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
STEPHEN JONES MD PHYSICIAN-THORACIC SURGEON	50 00 0 00					X		788,559	0	42,984
MARK G PARENT MD PHYSICIAN-CARDIOLOGY	50 00 0 00					X		766,639	0	43,125
STEPHEN FALL MD PHYSICIAN-THORACIC SURGEON	50 00 0 00					X		745,826	0	51,025
MICHAEL COUGHLIN MD PHYSICIAN-ORTHOPEDICS	50 00 0 00					X		725,564	0	44,971
MICHAEL MURPHY FORMER KEY EMPLOYEE	0 00 0 00						X	0	180,882	16,630

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Employer identification number
82-0200895

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

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

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

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

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

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

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

Name of the organization	Employer identification number
SAINT ALPHONSUS REGIONAL MEDICAL CENTER	82-0200895

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		14,192
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		68,537
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		2,698
i	Other activities?		No	
j	Total Add lines 1c through 1i			85,427
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	LOBBYING ACTIVITIES PERFORMED BY SAINT ALPHONSUS REGIONAL MEDICAL CENTER (SARMC) INCLUDED THE RETENTION OF AN INDIVIDUAL WHO WAS PAID A RETAINER TO PERFORM THE FOLLOWING 1 MONITOR AND REPORT ON ALL SIGNIFICANT DEVELOPMENTS IN IDAHO STATE LEGAL, LEGISLATIVE, POLICY AND REGULATORY MATTERS AFFECTING SARMC 2 REGULARLY MEET IDAHO STATE OFFICIALS ON ISSUES OF CONTINUING CONCERN AND INTEREST TO SARMC AND REPORT THE RESULTS OF SUCH MEETINGS 3 MONITOR ALL LEGISLATION INTRODUCED DURING EACH LEGISLATIVE SESSION, LOBBY AGAINST LEGISLATION DETERMINED TO BE ADVERSE TO SARMC AND LOBBY IN FAVOR OF ALL MATTERS OF INTEREST AND CONCERN TO SARMC DURING THE SAME LEGISLATIVE SESSION SAINT ALPHONSUS REGIONAL MEDICAL CENTER ALSO PAYS MEMBERSHIP DUES TO REGIONAL AND NATIONAL HEALTH CARE ORGANIZATIONS, WHERE THE ORGANIZATIONS HAVE PROVIDED SAINT ALPHONSUS REGIONAL MEDICAL CENTER WITH AN ESTIMATED PERCENTAGE OF DUES PAYMENTS WHICH ARE USED FOR LOBBYING ACTIVITIES SAINT ALPHONSUS REGIONAL MEDICAL CENTER MADE NO CONTRIBUTIONS TO ANY LEGISLATORS OR CANDIDATES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Employer identification number
82-0200895

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	12,444,954	12,908,822	10,237,747	8,914,610	11,601,314
b	Contributions					
c	Net investment earnings, gains, and losses	1,228,475	43,857	3,033,233	1,704,880	-2,363,278
d	Grants or scholarships					
e	Other expenditures for facilities and programs	393,541	507,725	362,158	381,743	323,426
f	Administrative expenses					
g	End of year balance	13,279,888	12,444,954	12,908,822	10,237,747	8,914,610

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

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	1,284,141	8,129,490		9,413,631
b Buildings		309,217,265	121,195,146	188,022,119
c Leasehold improvements				
d Equipment		132,863,743	97,064,992	35,798,751
e Other		28,096,130		28,096,130
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				261,330,631

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) COMMINGLED FUNDS DIRECTLY HOLDING SECURITIES	37,478,983	F
(B) EQUITY METHOD INVESTMENTS	44,974,779	C
(C) HEDGE FUNDS	39,977,582	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	122,431,344	

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

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

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

(a) Description	(b) Book value
(1) INTERCOMPANY NOTES RECEIVABLES	856,415
(2) MISCELLANEOUS RECEIVABLES	1,850,887
(3) INTERCOMPANY OTHER LT ASSETS	28,529,391
(4) INTERCOMPANY ACCOUNTS RECEIVABLE	13,243,833
(5) INVESTMENT IN UNCONSOLIDATED AFFILIATES	2,190,281
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	46,670,807

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
INTERCOMPANY ACCOUNTS PAYABLE	4,286,534
DEFERRED COMPENSATION LIABILITY	4,846,596
ASSET RETIREMENT OBLIGATION (FIN 47)	698,086
INTERCOMPANY NOTES PAYABLE	200,396,816
OTHER LONG-TERM LIABILITIES	70,250
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	210,298,282

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

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS ARE FOR - PROJECTS DESIGNED TO ELEVATE THE QUALITY OF HEALTHCARE (INTERNAL GRANTS) - PROJECTS TO MEET IMMEDIATE NEEDS RELATED TO PATIENT CARE QUALITY (OPPORTUNITY GRANTS) - PROJECTS FOR HEALTH AND WELFARE-RELATED COMMUNITY BENEFIT PROJECTS THAT MEET THE NEEDS OF THE POOR AND UNDERSERVED

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Employer identification number
82-0200895

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

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

		(a) Event #1 FESTIVAL OF TREES (event type)	(b) Event #2 CHILDRENS CLASSIC RACE (event type)	(c) Other events 6 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	858,510	66,308	68,404	993,222
	2 Less Contributions	366,850	11,066	59,742	437,658
	3 Gross income (line 1 minus line 2)	491,660	55,242	8,662	555,564
Direct Expenses	4 Cash prizes	0			
	5 Noncash prizes	1,270			1,270
	6 Rent/facility costs	44,504			44,504
	7 Food and beverages	72,761	1,310	5,148	79,219
	8 Entertainment	7,217			7,217
	9 Other direct expenses	365,909	53,932	3,513	423,354
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(555,564)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				0

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Employer identification number
82-0200895

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	1	9,525	10,674,863	0	10,674,863	2 270 %
b Medicaid (from Worksheet 3, column a)	34	127,621	72,813,650	70,332,182	2,481,468	0 530 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	35	137,146	83,488,513	70,332,182	13,156,331	2 800 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	11	89,534	2,249,785	75,762	2,174,023	0 460 %
f Health professions education (from Worksheet 5)	3	1,348	780,642		780,642	0 170 %
g Subsidized health services (from Worksheet 6)	10	4,980	2,466,388		2,466,388	0 520 %
h Research (from Worksheet 7)	1	11	309,929		309,929	0 070 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	4	2,151	1,586,895		1,586,895	0 340 %
j **Total.** Other Benefits	29	98,024	7,393,639	75,762	7,317,877	1 560 %
k **Total.** Add lines 7d and 7j	64	235,170	90,882,152	70,407,944	20,474,208	4 360 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	1	1	3,194		3,194	0 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	2	241	56,984		56,984	0 010 %
7 Community health improvement advocacy	2	12	88,902		88,902	0 020 %
8 Workforce development						
9 Other						
10 **Total**	5	254	149,080		149,080	0 030 %

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

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 13,069,370			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 6,679,755			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	78,150,992
6	Enter Medicare allowable costs of care relating to payments on line 5	6	92,568,938
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-14,417,946
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 MRI LIMITED PARTNERSHIP	MRI DIAGNOSTICS	14 170 %	0 %	50 370 %
2 2 MRI MOBILE LIMITED PARTNERSHIP	MRI DIAGNOSTICS	10 500 %	0 %	50 380 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	SAINT ALPHONSUS REGIONAL MEDICAL CENTER 1055 N CURTIS ROAD BOISE,ID 83706 WWW SAINTALPHONSUS ORG/SARMC	X	X		X			X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

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

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 10			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
4

	Name and address	Type of Facility (describe)
1	ORTHO INST & BOISE HRT CARE 1070-1071 N CURTIS ROAD BOISE,ID 83706	EMPLOYED PHYSICIANS
2	MRI LIMITED PARTNERSHIP 949 NORTH CURTIS RD BOISE,ID 83706	MEDICAL IMAGING
3	MRI MOBILE LIMITED PARTNERSHIP 949 NORTH CURTIS RD BOISE,ID 83706	MEDICAL IMAGING
4	SAINT ALPHONSUS HOME HEALTH & HOSPICE 5959 S SHERWOOD FOREST BLVD BATON ROUGE,LA 70816	HOME HEALTH AND HOSPICE
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C IN ADDITION TO LOOKING AT A MULTIPLE OF THE FEDERAL POVERTY GUIDELINES, OTHER FACTORS ARE CONSIDERED SUCH AS THE PATIENT'S FINANCIAL STATUS AND/OR ABILITY TO PAY AS DETERMINED THROUGH THE ASSESSMENT PROCESS
		PART I, LINE 6A SAINT ALPHONSUS REGIONAL MEDICAL CENTER PREPARES AN ANNUAL COMMUNITY BENEFIT REPORT, WHICH IT SUBMITS TO THE STATE OF IDAHO IN ADDITION, SAINT ALPHONSUS REGIONAL MEDICAL CENTER REPORTS ITS COMMUNITY BENEFIT INFORMATION AS PART OF THE CONSOLIDATED COMMUNITY BENEFIT INFORMATION REPORTED BY TRINITY HEALTH IN ITS ANNUAL REPORT, AVAILABLE AT WWW TRINITY-HEALTH ORG IN ADDITION, SAINT ALPHONSUS REGIONAL MEDICAL CENTER INCLUDES A COPY OF ITS MOST RECENTLY FILED SCHEDULE H ON BOTH ITS OWN WEBSITE AND TRINITY HEALTH'S WEBSITE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE COST AMOUNTS REPORTED IN ITEM 7 FOR CERTAIN CATEGORIES, PRIMARILY TOTAL CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS, SPECIFIC COST-TO-CHARGE RATIOS WERE CALCULATED AND APPLIED TO THOSE CATEGORIES THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES IN OTHER CATEGORIES, THE BEST AVAILABLE DATA WAS DERIVED FROM THE HOSPITAL'S COST ACCOUNTING SYSTEM
		PART I, L7 COL(F) THE FOLLOWING NUMBER, $32,220,702, REPRESENTS THE AMOUNT OF BAD DEBT EXPENSE INCLUDED IN TOTAL FUNCTIONAL EXPENSES IN FORM 990, PART IX, LINE 25 PER IRS INSTRUCTIONS, THIS AMOUNT WAS EXCLUDED FROM THE DENOMINATOR WHEN CALCULATING THE PERCENT OF TOTAL EXPENSE FOR SCHEDULE H, PART I, LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		PART II COMMUNITY BUILDING ACTIVITIES - SAINT ALPHONSUS REGIONAL MEDICAL CENTER STRIVES TO MAKE THE CITIZENS OF OUR COMMUNITY MORE PRODUCTIVE, HEALTHY MEMBERS OF SOCIETY THROUGH OUR COMMUNITY NEEDS ASSESSMENT AND OTHER COMMUNITY DATA, WE LEARNED THAT SEVERAL AREAS CAN BENEFIT FROM OUR HEALTH CARE EXPERTISE AND MONETARY SUPPORT THESE INCLUDE AGENCIES THAT SUPPORT ECONOMIC DEVELOPMENT AND JOB CREATION, SUPPORT THE UNINSURED, ADDRESS WELLNESS ISSUES IN THE WORKFORCE, IMPROVE END OF LIFE CARE, EDUCATE REFUGEES REGARDING CHILDBIRTH AND PARENTING, IMPROVE CHILD SAFETY, HEALTH AND EDUCATION, AND SUPPORT SUBSTANCE ABUSE DETOXIFICATION AND SOBERING SERVICES AND CRISIS MENTAL HEALTH SPECIFIC EXAMPLES OF OUR COMMUNITY BUILDING ACTIVITIES ARE DESCRIBED BELOW PARTICIPATION IN LOCAL BOARDS & TASK FORCES SAINT ALPHONSUS LEADERS AND ASSOCIATES PARTICIPATE IN A VARIETY OF LOCAL NONPROFIT BOARDS AND TASK FORCES AIMED AT IMPROVING THE HEALTH OF OUR COMMUNITIES AND MAKING OUR COMMUNITY A MORE LIVABLE PLACE EXAMPLES OF BOARD PARTICIPATION INCLUDE - FAMILY MEDICINE RESIDENCY OF IDAHO THROUGH ACTIVE PARTICIPATION ON THE BOARD OF FAMILY MEDICINE RESIDENCY OF IDAHO, SAINT ALPHONSUS HAS BEEN ABLE TO HELP GUIDE THE CONTINUING DEVELOPMENT AND EXPANSION OF FAMILY MEDICINE RESIDENCY CAPACITY IN IDAHO - A CRITICAL NEED SINCE IDAHO RANKS 49TH NATIONWIDE IN TERMS OF PRIMARY CARE PHYSICIANS PER CAPITA THROUGH THIS PARTNERSHIP, WE WERE ALSO ABLE TO DEVELOP A NEW PSYCHIATRIC RESIDENCY PROGRAM BASED IN BOISE, WHICH OVER TIME WILL EXPAND THE PIPELINE OF NEW PSYCHIATRISTS PRACTICING IN OUR REGION, WHICH IS A HEALTH PROVIDER SHORTAGE AREA FOR MENTAL HEALTH - BOYS & GIRLS CLUBS OF ADA COUNTY ENHANCEMENT OF BEFORE & AFTER-SCHOOL PROGRAMMING FOR LOCAL AT-RISK YOUTH, INCLUDING A NEW LOCATION IN MERIDIAN, IDAHO SAINT ALPHONSUS' REPRESENTATIVE ON THE BOYS & GIRLS CLUB BOARD HAS CHAIRED SEVERAL IMPORTANT COMMITTEES, INCLUDING STRATEGIC PLANNING, PROGRAMS, AND THE ANNUAL FUNDRAISER AUCTION, WHICH BRINGS IN THE BULK OF ANNUAL OPERATING FUNDS FOR THE CLUBS UNDER OUR GUIDANCE, OUR LOCAL CLUBS HAVE ALSO TAKEN ON A SIGNIFICANT ROLE IN PROVIDING MEALS FOR LOW INCOME CHILDREN IN ADA AND CANYON COUNTIES AND HAVE RECEIVED NATIONAL AWARDS FOR THEIR NUTRITION PROGRAMMING - COMMUNITY MENTAL HEALTH MEETINGS A SAINT ALPHONSUS REPRESENTATIVE PARTICIPATES IN DISCUSSIONS WITH MENTAL HEALTH PROVIDERS THROUGHOUT THE COMMUNITY, TO WORK THROUGH ISSUES AND IMPROVE COORDINATION OF SERVICES -REFUGEE RESOURCE STEERING COMMITTEE SAINT ALPHONSUS PARTICIPATES IN ONGOING COLLABORATION AND STRATEGIC PLANNING AMONG COMMUNITY LEADERS WITH THE PRIMARY GOAL OF STRENGTHENING SUPPORTS FOR REFUGEE RESETTLEMENT IN THE GREATER BOISE AREA A SECONDARY GOAL OF THE PROCESS IS TO BETTER INFORM ALL PERSONS INVOLVED ABOUT THE PRINCIPLES AND PRACTICES OF REFUGEE RESETTLEMENT, ESPECIALLY AS THEY ARE APPLIED TO THE LARGER COMMUNITY OF BOISE THE STEERING COMMITTEE IS MADE UP OF COMMUNITY LEADERS ADDRESSING NEEDS AND RESOURCES RELATED TO TRANSPORTATION, EDUCATION, HOUSING, EMPLOYMENT, HEALTH, AND SOCIAL INTEGRATION THEY MEET TO BETTER DEFINE THE NEEDS AND TO RECOMMEND RESOURCES AND STRATEGIES FOR IMPROVING SERVICES AND OPPORTUNITIES FOR REFUGEES HEALTH IMPROVEMENT ADVOCACY SAINT ALPHONSUS HAS BEEN AN ACTIVE PARTICIPANT IN ADVOCACY SUPPORTING HEALTH IMPROVEMENT INITIATIVES SUCH AS - HEALTH INSURANCE EXCHANGE SAINT ALPHONSUS JOINED A COALITION OF BUSINESS AND HEALTH ORGANIZATIONS TO SUPPORT CREATION OF A STATE-BASED HEALTH INSURANCE EXCHANGE IN THE STATE OF IDAHO, TO HELP INCREASE THE NUMBER OF IDAHOANS WHO CAN ACCESS AFFORDABLE HEALTH INSURANCE THE IDAHO EXCHANGE WILL GO-LIVE 10/1, AND SAINT ALPHONSUS HAS COMMITTED RESOURCES TO PROVIDING HELP TO ASSIST COMMUNITY MEMBERS IN DETERMINING ELIGIBILITY AND APPLYING FOR INSURANCE - HEALTHCARE ACCESS FOR THOSE WHO ARE POOR IN ADDITION TO THE EXCHANGE ADVOCACY, SAINT ALPHONSUS JOINED A COALITION OF BUSINESS AND HEALTH ORGANIZATIONS TO SUPPORT "THE RIGHT MEDICINE FOR IDAHO," WHOSE WORK ILLUMINATES AND SUPPORTS MEDICAID EXPANSION AND REDESIGN AS PROPOSED BY THE PPACA, THIS WOULD EXTEND HEALTH COVERAGE TO OVER 100,000 ADULT IDAHOANS LEGISLATION WAS PROPOSED IN 2013, BUT WAS DEFERRED TO AT LEAST 2014 - DISASTER READINESS THE CHEMPACK STOCKPILE IS ONE OF THE CDC'S DRUG STOCKPILES TO BE DEPLOYED IN CASE OF A MASS CASUALTY EVENT THE CACHE IN SARMC IS MANAGED BY THE IDAHO DEPARTMENT OF HEALTH AND WELFARE
		PART III, LINE 4 SAINT ALPHONSUS REGIONAL MEDICAL CENTER IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH THE FOLLOWING IS THE TEXT OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOOTNOTE FROM PAGE 17 OF THOSE STATEMENTS "THE CORPORATION RECOGNIZES A SIGNIFICANT AMOUNT OF PATIENT SERVICE REVENUE AT THE TIME THE SERVICES ARE RENDERED EVEN THOUGH THE CORPORATION DOES NOT ASSESS THE PATIENT'S ABILITY TO PAY AT THAT TIME AS A RESULT, THE PROVISION FOR BAD DEBTS IS PRESENTED AS A DEDUCTION FROM PATIENT SERVICE REVENUE (NET OF CONTRACTUAL PROVISIONS AND DISCOUNTS) FOR UNINSURED PATIENTS THAT DO NOT QUALIFY FOR CHARITY CARE, THE CORPORATION ESTABLISHES AN ALLOWANCE TO REDUCE THE CARRYING VALUE OF SUCH RECEIVABLES TO THEIR ESTIMATED NET REALIZABLE VALUE THIS ALLOWANCE IS ESTABLISHED BASED ON THE AGING OF ACCOUNTS RECEIVABLE AND THE HISTORICAL COLLECTION EXPERIENCE BY MINISTRY ORGANIZATION AND FOR EACH TYPE OF PAYOR A SIGNIFICANT PORTION OF THE CORPORATION'S PROVISION FOR DOUBTFUL ACCOUNTS RELATES TO SELF-PAY PATIENTS, AS WELL AS CO-PAYMENTS AND DEDUCTIBLES OWED TO THE CORPORATION BY PATIENTS WITH INSURANCE "PART III, LINE 2 - METHODOLOGY USED FOR LINE 2 BAD DEBT EXPENSE REPORTED ON LINE 2 IS SHOWN AT COST AND WAS CALCULATED USING A COST TO CHARGE RATIO METHODOLOGY ANY DISCOUNTS PROVIDED OR PAYMENTS MADE TO A PARTICULAR PATIENT ACCOUNT ARE APPLIED TO THAT PATIENT ACCOUNT PRIOR TO ANY BAD DEBT WRITE-OFF AND ARE THUS NOT INCLUDED IN BAD DEBT EXPENSE AS A RESULT OF THE PAYMENT AND ADJUSTMENT ACTIVITY BEING POSTED TO BAD DEBT ACCOUNTS, WE ARE ABLE TO REPORT BAD DEBT EXPENSE NET OF THESE TRANSACTIONS PART III, LINE 3 - SAINT ALPHONSUS REGIONAL MEDICAL CENTER USES A PREDICTIVE MODEL THAT INCORPORATES THREE DISTINCT VARIABLES IN COMBINATION TO PREDICT WHETHER A PATIENT QUALIFIES FOR CHARITY (1) SOCIO-ECONOMIC SCORE, (2) ESTIMATED FEDERAL POVERTY LEVEL (FPL), AND (3) HOMEOWNERSHIP BASED ON THE MODEL, CHARITY CARE CAN STILL BE EXTENDED TO PATIENTS EVEN IF THEY HAVE NOT RESPONDED TO FINANCIAL COUNSELING EFFORTS AND ALL OTHER FUNDING SOURCES HAVE BEEN EXHAUSTED FY13 WAS THE FIRST YEAR SAINT ALPHONSUS REGIONAL MEDICAL CENTER UTILIZED THE PREDICTIVE MODEL WITH RESULTS USED FOR ANALYSIS ONLY STARTING IN FY14, SAINT ALPHONSUS REGIONAL MEDICAL CENTER IS RECORDING AMOUNTS AS CHARITY CARE (INSTEAD OF BAD DEBT EXPENSE) BASED ON THE RESULTS OF THE PREDICTIVE MODEL

Identifier	ReturnReference	Explanation
		PART III, LINE 8 SAINT ALPHONSUS MEDICAL CENTER DOES NOT BELIEVE ANY MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT THIS IS SIMILAR TO CHA RECOMMENDATIONS, WHICH STATE THAT SERVING MEDICARE PATIENTS IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTHCARE ORGANIZATIONS AND THAT THE EXISTING COMMUNITY BENEFIT FRAMEWORK ALLOWS COMMUNITY BENEFIT PROGRAMS THAT SERVE THE MEDICARE POPULATION TO BE COUNTED IN OTHER COMMUNITY BENEFIT CATEGORIES PART III, LINE 8 COSTING METHODOLOGY FOR LINE 6 - MEDICARE COSTS WERE OBTAINED FROM THE FILED MEDICARE COST REPORT THE COSTS ARE BASED ON MEDICARE ALLOWABLE COSTS AS REPORTED ON WORKSHEET B, COLUMN 27, WHICH EXCLUDE DIRECT MEDICAL EDUCATION COSTS INPATIENT MEDICARE COSTS ARE CALCULATED BASED ON A COMBINATION OF ALLOWABLE COST PER DAY TIMES MEDICARE DAYS FOR ROUTINE SERVICES AND COST TO CHARGE RATIO TIMES MEDICARE CHARGES FOR ANCILLARY SERVICES OUTPATIENT MEDICARE COSTS ARE CALCULATED BASED ON COST TO CHARGE RATIO TIMES MEDICARE CHARGES BY ANCILLARY DEPARTMENT
		PART III, LINE 9B SAINT ALPHONSUS REGIONAL MEDICAL CENTER'S COLLECTION POLICY CONTAINS PROVISIONS ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE CHARITY DISCOUNTS ARE APPLIED TO THE AMOUNTS THAT QUALIFY FOR FINANCIAL ASSISTANCE COLLECTION PRACTICES FOR THE REMAINING BALANCES ARE CLEARLY OUTLINED IN THE ORGANIZATION'S COLLECTION POLICY THE HOSPITAL HAS IMPLEMENTED BILLING AND COLLECTION PRACTICES FOR PATIENT PAYMENT OBLIGATIONS THAT ARE FAIR, CONSISTENT AND COMPLIANT WITH STATE AND FEDERAL REGULATIONS

Identifier	ReturnReference	Explanation
SAINT ALPHONSUS REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 3 RESEARCH PARTNERS, BOISE STATE UNIVERSITY AND UTAH FOUNDATION COLLECTED DATA INDICATORS FROM A VARIETY OF SOURCES, INCLUDING COUNTY HEALTH RANKINGS, IDAHO VITAL STATISTICS, BRFSS, AND MANY OTHER SECONDARY DATA SOURCES ADDITIONAL COMMUNITY INPUT WAS COLLECTED THROUGH FOCUS GROUPS, AND INTERCEPT SURVEYS CONDUCTED WITH AFFECTED POPULATIONS, PARTNERING WITH LOCAL SAFETY NET AGENCIES SUPPORTED BY UNITED WAY
SAINT ALPHONSUS REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 4 THE HOSPITAL FACILITY CONDUCTED ITS CHNA IN PARTNERSHIP WITH THE FOLLOWING HOSPITALS SAINT ALPHONSUS-NAMPA, ST LUKE'S REGIONAL MEDICAL CENTER, ST LUKE'S MERIDIAN MEDICAL CENTER, AND ELKS REHABILITATION HTTP //WWW SAINTALPHONSUS ORG/DOCUMENTS/BOISE/BOISECOMMUNITYNEEDSASSESSMENT PDF

Identifier	ReturnReference	Explanation
SAINT ALPHONSUS REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 7 SAINT ALPHONSUS APPROACHED PRIORITIZATION AND STRATEGY WITH TIER 1 (HOSPITAL SHOULD TAKE A LEADERSHIP ROLE IN ADDRESSING THE PROBLEM) AND TIER 2 (HOSPITAL SHOULD MONITOR OR TAKE A PARTNERING, SUPPORTIVE ROLE IN ADDRESSING) PRIORITIES BECAUSE THE CHNA WAS PART OF A BROADER COMMUNITY-WIDE ASSESSMENT, OUR FOCUS FOR IMPLEMENTATION STRATEGY FOR PRIORITIES REMAINED WITH HEALTH ISSUES AND NOT EDUCATION AND FINANCIAL INDEPENDENCE, ALTHOUGH WE ARE A COMMUNITY PARTNER IN OVERLAPPING ISSUES AND SOCIAL DETERMINANTS OF HEALTH
SAINT ALPHONSUS REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 12H THE HOSPITAL RECOGNIZES THAT NOT ALL PATIENTS ARE ABLE TO PROVIDE COMPLETE FINANCIAL AND/OR SOCIAL INFORMATION THEREFORE, APPROVAL FOR FINANCIAL SUPPORT MAY BE DETERMINED BASED ON AVAILABLE INFORMATION EXAMPLES OF PRESUMPTIVE CASES INCLUDE DECEASED PATIENTS WITH NO KNOWN ESTATE, THE HOMELESS, UNEMPLOYED PATIENTS, NON-COVERED MEDICALLY NECESSARY SERVICES PROVIDED TO PATIENTS QUALIFYING FOR PUBLIC ASSISTANCE PROGRAMS, PATIENT BANKRUPTCIES, AND MEMBERS OF RELIGIOUS ORGANIZATIONS WHO HAVE TAKEN A VOW OF POVERTY AND HAVE NO RESOURCES INDIVIDUALLY OR THROUGH THE RELIGIOUS ORDER FOR THE PURPOSE OF HELPING FINANCIALLY NEEDY PATIENTS, A THIRD PARTY IS UTILIZED TO CONDUCT A REVIEW OF PATIENT INFORMATION TO ASSESS FINANCIAL NEED THIS REVIEW UTILIZES A HEALTHCARE INDUSTRY-RECOGNIZED, PREDICTIVE MODEL THAT IS BASED ON PUBLIC RECORD DATABASES THESE PUBLIC RECORDS ENABLE THE HOSPITAL TO ASSESS WHETHER THE PATIENT IS CHARACTERISTIC OF OTHER PATIENTS WHO HAVE HISTORICALLY QUALIFIED FOR FINANCIAL ASSISTANCE UNDER THE TRADITIONAL APPLICATION PROCESS IN CASES WHERE THERE IS AN ABSENCE OF INFORMATION PROVIDED DIRECTLY BY THE PATIENT, AND AFTER EFFORTS TO CONFIRM COVERAGE AVAILABILITY, THE PREDICTIVE MODEL PROVIDES A SYSTEMATIC METHOD TO GRANT PRESUMPTIVE ELIGIBILITY TO FINANCIALLY NEEDY PATIENTS

Identifier	ReturnReference	Explanation
SAINT ALPHONSUS REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 14G BROCHURES AVAILABLE AND/OR SIGNS POSTED AT ALL REGISTRATION AREAS, WAITING AREAS AND FINANCE OFFICE POLICY AND FORMS AVAILABLE FROM FINANCIAL ADVOCATE OFFICE, ALL REGISTRATION AREAS, REGIONAL SHARED SERVICES CENTER INFORMATION ABOUT FINANCIAL ASSISTANCE PROVIDED DURING ENCOUNTERS WITH FINANCIAL ADVOCATES AND UPON REQUEST TO REGISTRARS, CUSTOMER SERVICE REPRESENTATIVES AT THE REGIONAL SHARED SERVICES CENTER AND THE BILLING COMPANY SUMMARY INFO AND APPLICATION AVAILABLE ON WEBSITE HTTP //WWW SAINTALPHONSUS ORG/FINANCIAL-SERVICES-2133 BILLING STATEMENTS REFERENCE THE AVAILABILITY OF THE POLICY FOR THOSE UNABLE TO PAY
SAINT ALPHONSUS REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 20D PATIENTS WITH INCOME AT OR BELOW 200% OF THE FEDERAL POVERTY GUIDELINES (FPG) ARE ELIGIBLE FOR 100% CHARITY CARE WRITE OFF OF THE CHARGES FOR MEDICALLY NECESSARY SERVICES PATIENTS WITH INCOME BETWEEN 201% AND 300% OF THE FPG RECEIVE A WRITE OFF OF HOSPITAL CHARGES FOR MEDICALLY NECESSARY SERVICES EQUAL TO THE HOSPITAL'S AVERAGE COMMERCIAL CONTRACTUAL ADJUSTMENT FOR ALL COMMERCIAL PAYERS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 NEEDS ASSESSMENT - THE HOSPITAL EVALUATES INPATIENT, OUTPATIENT AND EMERGENCY DEPARTMENT, CLINICAL AND FINANCIAL DATA, TO DETERMINE SUCH ITEMS AS (1) WHAT KIND OF AMBULATORY-SENSITIVE CONDITIONS, THAT ARE OTHERWISE PREVENTABLE OR SHOULD BE WELL MANAGED IN THE COMMUNITY SETTING, ARE COMING TO THE EMERGENCY ROOM AND (2) TO WHAT QUANTIFIABLE EXTENT ARE THESE RELATED TO NO INSURANCE OR UNDER-INSURED CONDITIONS OF PATIENTS WE THEN SEEK TO IDENTIFY OR BUILD SYSTEMS TO HELP CONNECT THESE MOST "AT-RISK" PATIENTS WITH OUR FINANCIAL ASSISTANCE PROGRAMS AND WITH CARE PROVIDERS WHO CAN ASSIST THEM MORE REGULARLY AT A MORE APPROPRIATE LEVEL OF CARE WE ALSO COLLABORATE WITH KEY INSURERS IN THE REGION TO DETERMINE OPPORTUNITIES IN HIGH-USE SERVICES TO CREATE RELIABLE CARE COORDINATION PATHWAYS FOR IMPROVED CARE DELIVERY WE ALSO UTILIZE THE EXPERTISE OF OUR PUBLIC HEALTH PARTNERS AND THEIR ANALYSIS OF COMMUNITY NEEDS CNHA ORG HAS BECOME ANOTHER RESOURCE TO US FOR EXAMINING PUBLICLY AVAILABLE DATA ON A MORE HIGH-TOUCH NOTE, WE HAVE THE OPPORTUNITY TO WORK WITH PEER HEALTH ADVISORS FROM OUR REFUGEE COMMUNITIES ON A REGULAR BASIS FOR INPUT ON CARE, WE HAVE ALSO BEGUN PILOTING PATIENT-FAMILY ADVISORY COUNCILS FOR COMMUNITY INPUT WE ALSO HAVE PERIODIC CONVERSATIONS WITH ALIGNED HEALTHCARE AGENCIES WHO SERVE THE POOR THROUGHOUT THE COMMUNITIES, ON WHAT THEY ARE SEEING IN THEIR PATIENT POPULATIONS AND HOW WE MIGHT PARTNER IN SERVING FINALLY, WE HAVE AN INTIMATE CONNECTION WITH CATHOLIC CHARITIES OF IDAHO, WHO HAS SPECIFIC TOUCH POINTS WITH THOSE WHO ARE POOR AND UNDERSERVED, AND WE RECEIVE FEEDBACK ON PRESSING NEEDS
		PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - SAINT ALPHONSUS IS COMMITTED TO - PROVIDING ACCESS TO QUALITY HEALTHCARE SERVICES WITH COMPASSION, DIGNITY AND RESPECT FOR THOSE WE SERVE, PARTICULARLY THE POOR AND THE UNDERSERVED IN OUR COMMUNITIES- CARING FOR ALL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES- IMPROVING IDENTIFICATION OF THOSE ELIGIBLE FOR FINANCIAL ASSISTANCE- ASSISTING PATIENTS WHO CANNOT PAY FOR PART OR ALL OF THE CARE THEY RECEIVE - BALANCING NEEDED FINANCIAL ASSISTANCE FOR SOME PATIENTS WITH BROADER FISCAL RESPONSIBILITIES IN ORDER TO SUSTAIN VIABILITY AND PROVIDE THE QUALITY AND QUANTITY OF SERVICES FOR ALL WHO MAY NEED CARE IN A COMMUNITYIN ACCORDANCE WITH AMERICAN HOSPITAL ASSOCIATION RECOMMENDATIONS, SAINT ALPHONSUS HAS ADOPTED THE FOLLOWING GUIDING PRINCIPLES WHEN HANDLING THE BILLING, COLLECTION AND FINANCIAL SUPPORT FUNCTIONS FOR OUR PATIENTS - PROVIDE EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING HOSPITAL BILLS- MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE FINANCIAL SUPPORT PROGRAMS- OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS- IMPLEMENT POLICIES FOR ASSISTING LOW-INCOME PATIENTS IN A CONSISTENT MANNER- IMPLEMENT FAIR AND CONSISTENT BILLING AND COLLECTION PRACTICES FOR ALL PATIENTS WITH PATIENT PAYMENT OBLIGATIONSSAINT ALPHONSUS COMMUNICATES EFFECTIVELY WITH PATIENTS REGARDING PATIENT PAYMENT OBLIGATIONS FINANCIAL COUNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS INFORMATION ON HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNAL PROGRAMS THAT PROVIDE COVERAGE FOR SERVICES ARE MADE AVAILABLE TO PATIENTS DURING THE PRE-REGISTRATION AND REGISTRATION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEKING FINANCIAL ASSISTANCE SAINT ALPHONSUS HAS SIGNS POSTED IN ALL REGISTRATION AREAS AND PLASTIC TABLE TOP CARDS IN THE REGISTRATION WAITING ROOMS, NOTIFYING PATIENTS THAT FINANCIAL ASSISTANCE IS AVAILABLE ALL SELF-PAY PATIENTS ARE OFFERED FINANCIAL ASSISTANCE FORMS EACH PATIENT RECEIVES A BILLING BROCHURE THAT LISTS PAYMENT OPTIONS AND HOW TO APPLY FOR CHARITY CARE PATIENTS ALSO ARE SCREENED FOR MEDICAID ELIGIBILITY, UTILIZING FINANCIAL ASSISTANCE FORMS FINANCIAL COUNSELORS MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY HELP THEM OBTAIN AND PAY FOR HEALTHCARE SERVICES EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION OR SERVICE HOWEVER, DETERMINATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STABILIZATION OR COLLECTION CYCLE SAINT ALPHONSUS OFFERS FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS THIS SUPPORT IS AVAILABLE TO UNINSURED AND UNDERINSURED PATIENTS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTANCE NOTIFICATION ABOUT FINANCIAL ASSISTANCE, INCLUDING CONTACT INFORMATION, IS AVAILABLE THROUGH SIGNS POSTED IN REGISTRATION AREAS, PLASTIC TABLE TOP CARDS IN REGISTRATION WAITING ROOMS AND PATIENT BROCHURES SELF-PAY INPATIENTS AND SURGERY PATIENTS RECEIVE A VISIT FROM A PATIENT ADVOCATE WHO ASSISTS THEM IN COMPLETING FINANCIAL ASSISTANCE FORMS FOR COUNTY INDIGENT ASSISTANCE, MEDICAID, SOCIAL SECURITY AND HOSPITAL CHARITY CARE SAINT ALPHONSUS ALSO ASSISTS PATIENTS WITH THE NEW PCIP (PRE-EXISTING INSURANCE) WHICH IS NEW WITH HEALTHCARE REFORM STAFF HELP PATIENTS APPLY FOR PCIP, AS WELL AS ASSIST WITH THE PREMIUM IF NEED BE SAINT ALPHONSUS HAS ESTABLISHED A WRITTEN POLICY FOR THE BILLING, COLLECTION AND SUPPORT FOR PATIENTS WITH PAYMENT OBLIGATIONS SAINT ALPHONSUS MAKES EVERY EFFORT TO ADHERE TO THE POLICY AND IS COMMITTED TO IMPLEMENTING AND APPLYING THE POLICY FOR ASSISTING PATIENTS WITH LIMITED MEANS IN A PROFESSIONAL, CONSISTENT MANNER THE MEDICAL CENTER EDUCATES STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS (INCLUDING THOSE WORKING IN PATIENT REGISTRATION AND ADMITTING, FINANCIAL ASSISTANCE, CUSTOMER SERVICE, BILLING AND COLLECTIONS) ABOUT THESE POLICIES WITH AN EMPHASIS ON TREATING ALL PATIENTS WITH DIGNITY AND RESPECT REGARDLESS OF THEIR INSURANCE STATUS OR THEIR ABILITY TO PAY FOR SERVICES FINANCIAL ASSISTANCE POLICY AND FAQS ARE READILY ACCESSIBLE ONLINE FOR THE COMMUNITY AT HTTP //WWW SAINTALPHONSUS ORG/FINANCIAL-SERVICES-2133

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 COMMUNITY INFORMATION - SAINT ALPHONSUS REGIONAL MEDICAL CENTER (SARMC) SERVES PATIENTS FROM THE PRIMARY, SECONDARY AND TERTIARY SERVICE AREAS LISTED BELOW - PRIMARY SERVICE AREA (75% OF DISCHARGES) A FIVE-COUNTY REGION INCLUDING ADA, CANYON- SECONDARY SERVICE AREA (75-95% OF DISCHARGES) BOISE, GEM, MALHEUR, ELMORE, PAYETTE, OWYHEE, BAKER AND UNION COUNTIES - TERTIARY SERVICE AREA (90-95% OF DISCHARGES) TWIN FALLS, VALLEY, WASHINGTON, ADAMS, BLAINE, CASSIA, GOODING AND JEROME COUNTIESAREA HOSPITAL FACILITIES WITHIN SARMC'S PRIMARY SERVICE AREA INCLUDE ST LUKE'S BOISE AND MERIDIAN, IDAHO ELKS REHABILITATION CENTER, TREASURE VALLEY HOSPITAL, SAINT ALPHONSUS MEDICAL CENTER-NAMPA, WEST VALLEY MEDICAL CENTER, SAINT ALPHONSUS MEDICAL CENTER-ONTARIO, SAINT ALPHONSUS MEDICAL CENTER-BAKER CITY, GRANDE RONDE AND WALTER KNOX MEMORIAL HOSPITAL SAINT ALPHONSUS' PRIMARY SERVICE AREA IS A MIX OF URBAN AND RURAL COMMUNITIES WITHIN THE TREASURE VALLEY, BORDERED BY RUGGED MOUNTAINOUS TERRAIN AND DESERT THE REGION HAS EXPERIENCED RAPID POPULATION GROWTH OVER THE PAST DECADE (FROM 2000-2010), WITH DRAMATIC GROWTH RATES IN ADA & CANYON COUNTIES, THE TWO LARGEST COUNTIES IN THE SERVICE AREA - ADA COUNTY POPULATION GREW 30 4% FROM 2000-2010 POPULATION IS EXPECTED TO GROW BY 9% FROM 2012-2017- CANYON COUNTY POPULATION GREW 43 7% FROM 2000-2010 POPULATION IS EXPECTED TO GROW BY 12% FROM 2012-2017 OTHER RELEVANT STATISTICS CHARACTERIZING SAINT ALPHONSUS' PRIMARY SERVICE AREA ARE INCLUDED BELOW TOTAL POPULATION (2010) ADA COUNTY - 392,365CANYON COUNTY - 188,923ELMORE COUNTY - 27,038GEM COUNTY - 16,719MALHEUR COUNTY - 31,313PERCENT WHITE PERSONS NOT HISPANIC (2012) ADA COUNTY - 86 0% CANYON COUNTY - 71 8%ELMORE COUNTY - 74 9%GEM COUNTY - 88 7%MALHEUR COUNTY - 62 5%PERCENT HISPANIC/LATINO ORIGIN (2012) ADA COUNTY - 7 4% CANYON COUNTY 24 3%ELMORE COUNTY - 15 8%GEM COUNTY - 7 8%MALHEUR COUNTY - 32 5%MEDIAN HOUSEHOLD INCOME (2007-2011) ADA COUNTY - $55,304CANYON COUNTY - $42,943ELMORE COUNTY - $43,691GEM COUNTY - $44,442MALHEUR COUNTY - $39,013PERSONS BELOW POVERTY LEVEL (2007-2011) ADA COUNTY - 11 2%CANYON COUNTY - 18 1% ELMORE COUNTY - 11 8%GEM COUNTY - 16 5%MALHEUR COUNTY - 22 6%IDAHO'S UNINSURED RATE, NEARLY 20% (OVER 400,000 PEOPLE), PUTS IT AMONG THE 15 STATES WITH THE HIGHEST RATES OF PEOPLE WHO DON'T HAVE HEALTH INSURANCE (GALLUP, 2011) NEARLY ONE OUT OF THREE (32 3%) IN IDAHO UNDER THE AGE OF 65 WENT WITHOUT HEALTH INSURANCE FOR ALL OR PART OF THE TWO YEAR PERIOD 2007-2008 PEOPLE OF RACIAL AND ETHNIC MINORITIES ARE MORE LIKELY TO GO WITHOUT HEALTH INSURANCE THAN WHITES IN IDAHO, 57 2% OF HISPANICS/LATINOS WERE UNINSURED, COMPARED TO 28 8% OF WHITES MANY MORE ARE UNDERINSURED (FAMILIES USA 2009) MEDICALLY UNDERSERVED POPULATIONS AND HEALTH PROFESSIONAL SHORTAGE AREAS WITHIN OUR SERVICE AREA INCLUDE A SHORTAGE OF PRIMARY CARE AND MENTAL HEALTH SERVICES IN IDAHO THERE ARE FOUR DIFFERENT REFUGEE RESETTLEMENT AGENCIES, THREE IN BOISE THE LOCAL REFUGEE POPULATION HAS MORE THAN DOUBLED SINCE 2005 A LARGE MAJORITY OF REFUGEES ARRIVING IN IDAHO ARE WOMEN AND CHILDREN SOME REFUGEES ARE HIGHLY EDUCATED WHILE OTHERS HAVE NEVER HAD THE OPPORTUNITY TO ATTEND SCHOOL THE IDAHO REFUGEE ARRIVALS FOR 2001-2011 IS 5,341, WITH SEVERAL RESETTLEMENT AND ASSISTANCE AGENCIES HELPING LOCALLY AND THROUGHOUT THE STATE IN 2011, 775 REFUGEES AND SPECIAL IMMIGRANTS ARRIVED IN IDAHO FROM 17 DIFFERENT COUNTRIES THE TOP FIVE COUNTRIES OF ORIGIN FOR REFUGEES RESETTLED IN IDAHO IN 2011 ARE BHUTAN, BURMA, IRAQ, CONGO AND AFGHANISTAN OF THE APPROXIMATE DOZENS LANGUAGES SPOKEN, NOT INCLUDING VARIOUS DIALECTS, THE TOP LANGUAGES IN 2011 WERE NEPALI, KAREN, ARABIC, KAYAH SWAHILI, FARSI/DARI/PERSIAN, AND BURMESE (IDAHO OFFICE FOR REFUGEES) THE REGION SEES A HIGH PREVALENCE OF MENTAL HEALTH & SUBSTANCE ABUSE ISSUES, WITH INADEQUATE PUBLIC BEHAVIORAL HEALTH SYSTEMS IN PLACE TO MEET THE EXISTING NEEDS FOR COMMUNITY-BASED AND INPATIENT SERVICES ON REVIEW OF DEMOGRAPHIC AND SOCIO-ECONOMIC DATA AND TRENDS, SEVERAL FACTORS CLEARLY HAVE AN IMPACT ON THE HEALTH STATUS OF THE COMMUNITIES SERVED BY SAINT ALPHONSUS, WITH IMPLICATIONS FOR FUTURE PLANNING POPULATION GROWTH, ESPECIALLY IN ADA AND CANYON COUNTIES, IS EXPECTED TO CONTINUE, WITH A GROWING HISPANIC POPULATION THE GROWING REFUGEE POPULATION HAS GREATER LANGUAGE INTERPRETATION AND HEALTH EDUCATION NEEDS AS WELL GROWTH IN IDAHO'S SENIOR POPULATION IS ALSO PROJECTED TO ACCELERATE, WHICH WILL REQUIRE INCREASED HEALTH CARE SPENDING MAMMOGRAPHY RATES, THE RISING RATE OF LOW BIRTH WEIGHT BABIES, OVERWEIGHT AND OBESITY, TOBACCO USE, MENTAL HEALTH AND DRINKING/DRUG USE ARE ALSO OF GREAT CONCERN
		PART VI, LINE 5 OTHER INFORMATION - CONSISTENT WITH ITS NONPROFIT STATUS, SAINT ALPHONSUS USES SURPLUS REVENUES TO REINVEST IN FACILITIES, TECHNOLOGY AND MEDICAL SERVICES FOR THE COMMUNITY, AND COLLABORATES WITH COMMUNITY PARTNERS AND INVESTS IN NEEDED COMMUNITY PROGRAMS SUCH AS FAMILY MEDICINE RESIDENCY OF IDAHO, ALLUMBAUGH HOUSE (SOBERING, DETOXIFICATION & CRISIS MENTAL HEALTH SERVICES), AND HEALTHTEACHER HEALTH LITERACY CURRICULUM FOR THE BOISE SCHOOL DISTRICT SAINT ALPHONSUS ALSO COLLABORATES WITH UNITED WAY OF TREASURE VALLEY TO ADDRESS COMMUNITY NEEDS IN THE AREAS OF HEALTH, EDUCATION AND INCOME SAINT ALPHONSUS IS REPRESENTED ON THE UNITED WAY BOARD OF DIRECTORS AND THE HEALTH VISION COUNCIL IN ADDITION, SAINT ALPHONSUS HAS AN ANNUAL UNITED WAY WORKPLACE GIVING CAMPAIGN TO SUPPORT UNITED WAY INITIATIVES AND GRANTS TO LOCAL NONPROFITS PRODUCING MEASURABLE OUTCOMES IN ADDRESSING TOP COMMUNITY NEEDS SAINT ALPHONSUS STRONGLY SUPPORTS HEALTHCARE WORKFORCE DEVELOPMENT EFFORTS, INCLUDING ANNUAL FINANCIAL SUPPORT TO THE FAMILY MEDICINE RESIDENCY OF IDAHO, PSYCHIATRIC RESIDENCY, ISU DENTAL RESIDENCY, AND THE BOISE STATE UNIVERSITY NURSING BUILDING FUND IN ADDITION, SAINT ALPHONSUS SERVES AS A KEY CLINICAL TRAINING SITE FOR NEW PHYSICIANS, NURSES AND OTHER ALLIED HEALTH PROFESSIONALS SAINT ALPHONSUS IS A LEVEL II TRAUMA CENTER AND TAKES A LEADERSHIP ROLE IN IMPROVING SYSTEMS OF CARE FOR TRAUMA PATIENTS TRAUMA PREVENTION AND DISASTER PREPAREDNESS EFFORTS IN THE REGION ARE OFTEN LED BY STAFF AT SAINT ALPHONSUS, WHO HAVE CHAMPIONED TOUGHER SEAT BELT AND HELMET LAWS, COORDINATED DRUNK DRIVING PREVENTION EVENTS IN LOCAL HIGH SCHOOLS, AND LED IN RESPONSE PLANNING FOR EVENTS LIKE THE SPECIAL OLYMPICS WORLD WINTER GAMES SAINT ALPHONSUS ALSO HOSTS AN ANNUAL SKI & MOUNTAIN TRAUMA CONFERENCE TO TRAIN FIRST RESPONDERS (EMS, FIRE, SKI PATROL, ETC) THROUGHOUT THE NORTHWEST ON BEST PRACTICES FOR TRAUMA CARE IN THE PRE-HOSPITAL SETTING SAINT ALPHONSUS COORDINATES A REGIONAL TELEMEDICINE NETWORK THROUGHOUT WESTERN & NORTHERN IDAHO AND EASTERN OREGON SERVICES PROVIDED THROUGH THE NETWORK INCLUDE MUCH-NEEDED SERVICES SUCH AS TELEPSYCHIATRY, STROKE CARE, CLINICAL EDUCATION AND EMERGENCY MEDICINE CONSULTATIONS TO RURAL HOSPITALS IN REMOTE LOCATIONS, OFTEN PREVENTING UNNECESSARY TRANSPORTS AND ALLOWING PATIENTS TO BE CARED FOR CLOSER TO HOME

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 SAINT ALPHONSUS REGIONAL MEDICAL CENTER IS A MEMBER OF CHE TRINITY HEALTH, THE SECOND-LARGEST CATHOLIC HEALTH CARE SYSTEM IN THE COUNTRY CHE TRINITY HEALTH ANNUALLY REQUIRES THAT ALL MEMBER ORGANIZATIONS DEFINE - AND ACHIEVE - COMMUNITY BENEFIT GOALS THAT INCLUDE IMPLEMENTING NEEDED SERVICES OR EXPANDING ACCESS TO SERVICES FOR LOW-INCOME INDIVIDUALS AS A NOT-FOR-PROFIT HEALTH SYSTEM, CHE TRINITY HEALTH REINVESTS ITS PROFITS BACK INTO THE COMMUNITY THROUGH PROGRAMS SERVING THOSE WHO ARE POOR AND UNINSURED, HELPING MANAGE CHRONIC CONDITIONS LIKE DIABETES, PROVIDING HEALTH EDUCATION, PROMOTING WELLNESS AND REACHING OUT TO UNDERSERVED POPULATIONS OVERALL, THE ORGANIZATION INVESTS MORE THAN $800 MILLION IN SUCH COMMUNITY BENEFITS AND WORKS TO ENSURE THAT ITS MEMBER HOSPITALS AND OTHER ENTITIES/AFFILIATES ENHANCE THE OVERALL HEALTH OF THE COMMUNITIES THEY SERVE BY ADDRESSING EACH COMMUNITY'S SPECIFIC NEEDS FOR MORE INFORMATION ABOUT CHE TRINITY HEALTH, VISIT WWW NEWHEALTHMINISTRY ORG

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Employer identification number
82-0200895

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 24

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 2

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
See Additional Data Table					

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
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 DONATIONS MADE BY SAINT ALPHONSUS REGIONAL MEDICAL CENTER TO CHARITABLE ORGANIZATIONS ARE MADE IN FURTHERANCE OF THE RECIPIENT ORGANIZATION'S EXEMPT PURPOSE DONATIONS ARE INCLUDED IN COMMUNITY BENEFITS IN SCHEDULE H IF THE CONTRIBUTION HAS BEEN FORMALLY RESTRICTED TO A COMMUNITY BENEFIT ACTIVITY THAT MEETS THE CRITERIA TO BE REPORTED ON SCHEDULE H

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 82-0200895
Name: SAINT ALPHONSUS REGIONAL MEDICAL CENTER

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GENESIS WORLD MISSION INC215 W 35TH ST GARDEN CITY,ID 83714	82-0505073	501(C)3	14,680				SPONSORSHIP
DAVID A HINDSON MD EDUCATION FOUNDATION INC439 THATCHER ST BOISE,ID 83702	80-0279825	501(C)3	25,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
WOMEN'S AND CHILDREN'S ALLIANCE720 W WASHINGTON ST BOISE,ID 83702	82-0204464	501(C)3	5,000				SPONSORSHIP
BOISE METRO CHAMBER OF COMMERCE250 S 5TH STREET 300 BOISE,ID 83702	82-0100595	501(C)6	15,000				SPONSORSHIP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BOYS AND GIRLS CLUB OF ADA COUNTY IDAHO INC 610 E 42ND ST GARDEN CITY,ID 83714	82-0481687	501(C)3	5,000				SPONSORSHIP
AMERICAN CANCER SOCIETY INC GREAT WEST DIVISION INC2120 FIRST AVENUE NORTH SEATTLE,WA 98109	84-1316555	501(C)3	5,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION INC7272 GREENVILLE AVE DALLAS,TX 75231	13-5613797	501(C)3	7,500				SPONSORSHIP
FAMILY ADVOCACY CENTER & EDUC SVC417 S 6TH STREET BOISE,ID 83702	20-4883532	501(C)3	15,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
TREASURE VALLEY FAMILY YMCA1050 WEST STATE ST BOISE,ID 83702	82-0200908	501(C)3	21,000				SPONSORSHIP
ST PAULS BENEVOLENT INSTITUTE1181 SW 76TH AVE MIAMI,FL 33144	22-6034713	501(C)3	76,000	68,683	FMV	X-RAY MACHINE, FLASHLIGHTS & STETHESCOPES	PROJECT HAITI SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MARCH OF DIMES FOUNDATION1275 MAMARONECK AVENUE WHITE PLAINS,NY 10605	13-1846366	501(C)3	21,000				SPONSORSHIP
BOISE STATE UNIVERSITY FOUNDATION INC2225 UNIVERSITY DRIVE BOISE,ID 83706	82-6010706	501(C)3	128,150				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
JOHN BUTLER LUNG FOUNDATION722 HARCOURT RD BOISE,ID 83702	82-0467602	501(C)3	15,000				SPONSORSHIP
CATHOLIC CHARITIES OF IDAHO INC1501 S FEDERAL WAY STE 450 BOISE,ID 83705	82-0524367	501(C)3	5,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
IDAHO DIABETES YOUTH PROGRAMS INC1620 HARRISON BLVD BOISE,ID 83702	31-1565651	501(C)3	6,000				SPONSORSHIP
BALLET IDAHO INC501 S 8TH STREET BOISE,ID 83702	82-0301511	501(C)3	5,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
IDAHO ALLIANCE OF LEADERS IN NURSING INC PO BOX 1278 BOISE,ID 83701	83-0408538	501(C)3	5,000				SPONSORSHIP
IDAHO SIMULATION NETWORKPO BOX 1278 BOISE,ID 83701	26-2665325		5,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SAFE PLACE MINISTRIES 723 N MITCHELL ST STE 101 BOISE,ID 83704	82-0485418	501(C)3	7,200				SPONSORSHIP
COLLEGE OF WESTERN IDAHO FOUNDATION INC 6056 BIRCH LANE STE 200 NAMPA,ID 83687	27-1159705	501(C)3	9,937				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
FAMILY MEDICINE RESIDENCY OF IDAHO INC 777 N RAYMOND STREET BOISE,ID 83704	20-5934739	501(C)3	10,000				SPONSORSHIP
COMMUNITY HEALTH CLINICS DBA TERRY REILLY HEALTH SERVICES 211 16TH AVE NORTH NAMPA,ID 83653	82-0300537	501(C)3	13,500				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SUSAN G KOMEN BREAT CANCER FOUNADTION DBA SUSAN G KOMEN FOR THE CURE5005 LBJ FREEWAY DALLAS,TX 75244	75-1835298	501(C)3	30,000				SPONSORSHIP
ADA CANYON MEDICAL EDUCATION CONSORTIUM INC305 W JEFFERSON BOISE,ID 83702	84-1417388	501(C)3	60,200				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
IDAHO FOODBANK WAREHOUSE INC3562 SOUTH T K AVENUE BOISE,ID 83705	82-0425400	501(C)3		6,894	FMV	THANKSGIVING TURKEYS	SPONSORSHIP
COMMUNITY HEALTH CLINICS211 16TH AVE NORTH NAMPA,ID 83653	82-0300537	501(C)3	200,888				ALLUMBAUGH HOUSE SPONSORSHIP

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
SCHOLARSHIPS	9	12,158			
UTILITIES ASSISTANCE	24	6,796			
PRESCRIPTION ASSISTANCE	4	60			
TRANSPORTATION ASSISTANCE	1	25			
GAS ASSISTANCE	59	4,350			
DENTAL ASSISTANCE	1	35			
HOUSING ASSISTANCE	16	12,975			
AUTO INSURANCE ASSISTANCE	2	149			
GIFT CARDS - GROCERIES, FOOD, AND GAS	43	2,110			
AUTO PAYMENT ASSISTANCE	1	221			

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Employer identification number
82-0200895

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 3	SAINT ALPHONSUS REGIONAL MEDICAL CENTER IS A SUBSIDIARY IN THE TRINITY HEALTH SYSTEM SAINT ALPHONSUS REGIONAL MEDICAL CENTER'S CEO IS PAID DIRECTLY BY THE SYSTEM'S PARENT ENTITY, TRINITY HEALTH CORPORATION TRINITY HEALTH CORPORATION USED THE FOLLOWING METHODS TO ESTABLISH THE COMPENSATION OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER'S CEO - WRITTEN EMPLOYMENT CONTRACT - COMPENSATION COMMITTEE - INDEPENDENT COMPENSATION CONSULTANT - FORM 990 OF OTHER ORGANIZATIONS - COMPENSATION SURVEY OR STUDY, AND - APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
	PART I, LINE 4B	THE FOLLOWING ARE PARTICIPANTS IN THE TRINITY HEALTH CASH BALANCE RESTORATION AND RETENTION PLAN, A NONQUALIFIED PLAN, WHICH PROVIDES RETENTION BENEFITS PLUS RETIREMENT BENEFITS FOR CERTAIN ASSOCIATES WITH EARNINGS ABOVE THE IRS PAY CAP FOR QUALIFIED PLANS ($250,000 FOR 2012) THE FOLLOWING ACCRUALS FOR 2012 FOR THIS PLAN ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II KEDRICK ADKINS - $100,292 SALLY JEFFCOAT - $55,635 J RICHARD O'CONNELL - $77,104 RODNEY REIDER - $16,858 JOSEPH SWEDISH - $543,977 THE FOLLOWING INDIVIDUALS ARE PARTICIPANTS IN A NON-QUALIFIED DEFERRED COMPENSATION PLAN UNDER SECTION 457(F) THE FOLLOWING DEFERRALS FOR CALENDAR 2012 ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II MICHAEL COUGHLIN, MD NONE STEPHEN FALL, MD NONE STEPHEN JONES, MD NONE MARK G PARENT, MD NONE CHRISTIAN ZIMMERMAN, MD - NONE PART II THE FOLLOWING INDIVIDUALS ARE VESTED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) THE FOLLOWING VESTED SERP AMOUNTS ARE INCLUDED IN COLUMN B(III) OF SCHEDULE J, PART II KEDRICK ADKINS - $185,540 JOSEPH SWEDISH - $530,000 COLUMN F OF SCHEDULE J INCLUDES THE PORTION OF THESE AMOUNTS THAT WERE REPORTED AS DEFERRED COMPENSATION IN PRIOR YEARS

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 82-0200895
Name: SAINT ALPHONSUS REGIONAL MEDICAL CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SALLY JEFFCOAT	(I)	0	0	0	0	0	0	0
	(II)	488,811	186,812	74,381	75,635	24,241	849,880	0
J RICHARD O'CONNELL	(I)	0	0	0	0	0	0	0
	(II)	607,209	284,428	144,773	97,104	33,319	1,166,833	0
STEPHANIE WESTERMEIER	(I)	0	0	0	0	0	0	0
	(II)	278,391	0	937	19,972	19,490	318,790	0
BLAINE PETERSEN	(I)	0	0	0	0	0	0	0
	(II)	336,245	84,666	3,262	20,109	23,084	467,366	0
JOSEPH SWEDISH	(I)	0	0	0	0	0	0	0
	(II)	1,402,192	786,411	1,044,897	572,762	28,714	3,834,976	520,902
KEDRICK ADKINS	(I)	0	0	0	0	0	0	0
	(II)	784,856	366,716	670,047	112,792	13,375	1,947,786	265,335
JEAN BASOM	(I)	0	0	0	0	0	0	0
	(II)	139,149	24,098	1,875	54,156	15,452	234,730	0
RODNEY REIDER	(I)	0	0	0	0	0	0	0
	(II)	333,028	73,439	6,258	37,537	25,051	475,313	0
JAMES POLK	(I)	0	0	0	0	0	0	0
	(II)	296,572	66,854	4,335	34,460	17,601	419,822	0
KENNETH FRY	(I)	272,333	44,577	1,703	32,211	22,443	373,267	0
	(II)	0	0	0	0	0	0	0
CHRISTIAN ZIMMERMAN MD	(I)	1,586,110	83,333	5,681	20,000	24,044	1,719,168	0
	(II)	0	0	0	0	0	0	0
STEPHEN JONES MD	(I)	761,748	0	26,811	19,494	23,490	831,543	0
	(II)	0	0	0	0	0	0	0
MARK G PARENT MD	(I)	733,449	0	33,190	20,000	23,125	809,764	0
	(II)	0	0	0	0	0	0	0
STEPHEN FALL MD	(I)	736,682	0	9,144	25,000	26,025	796,851	0
	(II)	0	0	0	0	0	0	0
MICHAEL COUGHLIN MD	(I)	640,422	74,750	10,392	25,040	19,931	770,535	0
	(II)	0	0	0	0	0	0	0
MICHAEL MURPHY	(I)	0	0	0	0	0	0	0
	(II)	139,488	0	41,394	4,650	11,980	197,512	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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SAINT ALPHONSUS REGIONAL MEDICAL CENTER

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Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) STEPHEN JONES MD	EMPLOYEE	TAIL INSURANCE		X	68,572	41,143		No		No	Yes	
Total			▶ $			41,143						

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) BLUE CROSS OF IDAHO (BCI)	SALLY JEFFCOAT, PRESIDENT & CEO, ALSO SERVES ON THE BOARD OF BCI	74,029,407	PAYMENTS MADE BY BLUE CROSS OF IDAHO TO SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC FOR HEALTH CARE SERVICES PROVIDED TO BCI COVERED MEMBERS		No
(2) ETHAN FRY	FAMILY MEMBER OF KENNETH FRY, KEY EMPLOYEE	48,575	EMPLOYMENT ARRANGEMENT		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

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

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Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art	X	7	3,150	EXPERT
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	X		21,005	SELLING PRICE
5	Clothing and household goods	X		23,152	SELLING PRICE
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	X	7	15,400	SELLING PRICE
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (ENTERTAINMENT)	X	13	2,316	SELLING PRICE
26	Other ▶ (GIFT CERTIFICATES)	X	54	2,234	SELLING PRICE
27	Other ▶ (LODGING)	X	3	15,500	SELLING PRICE
28	Other ▶ (ADVERTISING)	X	2	52,939	SELLING PRICE
	Other ▶ (CHRISTMAS TREES & WREATHS)	X	145	31,820	SALE-COMPARABLE ITEM
	Other ▶ (OTHER)	X	41	32,326	SELLING PRICE

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	Yes	
b	If "Yes," describe in Part II			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

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

Identifier	Return Reference	Explanation
THIRD PARTY USE	PART I, LINE 32B	THE REPORTING ENTITY HAS USED THIRD PARTIES TO PROCESS OR SELL NON-CASH CONTRIBUTIONS WHEN SPECIFIC EXPERTISE IS WARRANTED WHERE AN EXPERT APPRAISAL IS NECESSARY, A THIRD PARTY APPRAISER WILL BE ENGAGED OCCASIONALLY THE SERVICES OF AN AGENT ARE ENGAGED TO SELL NON-CASH CONTRIBUTIONS THAT WILL NOT BE USED BY THE REPORTING ENTITY

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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.

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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC IS SAINT ALPHONSUS HEALTH SYSTEM SEE LINE 7 FOR ADDITIONAL INFORMATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	SAINT ALPHONSUS HEALTH SYSTEM IS THE SOLE MEMBER OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC SAINT ALPHONSUS HEALTH SYSTEM HAS THE RIGHT TO APPOINT ALL PERSONS TO THE BOARD OF TRUSTEES OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	AS SOLE MEMBER, SAINT ALPHONSUS HEALTH SYSTEM MUST APPROVE CERTAIN DECISIONS OF THE GOVERNING BODY, INCLUDING THE STRATEGIC PLAN, ANNUAL CAPITAL PLAN, AND ANNUAL OPERATING BUDGET SAINT ALPHONSUS HEALTH SYSTEM MUST ALSO APPROVE SIGNIFICANT CHANGES SUCH AS A MERGER, DISSOLUTION, SALE OF ASSETS IN EXCESS OF CERTAIN LIMITS, A MATERIAL CHANGE IN MISSION, AND MODIFICATIONS TO GOVERNING DOCUMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	PRIOR TO FILING, THE FORM 990 FOR SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC IS REVIEWED BY SENIOR MANAGEMENT IN ADDITION, CERTAIN KEY SECTIONS OF THE FORM ARE REVIEWED BY THE FINANCE COMMITTEE OF SAINT ALPHONSUS HEALTH SYSTEM (SAINT ALPHONSUS HEALTH SYSTEM IS THE SOLE MEMBER OF THE CORPORATION) THE BOARD RECEIVES A COPY OF THE RETURN IN ITS FINAL FORM BEFORE IT IS FILED WITH THE INTERNAL REVENUE SERVICE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC HAS ADOPTED A CONFLICT OF INTEREST POLICY WHICH CONTAINS THE ELEMENTS IN THE MODEL CONFLICT OF INTEREST POLICY ISSUED BY THE IRS IT APPLIES TO ALL INTERESTED PERSONS OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC , WHICH INCLUDES TRUSTEES, PRINCIPAL OFFICERS AND EXECUTIVES, AND MEMBERS OF COMMITTEES WITH BOARD DESIGNATED POWERS INTERESTED PERSONS ARE REQUIRED TO ACT AT ALL TIMES IN A MANNER CONSISTENT WITH SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC 'S CHARITABLE PURPOSE AND SERVICE TO THE COMMUNITY AND TO AVOID CONFLICTS OF INTEREST INTERESTED PERSONS ARE REQUIRED TO MAKE FULL DISCLOSURE TO SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC OF ANY FINANCIAL OR BUSINESS INTERESTS THAT MIGHT RESULT IN OR HAVE THE APPEARANCE OF A CONFLICT OF INTEREST INTERESTED PERSONS ARE REQUIRED TO RECUSE THEMSELVES FROM DISCUSSION AND VOTING ON MATTERS INVOLVING A CONFLICT OF INTEREST THE BOARD OF TRUSTEES OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC IS RESPONSIBLE FOR THE REVIEW AND APPROVAL OF TRANSACTIONS WITH INTERESTED PERSONS, INCLUDING DETERMINING THAT SUCH TRANSACTIONS ARE FAIR AND REASONABLE TO SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC ON AN ANNUAL BASIS, INTERESTED PERSONS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT AND TO AFFIRM THEIR RECEIPT OF THE CONFLICT OF INTEREST POLICY, COMPLIANCE WITH ITS REQUIREMENTS, AND AGREE TO NOTIFY THE ORGANIZATION OF CHANGES IMPACTING THEIR ANNUAL DISCLOSURE IN ACCORDANCE WITH THE POLICY THE ANNUAL DISCLOSURES ARE REVIEWED WITH THE BOARD OF TRUSTEES OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC ON AN ANNUAL BASIS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	TRINITY HEALTH FOLLOWS A PROCESS AND POLICY THAT IS INTENDED TO MIRROR THE IRC SECTION 4958 GUIDELINES FOR OBTAINING A "REBUTTABLE PRESUMPTION OF REASONABLENESS" WITH REGARD TO COMPENSATION AND BENEFITS AS PART OF THAT PROCESS, THE COMPENSATION AND BENEFITS OF CERTAIN OFFICERS AND KEY MANAGEMENT OFFICIALS OF SAINT ALPHONSUS REGIONAL MEDICAL CENTER, INC ARE REVIEWED AT LEAST ANNUALLY BY THE TRINITY HEALTH BOARD OR THE TRINITY HEALTH HUMAN RESOURCES AND COMPENSATION COMMITTEE (HRCC) OF THE BOARD, AUTHORIZED TO ACT ON BEHALF OF THE BOARD WITH RESPECT TO CERTAIN COMPENSATION MATTERS AS PART OF ITS REVIEW PROCESS, THE HRCC RETAINS AN INDEPENDENT FIRM EXPERIENCED IN COMPENSATION AND BENEFIT MATTERS FOR NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS TO ADVISE IT IN THE DETERMINATIONS IT MAKES ON THE REASONABLENESS OF PROPOSED COMPENSATION AND BENEFITS ARRANGEMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	SAINT ALPHONSUS REGIONAL MEDICAL CENTER IS A SUBSIDIARY ORGANIZATION IN THE TRINITY HEALTH SYSTEM TRINITY HEALTH MAKES CERTAIN OF ITS KEY DOCUMENTS AVAILABLE TO THE PUBLIC ON ITS WEBSITE, WWW TRINITY-HEALTH ORG, IN THE "ABOUT US" SECTION IN THIS SECTION, THE ANNUAL REPORT (WHICH INCLUDES COMMUNITY BENEFIT MINISTRY INFORMATION) AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE IN ADDITION, SAINT ALPHONSUS REGIONAL MEDICAL CENTER INCLUDES A COPY OF ITS MOST RECENTLY FILED SCHEDULE H ON BOTH ITS OWN WEBSITE AND TRINITY HEALTH'S WEBSITE

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	EQUITY TRANSFERS TO AFFILIATES -7,155,031

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2	SAINT ALPHONSUS REGIONAL MEDICAL CENTER'S FINANCIAL STATEMENTS WERE INCLUDED IN THE FY 13 CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH, WHICH WERE AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTING FIRM

Identifier	Return Reference	Explanation
	FORM 990, PAGE 1, DOING BUSINESS AS	SAINT ALPHONSUS PHYSICIAN SERVICES SAINT ALPHONSUS MEDICAL GROUP SAINT ALPHONSUS FOUNDATION

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

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

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

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

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

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

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

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

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

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

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

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

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Software Version:
EIN: 82-0200895
Name: SAINT ALPHONSUS REGIONAL MEDICAL CENTER

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner? Yes	(j) No	(k) Percentage ownership
ADVENT REHABILITATION LLC 607 DEWEY AVENUE SUITE 300 GRAND RAPIDS, MI 49504 38-3306673	REHABILITATION THERAPY SERVICES	MI	N/A									
BIG RUN MEDICAL OFFICE BUILDING LIMITED PARTNERSHIP 793 W STATE STREET COLUMBUS, OH 43222 31-1608125	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									
CENTER FOR DIGESTIVE CARE LLC 5300 ELLIOTT DRIVE YPSILANTI, MI 48197 03-0447062	PROVIDE GASTROINTESTINAL SERVICES	MI	N/A									
CENTRAL OHIO SLEEP MEDICINE LTD 6150 EAST BROAD STREET COLUMBUS, OH 43213 31-1701029	SLEEP MEDICINE SERVICES	OH	N/A									
CLINTON IMAGING SERVICES LLC 615 VALLEY VIEW DR STE 202 MOLINE, IL 61265 41-2044739	MRI DIAGNOSTIC SERVICES	IA	N/A									
FOREST PARK IMAGING LLC 1000 4TH STREET SW MASON CITY, IA 50401 13-4365966	X-RAY AND MAMMOGRAPHY SERVICES	IA	N/A									
FRANCES WARDE MEDICAL LABORATORY 300 WEST TEXTILE ROAD ANN ARBOR, MI 48104 38-2648446	LABORATORY	MI	N/A									
FRESNO IMAGING CENTER 1303 E HERNDON AVE FRESNO, CA 93720 77-0363563	DIAGNOSTIC IMAGING	CA	N/A									
HAWARDEN REGIONAL HEALTH CLINICS LLC 1122 AVENUE L HAWARDEN, IA 51023 20-1444339	MEDICAL CLINIC	IA	N/A									
IDAHO GYNONCOLOGY SERVICES LLC 1055 N CURTIS RD BOISE, ID 83706 20-2975807	PROVIDE GYN ONCOLOGY SERVICES	ID	SAINT ALPHONSUS REGIONAL MEDICAL CENTER	RELATED	-8,112			No		Yes		50 000 %
INTERMOUNTAIN MEDICAL IMAGING LLC 877 WEST MAIN ST STE 603 BOISE, ID 83702 82-0514422	PROVIDE IMAGING SERVICES	ID	N/A									
LOYOLA AMBULATORY SURGERY CENTER 3000 RIVERCHASE GALLERIA STE 500 BIRMINGHAM, AL 35244 36-4119522	SURGICAL SERVICES	IL	N/A									
MAGNETIC RESONANCE SERVICES PARTNERSHIP 1416 SIXTH STREET SW MASON CITY, IA 50401 42-1328388	MRI SERVICES	IA	N/A									
MASON CITY AMBULATORY SURGERY CENTER LLC 990 4TH STREET SW MASON CITY, IA 50401 20-1960348	SURGERY-SAME DAY	IA	N/A									
MCE MOB IV LIMITED PARTNERSHIP 793 W STATE STREET COLUMBUS, OH 43222 42-1544707	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MCMC POB III LIMITED PARTNERSHIP 793 W STATE STREET COLUMBUS, OH 43222 31-1392994	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									
MEDILUCENT MOB I 793 W STATE STREET COLUMBUS, OH 43222 20-4911370	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									
MERCY ADVANCED MRI LLC 2525 SOUTH MICHIGAN AVE CHICAGO, IL 60616 26-2116721	SUBLEASE MRI EQUIPMENT	IL	N/A									
MERCY HEART & VASCULAR LLC 2525 SOUTH MICHIGAN AVE CHICAGO, IL 60616 20-5272726	SUBLEASE CT EQUIPMENT	IL	N/A									
MERCY HEART CTR OP SERVICES LLC 1000 4TH STREET SW MASON CITY, IA 50401 13-4237594	CARDIOVASCULAR SERVICES	IA	N/A									
MICHIANA HEALTH INFORMATION NETWORK LLC 215 WEST MADISON STREET SOUTH BEND, IN 46601 35-2050128	COMMUNITY BASED CLINICAL INFO SYS & DATA DEPOSITORY	IN	N/A									
MOUNT CARMEL EAST POB III LIMITED PARTNERSHIP 793 W STATE STREET COLUMBUS, OH 43222 31-1369473	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									
NEWCO AMBULATORY SURGERY CTR LLP 4190 24TH AVENUE FORT GRATIOT, MI 48059 30-0136708	OUTPATIENT SURGERY CENTER	MI	N/A									
SARMED OUTPATIENT PHARMACY LLC 999 N CURTIS RD STE 102 BOISE, ID 83706 51-0483218	PHARMACY	ID	N/A									
SIXTY FOURTH STREET LLC 2373 64TH ST STE 2200 BYRON CENTER, MI 49315 20-2443646	PROVIDE OUTPATIENT SURGICAL CARE	MI	N/A									
ST ALPHONSUS CALDWELL CANCER CTR LLC 3123 MEDICAL DR CALDWELL, ID 83605 82-0526861	RADIATION ONCOLOGY	ID	N/A									
ST ANN'S MEDICAL OFFICE BLDG II LIMITED PARTNERSHIP 793 W STATE STREET COLUMBUS, OH 43222 31-1603660	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									
TAMARACK MEDICAL CLINIC LLC 402 OLD STATE HWY CASCADE, ID 83611 20-1637921	OUTPATIENT MEDICAL SERVICES	ID	N/A									
WESTAR MEDICAL OFFICE BUILDING LIMITED PARTNERSHIP 793 W STATE STREET COLUMBUS, OH 43222 31-1784409	MEDICAL OFFICE BUILDING RENTAL	OH	N/A									
WOODLAND IMAGING CENTER LLC 5301 E HURON RIVER DR ANN ARBOR, MI 48106 76-0820959	RADIOLOGY/IMAGING	MI	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
ST PETER'S AMBULATORY SURGERY CENTER LLC 1375 WASHINGTON AVENUE STE 201 ALBANY, NY 12206 46-0463892	OUTPATIENT SURGERY	NY	N/A									
CATHERINE HORAN BUILDING LIMITED PARTNERSHIP 1221 MAIN STREET ROOM 108 HOLYOKE, MA 010400000 04-2723429	PROPERTY MANAGEMENT	MA	N/A									
WESTERN MASSACHUSETTS PETCT IMAGING CENTER LLC 100 BAYVIEW CIRCLE STE 400 NEWPORT BEACH, CA 92660 20-4744663	OUTPATIENT MEDICAL SERVICES	DE	N/A									
CENTRAL NEW JERSEY HEART SERVICES LLC 29 E 29TH STREET 2ND FLOOR BAYONNE, NJ 07002 20-8525458	CARDIAC PROGRAM	NJ	N/A									
SMMC MOB II LP 1201 LANGHORNE-NEWTOWN ROAD LANGHORNE, PA 19047 36-4559869	INVESTMENT AND OPERATION OF A MEDICAL BUILDING	PA	N/A									
THE AMBULATORY SURGERY CENTER AT ST MARY LLC 1203 LANGHORNE-NEWTOWN ROAD LANGHORNE, PA 19047 23-2871206	OUTPATIENT SURGERY	PA	N/A									
EAST NORRITON MEDICAL ASSOCIATES ONE WEST ELM STREET CONSHOHOCKEN, PA 19428 23-2319531	MEDICAL OFFICE BUILDING	PA	N/A									
GATEWAY HEALTH PLAN 300 GRANT STREET PITTSBURGH, PA 15219 25-1691945	MEDICAID & MEDICARE/SPECIAL NEEDS MANAGED CARE ORGANIZATION	PA	N/A									
MERCYMANOR PARTNERSHIP PO BOX 10086 TOLEDO, OH 436990086 52-1931012	NURSING HOME	PA	N/A									
ST AGNES LONG TERM INTENSIVE CARE LLP MERCY HEALTH SYS ONE WEST ELM ST 10 CONSHOHOCKEN, PA 19428 20-0984882	LONG TERM INTENSIVE CARE	PA	N/A									
NAZARETH MEDICAL OFFICE BUILDING ASSOC NAZARETH HOSP 2601 HOLME AVE PHILADELPHIA, PA 19152 23-2388040	MEDICAL OFFICE BUILDING	PA	N/A									
SJV MANAGEMENT LLC 200 CENTURY PKWY STE 200E MOUNT LAUREL, NJ 08054 20-2273476	RADIOLOGY	NJ	N/A									
PHYSICIANS OUTPATIENT SURGERY CENTER LLC 1000 NE 56TH STREET OAKLAND PARK, FL 33334 35-2325646	AMBULATORY SURGERY CENTER	FL	N/A									
CENTER FOR SURGERY & DIGESTIVE ORDERS 3641 SOUTH MIAMI AVENUE MIAMI, FL 33133 51-0438152	OUTPATIENT MEDICAL SERVICES	FL	N/A									
IDAHO ASC HOLDINGS LLC 3000 RIVERCHASE GALLERIA BIRMINGHAM, AL 35244 36-4729605	AMBULATORY SURGERY CENTER	AL	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
COMMUNITY HEALTH VENTURES INC 565 W WESTERN AVE MUSKEGON, MI 49440 38-3522260	SOFTWARE MARKETING	MI	N/A	C					No
GOTTLIEB MANAGEMENT SERVICES INC 701 W NORTH AVE MELROSE PARK, IL 60160 36-3330529	MANAGEMENT SERVICES	IL	N/A	C					No
HACKLEY HEALTH MANAGEMENT CENTER 1415 LEAHY ST MUSKEGON, MI 49442 38-2961814	WEIGHT MANAGEMENT	MI	N/A	C					No
HACKLEY HEALTH VENTURES INC 1415 LEAHY ST MUSKEGON, MI 49442 38-2589959	OTHER MEDICAL SERVICES	MI	N/A	C					No
HACKLEY HEALTHCARE EQUIPMENT 1415 LEAHY ST MUSKEGON, MI 49442 38-2578569	HOME MEDICAL EQUIPMENT	MI	N/A	C					No
HACKLEY PROFESSIONAL CENTER 1415 LEAHY ST MUSKEGON, MI 49442 38-3024797	REAL ESTATE RENTAL	MI	N/A	C					No
HACKLEY PROFESSIONAL PHARMACY 1415 LEAHY ST MUSKEGON, MI 49442 38-2447870	PHARMACY	MI	N/A	C					No
HEF INC 1415 LEAHY ST MUSKEGON, MI 49442 38-3086401	OFFICE STAFFING	MI	N/A	C					No
HOLY CROSS PRIVATE HOME SERVICES CORP 11801 TECH ROAD SILVER SPRING, MD 20904 52-1986562	HOME CARE SERVICES	MD	N/A	C					No
HPC CO-OWNERS ASSOCIATION 1700 CLINTON MUSKEGON, MI 49442 27-0734448	CONDOMINIUM ASSOCIATION	MI	N/A	C					No
HURON ARBOR CORPORATION 5301 EAST HURON RIVER DR PO BOX 992 ANN ARBOR, MI 48106 38-2475644	PROVIDES OFFICE RENTAL SPACE	MI	N/A	C					No
IHA AFFILIATION CORPORATION 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI 48106 38-3188895	MEDICAL MANAGEMENT	MI	N/A	C					No
MARYLAND CARE GROUP INC 11801 TECH ROAD SILVER SPRING, MD 20904 52-1815313	HEALTHCARE HOLDING	MD	N/A	C					No
MEDNOW INC 1512 12TH AVENUE ROAD NAMPA, ID 83686 82-0389927	OUTPATIENT PHARMACY	ID	N/A	C					No
MERCY MEDICAL SERVICES 801 5TH STREET SIOUX CITY, IA 51101 42-1283849	PRIMARY CARE PHYSICIANS	IA	N/A	C					No

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								Yes	No
MERCY SERVICES CORPORATION 2525 SOUTH MICHIGAN AVENUE CHICAGO, IL 60616 36-3227348	DORMANT	IL	N/A	C					No
MICHIGAN ATHLETIC CLUB 2500 BURTON GRAND RAPIDS, MI 49546 38-2647304	ATHLETIC CLUB	MI	N/A	C					No
MOUNT CARMEL HEALTH PROVIDERS INC 6150 EAST BROAD STREET COLUMBUS, OH 43213 31-1382442	MEDICAL SERVICES	OH	N/A	C					No
NORTH IOWA MERCY MEDICAL SERVICES INC 1000 4TH ST SW MASON CITY, IA 50401 42-1382308	MEDICAL SERVICES	IA	N/A	C					No
PRIORITY PLUS OF CALIFORNIA PO BOX 27230 FRESNO, CA 93729 77-0395267	FORMERLY HLTH MGMT NOW DISCONTINUED OPERATIONS	CA	N/A	C					No
SAINT ALPHONSUS PHYSICIANS PA 1055 NORTH CURTIS ROAD BOISE, ID 837061370 33-1078261	PHYSICIANS	ID	ST ALPHONSUS REGIONAL MEDICAL CENTER	C			100 000 %	Yes	
SAINT MARY'S HEALTH MANAGEMENT COMPANY 1640 EAST PARIS SE GRAND RAPIDS, MI 49546 38-3450733	ATHLETIC CLUB	MI	N/A	C					No
SURGERY CENTER FINANCING CORPORATION 6150 EAST BROAD STREET COLUMBUS, OH 43213 31-1531102	FINANCE, INSURANCE AND REAL ESTATE	OH	N/A	C					No
THRE SERVICES LLC 20555 VICTOR PARKWAY LIVONIA, MI 48152 45-2603654	REAL ESTATE BROKERAGE SERVICES	MI	N/A	C					No
TRINITY HEALTH EMPLOYEE BENEFIT TRUST 20555 VICTOR PARKWAY LIVONIA, MI 48152 38-3410377	GRANTOR TRUST	MI	N/A	T					No
VENZKE INSURANCE COMPANY LTD PO BOX 1051 GRAND CAYMAN GRAND CAYMAN CJ 98-0453602	PROVISION OF INSURANCE COVERAGE	CJ	N/A	C					No
WEST SHORE PROFESSIONAL BUILDING CONDOMINIUM 1820 44TH STREET SE KENTWOOD, MI 49508 38-2700166	CONDOMINIUM ASSOCIATION	MI	N/A	C					No
WESTSHORE HEALTH NETWORK 1820 44TH STREET KENTWOOD, MI 49508 38-3280200	PHYSICIAN HOSPITAL ORGANIZATION	MI	N/A	C					No
WORKPLACE HEALTH OF GRAND HAVEN 1415 LEAHY ST MUSKEGON, MI 49442 38-3112035	OCCUPATIONAL HEALTH	MI	N/A	C					No
SAMARITAN MEDICAL OFFICE BUILDING INC 2212 BURDETT AVENUE TROY, NY 12180 14-1607244	REAL ESTATE	NY	N/A	C					No

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

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								Yes	No
AFFILIATED MANAGEMENT SERVICES CORPORATION INC 1300 MASSACHUSETTS AVENUE TROY, NY 12180 14-1668024	REAL ESTATE	NY	N/A	C					No
CATHERINE HORAN BUILDING INC C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-2938160	BUILDING MANAGEMENT	MA	N/A	C					No
DIVERSIFIED COMMUNITY SERVICES INC C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-3128890	MEDICAL SERVICES	MA	N/A	C					No
MERCY INPATIENT MEDICAL ASSOCIATES INC C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-3029929	MEDICAL SERVICES	MA	N/A	C					No
PROVIDENCE HOME CARE INC C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-3317426	HEALTH CARE SERVICES	MA	N/A	C					No
SYSTEM COORDINATED SERVICES INC C/O SPHS 1221 MAIN STREET SUITE 108 HOLYOKE, MA 010400000 04-2938181	LAB SERVICES	MA	N/A	C					No
PHYSICIANS MEDICAL OFFICE BUILDING CONDOMINIUM TRUST 1221 MAIN STREET ROOM 108 HOLYOKE, MA 010400000 04-6608649	PROPERTY MANAGEMENT	MA	N/A	C					No
SJM PROPERTIES INC 411 CANISTEO STREET HORNELL, NY 148482101 16-1294991	PROPERTY HOLDINGS	NY	N/A	C					No
CARBONDALE AREA PHYSICIANS' ASSOCIATION PC 100 LINCOLN AVE CARBONDALE, PA 18407 23-2801677	MEDICAL INSURANCE CONTRACTING	PA	N/A	C					No
CARBONDALE AREA PHYSICIANS' PHO INC 100 LINCOLN AVE CARBONDALE, PA 18407 23-2801676	INACTIVE	PA	N/A	C					No
CARBONDALE PHYSICIANS' SERVICES INC 100 LINCOLN AVE CARBONDALE, PA 18407 23-2365077	PHARMACY	PA	N/A	C					No
CHESTNUT RISK SERVICES LTD 11 VICTORIA STREET HAMILTON BD	INSURANCE	BD	N/A	C					No
LIFECARE PHYSICIANS PC 601 HAMILTON AVENUE TRENTON, NJ 086291986 26-1649038	HEALTH CARE SERVICES	NJ	N/A	C					No
MULTICARE PLUS INC 601 HAMILTON AVENUE TRENTON, NJ 086291986 22-3435844	INACTIVE	NJ	N/A	C					No
LANGHORNE SERVICES II INC 1201 LANGHORNE-NEWTOWN ROAD LANGHORNE, PA 19047 25-3795549	GENERAL PARTNER OF LMOB PARTNERS, II	PA	N/A	C					No

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

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								Yes	No
LANGHORNE SERVICES INC 1201 LANGHORNE-NEWTOWN ROAD LANGHORNE, PA 19047 23-2625981	GENERAL PARTNER OF LMOB PARTNERS,	PA	N/A	C					No
GATEWAY HEALTH PLAN INC 600 GRANT STREET PITTSBURGH, PA 15219 25-1505506	HEALTH CARE	PA	N/A	C					No
GATEWAY HEALTH PLAN INC OF OHIO 600 GRANT STREET PITTSBURGH, PA 15219 30-0282076	HEALTH CARE	PA	N/A	C					No
MCMC EASTWICK INC C/O MHS ONE WEST ELM STREET CONSHOHOCKEN, PA 19428 23-2184261	MEDICAL OFFICE BUILDINGS	PA	N/A	C					No
HEALTH MANAGEMENT SERVICES ORG INC 500 GROVE STREET SUITE 100 HADDON HEIGHTS, NJ 08035 22-3366580	HEALTH CARE BILLING	NJ	N/A	C					No
LOURDES MEDEICAL ASSOCIATES PA 500 GROVE STREET SUITE 100 HADDON HEIGHTS, NJ 08035 22-3361862	MEDICAL SERVICES	NJ	N/A	C					No
JEANNETTE MEDICAL PROVIDERS 3805 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 25-1787334	HOLDING COMPANY	PA	N/A	C					No
JEANNETTE OBGYN GROUP 1 INC 3805 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 23-2890748	HOLDING COMPANY	PA	N/A	C					No
JEANNETTE PRIMARY CARE GROUP 1 INC 3805 WEST CHESTER PIKE NEWTOWN SQUARE, PA 19073 23-2890743	HOLDING COMPANY	PA	N/A	C					No
GEORGIA HEALTH ENTERPRISES LLC 1230 BAXTER STREET ATHENS, GA 30606 54-1806329	HEALTHCARE	GA	N/A	C					No
ST MARY'S HIGHLAND HILLS VILLAGE INC 1660 JENNINGS MILL PKLY BOGART, GA 30622 58-2276801	ASSISTED LIVING	GA	N/A	C					No
GHE PHYSICIANS PC 3500 PIEDMONT ROAD ATLANTA, GA 30305 58-2277939	PRACTICE MANAGEMENT	GA	N/A	C					No
NURSING NETWORK INC 4725 NORTH FEDERAL HIGHWAY FORT LAUDERDALE HIGHWA, FL 333080000 59-1145192	MEDICAL SERVICES	FL	N/A	C					No
MERCY PHYSICIAN GROUP INC 3663 SOUTH MIAMI AVENUE MIAMI, FL 33133 20-2970015	HEALTH CARE	FL	N/A	C					No
STELLA MARIS INSURANCE COMPANY LIMITED PO BOX 69 GRAND CAYMAN, CAYMAN ISLANDS KY1-1102 CJ 98-0078266	INSURANCE	CJ	N/A	C					No

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
CATHOLIC HEALTH EAST SENIOR SERVICES 3805 WEST CHESTER PIKE SUITE 100 NEWTOWN SQUARE, PA 19073 37-1572595	SENIOR SERVICES	PA	N/A	C					No

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
ST ALPHONSUS CALDWELL CANCER CTR LLC	L	504,354	PER BOOKS
ST ALPHONSUS CALDWELL CANCER CTR LLC	B	1,669,228	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-ONTARIO	L	347,951	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-ONTARIO	M	418,461	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-ONTARIO	Q	137,603	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-NAMPA	L	3,253,663	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-NAMPA	M	147,673	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-NAMPA	P	253,432	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-BAKER CITY	L	121,415	PER BOOKS
SAINT ALPHONSUS MEDICAL CENTER-BAKER CITY	Q	105,705	PER BOOKS
SARMED OUTPATIENT PHARMACY LLC	L	54,097	PER BOOKS
TRINITY HEALTH CORPORATION	B	5,485,803	PER BOOKS
TRINITY HEALTH CORPORATION	M	10,608,606	PER BOOKS
TRINITY HEALTH CORPORATION	P	20,604,954	PER BOOKS
TRINITY HEALTH CORPORATION	Q	1,558,449	PER BOOKS
TRINITY HEALTH CORPORATION	R	9,111,167	PER BOOKS
SAINT ALPHONSUS HEALTH SYSTEM INC	P	37,661,186	PER BOOKS

Trinity Health

Consolidated Financial Statements as of and
for the Years Ended June 30, 2013 and 2012,
and Independent Auditors' Report

TRINITY HEALTH

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Trinity Health
Livonia, Michigan

We have audited the accompanying consolidated financial statements of Trinity Health and subsidiaries (the "Corporation"), 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 Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity Health and subsidiaries as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 2 to the consolidated financial statements, the Corporation adopted the presentation and disclosure requirements of Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, and changed its presentation of the provision for bad debts in the consolidated statements of operations and changes in net assets. Our opinion is not modified with respect to this matter.

Deloitte + Touche LLP

September 25, 2013

TRINITY HEALTH

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2013 AND 2012
(In thousands)

ASSETS	2013	2012
CURRENT ASSETS:		
Cash and cash equivalents	$ 709,683	$ 708,889
Investments	2,088,973	1,883,325
Security lending collateral	114,865	130,702
Assets limited or restricted as to use — current portion	27,112	27,420
Patient accounts receivable — net of allowance for doubtful accounts of $268.1 million and $217.5 million in 2013 and 2012, respectively	942,880	965,573
Estimated receivables from third-party payors	155,534	140,614
Other receivables	137,579	140,718
Inventories	137,780	133,634
Prepaid expenses and other current assets	103,530	159,674
Total current assets	4,417,936	4,290,549
ASSETS LIMITED OR RESTRICTED AS TO USE — Noncurrent portion:		
Held by trustees under bond indenture agreements	-	51,114
Self-insurance, benefit plans and other	388,758	419,685
By Board	2,475,659	2,153,574
By donors	141,647	129,628
Total assets limited or restricted as to use — noncurrent portion	3,006,064	2,754,001
PROPERTY AND EQUIPMENT — Net	4,548,908	4,221,827
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	127,899	126,678
GOODWILL	118,542	107,704
INTANGIBLE ASSETS — Net of accumulated amortization of $20.4 million and $17.1 million in 2013 and 2012, respectively	65,409	64,475
OTHER ASSETS	164,735	110,681
TOTAL ASSETS	$ 12,449,493	$ 11,675,915

LIABILITIES AND NET ASSETS	2013	2012
CURRENT LIABILITIES:		
Commercial paper	$ 368,923	$ 134,989
Short-term borrowings	867,130	892,865
Current portion of long-term debt	30,862	32,362
Accounts payable	419,050	351,931
Accrued expenses	130,383	138,114
Salaries, wages and related liabilities	439,214	421,448
Current portion of self-insurance reserves	92,300	121,045
Payable under security lending agreements	114,865	130,702
Estimated payables to third-party payors	285,419	269,377
Total current liabilities	2,748,146	2,492,833
LONG-TERM DEBT — Net of current portion	2,299,594	2,302,236
SELF-INSURANCE RESERVES — Net of current portion	507,845	513,602
ACCRUED PENSION AND RETIREE HEALTH COSTS	686,946	1,057,566
OTHER LONG-TERM LIABILITIES	403,928	440,668
Total liabilities	6,646,459	6,806,905
NET ASSETS:		
Unrestricted net assets	5,627,077	4,707,202
Noncontrolling ownership interest in subsidiaries	19,758	18,160
Total unrestricted net assets	5,646,835	4,725,362
Temporarily restricted net assets	113,438	102,978
Permanently restricted net assets	42,761	40,670
Total net assets	5,803,034	4,869,010
TOTAL LIABILITIES AND NET ASSETS	$ 12,449,493	$ 11,675,915

The accompanying notes are an integral part of the consolidated financial statements.

TRINITY HEALTH

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
UNRESTRICTED REVENUE		
Patient service revenue — net of contractual and other allowances	$8,288,991	$7,849,161
Provision for bad debts	480,302	431,457
Net patient service revenue less provision for bad debts	7,808,689	7,417,704
Capitation and premium revenue	467,093	422,493
Net assets released from restrictions	13,566	12,120
Other revenue	689,037	617,136
Total unrestricted revenue	8,978,385	8,469,453
EXPENSES		
Salaries and wages	3,793,347	3,549,999
Employee benefits	841,318	831,816
Contract labor	86,365	82,903
Total labor expenses	4,721,030	4,464,718
Supplies	1,468,953	1,430,933
Purchased services	857,177	775,408
Depreciation and amortization	479,882	464,750
Occupancy	370,404	348,864
Medical claims	238,209	210,245
Interest	110,533	102,781
Other	410,448	401,745
Total expenses	8,656,636	8,199,444
OPERATING INCOME BEFORE CONSOLIDATION COSTS	321,749	270,009
CONSOLIDATION COSTS	(16,950)	-
OPERATING INCOME	304,799	270,009
NONOPERATING ITEMS		
Investment income (loss)	325,646	(19,159)
Change in market value and cash payments of interest rate swaps	45,818	(114,468)
Loss from early extinguishment of debt	-	(13,458)
Gain on bargain purchase and inherent contribution	-	216,796
Other, including income taxes	(9,824)	27,333
Total nonoperating items	361,640	97,044
EXCESS OF REVENUE OVER EXPENSES	666,439	367,053
LESS EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	10,566	8,312
EXCESS OF REVENUE OVER EXPENSES — Net of noncontrolling interest	$ 655,873	$ 358,741

	2013		
	Controlling Interest	Noncontrolling Interest	Total
UNRESTRICTED NET ASSETS			
Excess of revenue over expenses	$ 655,873	$ 10,566	$ 666,439
Net assets released from restrictions for capital acquisitions	15,594	-	15,594
Net change in retirement plan related items	261,557	-	261,557
Other	(3,646)	(8,968)	(12,614)
Increase in unrestricted net assets before discontinued operations	929,378	1,598	930,976
Discontinued operations — Battle Creek Health System (BCHS) — loss from operations	(9,503)	-	(9,503)
Increase in unrestricted net assets	919,875	1,598	921,473
TEMPORARILY RESTRICTED NET ASSETS			
Contributions	35,831	-	35,831
Net investment gain	3,246	-	3,246
Net assets released from restrictions	(29,160)	-	(29,160)
Other	543	-	543
Increase in temporarily restricted net assets	10,460	-	10,460
PERMANENTLY RESTRICTED NET ASSETS			
Contributions for endowment funds	1,230	-	1,230
Net investment gain	2,278	-	2,278
Other	(1,417)	-	(1,417)
Increase in permanently restricted net assets	2,091	-	2,091
INCREASE IN NET ASSETS	932,426	1,598	934,024
NET ASSETS — Beginning of year	4,850,850	18,160	4,869,010
NET ASSETS — End of year	$ 5,783,276	$ 19,758	$ 5,803,034

The accompanying notes are an integral part of the consolidated financial statements (Continued)

	2012		
	Controlling Interest	Noncontrolling Interest	Total
UNRESTRICTED NET ASSETS			
Excess of revenue over expenses	$ 358,741	$ 8,312	$ 367,053
Net assets released from restrictions for capital acquisitions	20,496	-	20,496
Net change in retirement plan related items	(673,340)	-	(673,340)
Other	6,090	(6,287)	(197)
(Decrease) increase in unrestricted net assets before discontinued operations	(288,013)	2,025	(285,988)
Discontinued operations — BCHS			
Net change in retirement plan-related items	21,678	-	21,678
Loss on transfer of shares	(28,534)	-	(28,534)
Loss from operations	(5,447)	-	(5,447)
Decrease due to transfer	-	(81,153)	(81,153)
Decrease in unrestricted net assets	(300,316)	(79,128)	(379,444)
TEMPORARILY RESTRICTED NET ASSETS			
Contributions	38,022	-	38,022
Net assets released from restrictions	(32,616)	-	(32,616)
Decrease due to transfer of shares of BCHS	(1,628)	(1,628)	(3,256)
Acquisition of Loyola University Health System (LUHS)	20,362	-	20,362
Acquisition of Mercy Health System of Chicago (MHSC)	4,016	-	4,016
Other	1,535	-	1,535
Increase (decrease) in temporarily restricted net assets	29,691	(1,628)	28,063
PERMANENTLY RESTRICTED NET ASSETS			
Contributions for endowment funds	636	-	636
Net investment loss	(421)	-	(421)
Decrease due to transfer of shares of BCHS	(129)	(129)	(258)
Acquisition of LUHS	6,671	-	6,671
Other	(549)	-	(549)
Increase (decrease) in permanently restricted net assets	6,208	(129)	6,079
DECREASE IN NET ASSETS	(264,417)	(80,885)	(345,302)
NET ASSETS — Beginning of year	5,115,267	99,045	5,214,312
NET ASSETS — End of year	$4,850,850	$ 18,160	$4,869,010

The accompanying notes are an integral part of the consolidated financial statements (Concluded)

TRINITY HEALTH

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 934,024	$ (345,302)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	479,882	464,750
Provision for bad debts	480,302	431,457
Deferred retirement (gain) loss arising during the year	(168,009)	718,203
Change in net unrealized and realized gains on investments	(262,870)	80,538
Change in market values of interest rate swaps	(65,387)	97,189
Undistributed equity earnings from unconsolidated affiliates	(33,738)	(33,584)
Restricted contributions and investment income received	(10,972)	(19,583)
Restricted net assets acquired related to LUHS and MHSC	-	(31,610)
Gain on bargain purchase agreement and inherent contribution — LUHS and MHSC	-	(216,796)
Net change in retirement plan related items due to transfer of shares of BCHS	-	(21,678)
Loss on transfer of shares of BCHS	-	28,534
Decrease in noncontrolling interest due to transfer of BCHS	-	82,910
Loss from extinguishment of debt	-	5,557
Gain on sale of assets and other adjustments	(10,788)	(2,302)
Changes in, excluding assets and liabilities acquired:		
Patient accounts receivable	(454,796)	(478,813)
Other assets	55,018	(42,829)
Accounts payable and accrued expenses	(2,215)	43,872
Estimated receivables from third-party payors	(14,920)	-
Estimated payables to third-party payors	16,043	8,003
Self-insurance reserves	(26,682)	31,342
Accrued pension and retiree health costs	(203,990)	(67,444)
Other liabilities	12,262	(32,063)
Total adjustments	(210,860)	1,045,653
Net cash provided by operating activities	723,164	700,351

	2013	2012
INVESTING ACTIVITIES:		
Purchases of investments	$ (1,858,000)	$ (1,672,413)
Proceeds from sales of investments	1,638,138	1,602,586
Purchases of property and equipment	(732,213)	(605,288)
Acquisition of subsidiaries — net of $85.0 million in cash assumed in 2012	(14,087)	(85,889)
Dividends received from unconsolidated affiliates and other changes	32,006	25,748
Increase in assets limited as to use	(6,406)	(3,678)
Proceeds received from the transfer of shares of BCHS	-	15,843
Proceeds from sales and disposal of assets	12,914	7,178
Net cash used in investing activities	(927,648)	(715,913)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	18,941	1,073,790
Repayments of debt	(58,568)	(961,604)
Net increase in commercial paper	233,933	35,011
Increase in financing costs and other	-	(9,647)
Restricted net assets acquired related to LUHS and MHSC	-	31,049
Proceeds from restricted contributions and restricted investment income	10,972	19,583
Net cash provided by financing activities	205,278	188,182
NET INCREASE IN CASH AND CASH EQUIVALENTS	794	172,620
CASH AND CASH EQUIVALENTS — Beginning of year	708,889	536,269
CASH AND CASH EQUIVALENTS — End of year	$ 709,683	$ 708,889
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest (net of amounts capitalized)	$ 110,090	$ 96,115
New capital lease obligations for buildings and equipment	1,486	5,822
Accruals for purchases of property and equipment and other long-term assets	95,771	37,457
Unsettled investment trades — purchases	9,124	11,367
Unsettled investment trades — sales	4,027	12,346
Decrease in security lending collateral	15,837	18,940
Decrease in payable under security lending agreements	(15,837)	(18,940)

The accompanying notes are an integral part of the consolidated financial statements.

1. ORGANIZATION AND MISSION

Trinity Health, an Indiana not-for-profit corporation, and its subsidiaries are collectively referred to as the Corporation. Effective May 1, 2013, the Corporation and Catholic Health East, a Pennsylvania nonprofit corporation, consolidated to form CHE Trinity, Inc., a unified Catholic national health system that enhances the mission of service to people and communities across the United States. This transaction was accounted for as a merger and thus the Corporation's balance sheet continues to be recorded at its historical basis under the carryover method. Transition and integration are on-going with the Corporation incurring approximately $17 million in costs during the year ended June 30, 2013, as a result of the transaction, which are included in consolidation costs in the consolidated statement of operations and changes in net assets. These consolidated financial statements reflect the results of operations and financial position of the Corporation only.

The Corporation is sponsored by Catholic Health Ministries (CHM), a Public Juridic Person of the Holy Roman Catholic Church. The Corporation operates a comprehensive integrated network of health services, including inpatient and outpatient services, physician services, managed care coverage, home health care, long-term care, assisted living care, and rehabilitation services located in 10 states. The mission statement for the Corporation is as follows:

We, CHE Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities

Community Benefit Ministry — Consistent with its mission, the Corporation provides medical care to all patients regardless of their ability to pay. In addition, the Corporation provides services intended to benefit the poor and underserved, including those persons who cannot afford health insurance or other payments, such as copays and deductibles because of inadequate resources and/or are uninsured or underinsured, and to improve the health status of the communities in which it operates. The following summary has been prepared in accordance with the Catholic Health Association of the United States' (CHA), *A Guide for Planning and Reporting Community Benefit, 2012 Edition.*

The quantifiable costs of the Corporation's community benefit ministry for the years ended June 30, 2013 and 2012, are as follows:

	2013	2012
	(In thousands)	
Ministry for the poor and underserved:		
Charity care at cost	$ 183,482	$ 177,747
Unpaid cost of Medicaid and other public programs	181,020	211,104
Programs for the poor and the underserved:		
Community health services	19,451	18,210
Subsidized health services	34,950	39,296
Financial contributions	3,972	5,362
Community building activities	1,792	1,908
Community benefit operations	3,117	2,268
Total programs for the poor and underserved	63,282	67,044
Ministry for the poor and underserved	427,784	455,895
Ministry for the broader community:		
Community health services	7,858	8,452
Health professions education	85,840	89,649
Subsidized health services	23,624	18,876
Research	7,006	9,203
Financial contributions	25,895	25,631
Community building activities	3,143	4,410
Community benefit operations	1,871	3,061
Ministry for the broader community	155,237	159,282
Community benefit ministry	$ 583,021	$ 615,177

The Corporation provides a significant amount of uncompensated care to its uninsured and underinsured patients, which is reported as bad debt at cost and not included in the amounts reported above. During the years ended June 30, 2013 and 2012, the Corporation reported bad debt at cost (determined using a cost to charge ratio applied to the provision for bad debts) of $170.6 million and $157.5 million, respectively.

Ministry for the poor and underserved represents the financial commitment to seek out and serve those who need help the most, especially the poor, the uninsured, and the indigent. This is done with the conviction that health care is a basic human right.

Ministry for the broader community represents the cost of services provided for the general benefit of the communities in which the Corporation operates. Many programs are targeted toward populations that may be poor, but also include those areas that may need special health services and support. These programs are not intended to be financially self-supporting.

Charity care at cost represents the cost of services provided to patients who cannot afford health care services due to inadequate resources and/or are uninsured or underinsured. A patient is classified as a charity patient in accordance with the Corporation's established policies as further described in Note 4. The cost of charity care is calculated using a cost to charge ratio methodology.

Unpaid cost of Medicaid and other public programs represents the cost (determined using a cost to charge ratio) of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of governmental and managed care contract payments.

Community health services are activities and services for which no patient bill exists. These services are not expected to be financially self-supporting, although some may be supported by outside grants or funding. Some examples include community health education, free immunization services, free or low cost prescription medications, and rural and urban outreach programs. The Corporation actively collaborates with community groups and agencies to assist those in need in providing such services.

Health professions education includes the unreimbursed cost of training health professionals such as medical residents, nursing students, technicians, and students in allied health professions.

Subsidized health services are net costs for billed services that are subsidized by the Corporation. These include services offered despite a financial loss because they are needed in the community and either other providers are unwilling to provide the services or the services would otherwise not be available in sufficient amount. Examples of services include free-standing community clinics, hospice care, mobile units and behavioral health services.

Research includes unreimbursed clinical and community health research and studies on health care delivery.

Financial contributions are made by the Corporation on behalf of the poor and underserved to community agencies. These amounts include special system-wide funds used for charitable activities, as well as resources contributed directly to programs, organizations, and foundations for efforts on behalf of the poor and underserved. Amounts included here also represent certain in-kind donations.

Community building activities include the costs of programs that improve the physical environment, promote economic development, enhance other community support systems, develop leadership skills training, and build community coalitions.

Community benefit operations include costs associated with dedicated staff, community health needs and/or asset assessments, and other costs associated with community benefit strategy and operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation – The consolidated financial statements include the accounts of the Corporation and all wholly owned, majority-owned and controlled organizations. Investments where the Corporation holds less than 20% of the ownership interest are accounted for using the cost method. All other investments that are not controlled by the Corporation are accounted for using the equity method of accounting. The Corporation has included its equity share of income or losses from investments in unconsolidated affiliates in other revenue in the consolidated statements of operations and changes in net assets. All material intercompany transactions and account balances have been eliminated in consolidation.

As further described in Note 3, the Corporation transferred its shares of BCHS to Bronson Healthcare Group, Inc., effective July 1, 2011. The consolidated financial statements have been reclassified to present the operations of BCHS as a discontinued operation. The consolidated statements of cash flows include impacts of cash flows related to BCHS. Notes to these consolidated financial statements exclude BCHS.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Corporation to make assumptions, estimates and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Corporation considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: recognition of net patient service revenue, which includes contractual allowances; provisions for bad debts and charity care; recorded values of investments and goodwill; reserves for losses and expenses related to health care professional and general liability; and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and other assumptions believed to be reasonable in making its judgments and estimates. Actual results could differ materially from those estimates.

Cash and Cash Equivalents – For purposes of the consolidated statements of cash flows, cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

Investments – Investments, inclusive of assets limited or restricted as to use, include marketable debt and equity securities. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value and are classified as trading securities. Investments also include investments in commingled funds, hedge funds and other investments structured as limited liability corporations or partnerships. Commingled funds and hedge funds that hold securities directly are stated at the fair value of the underlying securities, as determined by the administrator, based on readily determinable market values or based on net asset value, which is calculated using the most recent fund financial statements. Limited liability corporations and partnerships are accounted for under the equity method.

Investment Earnings – Investment earnings include interest, dividends, realized gains and losses on investments, holding gains and losses, and equity earnings. Investment earnings on assets held by trustees under bond indenture agreements, assets designated by the Board for debt redemption, assets held for borrowings under the intercompany loan program, and assets deposited in trust funds by a captive insurance company for self-insurance purposes in accordance with industry practices are included in other revenue in the consolidated statements of operations and changes in net assets. Investment earnings from all other unrestricted investments and board-designated funds are included in nonoperating investment income, unless the income or loss is restricted by donor or law.

Derivative Financial Instruments – The Corporation periodically utilizes various financial instruments (e.g., options and swaps) to hedge interest rates, equity downside risk and other exposures. The Corporation's policies prohibit trading in derivative financial instruments on a speculative basis.

Securities Lending – The Corporation participates in securities lending transactions whereby a portion of its investments are loaned, through its agent, to various parties in return for cash and securities from the parties as collateral for the securities loaned. Each business day the Corporation, through its agent, and the borrower determine the market value of the collateral and the borrowed securities. If on any business day, the market value of the collateral is less than the required value, additional collateral is

obtained as appropriate. The amount of cash collateral received under securities lending is reported as an asset and a corresponding payable in the consolidated balance sheets and is up to 105% of the market value of securities loaned. At June 30, 2013 and 2012, the Corporation had securities loaned of $121.9 million and $141.4 million, respectively, and received collateral (cash and noncash) totaling $125.7 million and $143.4 million, respectively, relating to the securities loaned. The fees received for these transactions are recorded in investment income (loss) in the consolidated statements of operations and changes in net assets.

Assets Limited as to Use – Assets set aside by the Board for future capital improvements, future funding of retirement programs and insurance claims, retirement of debt, held for borrowings under the intercompany loan program, and other purposes over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture and certain other agreements, and self-insurance trust and benefit plan arrangements are included in assets limited as to use.

Donor-Restricted Gifts – Unconditional promises to give cash and other assets to the Corporation's various ministry organizations 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 to 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 consolidated statements of operations and changes in net assets.

Inventories – Inventories are stated at the lower of cost or market. The cost of inventories is determined principally by the weighted average cost method.

Property and Equipment – Property and equipment, including internal-use software, are recorded at cost, if purchased, or at fair value at the date of donation, if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using either the straight-line or an accelerated method and includes capital lease and internal-use software amortization. The useful lives of these assets range from 2 to 50 years. Interest costs incurred during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets, such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Goodwill – Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized.

Intangible Assets – Intangible assets include both definite and indefinite-lived intangible assets. The majority of the net balance of definite-lived intangible assets include noncompete agreements and physician guarantees with finite lives amortized using the straight-line method over their estimated useful lives, which range from 2 to 23 years and 2 to 12 years, respectively. Indefinite-lived intangible assets include trade names and renewable licenses.

Asset Impairment –

Property and Equipment – Impairment testing is performed following a triggering event or whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable.

Goodwill – Goodwill is tested for impairment on an annual basis or when an event or change in circumstance indicates the value of a reporting unit may have changed. Testing is conducted at the reporting unit level. There is a two-step process for determining goodwill impairment. Step one compares the carrying value of each reporting unit with its fair value. If this test indicates the fair value is less than the carrying value, then step two is required. Step two compares the implied fair value of the reporting unit's goodwill with the carrying value of reporting unit's goodwill. The Corporation estimates the fair value of its reporting units using a discounted cash flow analysis.

Intangible Assets·

Definite-Lived – Impairment testing is performed if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. The Corporation estimates the fair value of its intangible assets using an undiscounted cash flow analysis.

Indefinite-Lived – Impairment testing is performed on an annual basis or more frequently if events or changes in circumstance indicate the asset may be impaired. The impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. The Corporation estimates the fair value of its intangible assets using a discounted cash flow analysis including the use of net revenue associated with the trade names.

The following table provides information on changes in the carrying amount of goodwill, which is included in the accompanying consolidated financial statements of the Corporation at June 30:

	2013	2012
	(In thousands)	
As of July 1:		
Goodwill	$ 115,559	$ 116,152
Accumulated impairment loss	(7,855)	(7,855)
Total	107,704	108,297
Goodwill acquired during the year	10,858	2,090
Decrease due to sale of subsidiary	-	(2,683)
Impairment loss	(20)	-
Total	$ 118,542	$ 107,704
As of June 30:		
Goodwill	$ 126,417	$ 115,559
Accumulated impairment loss	(7,875)	(7,855)
Total	$ 118,542	$ 107,704

The following table provides information regarding other intangible assets, which are included in the accompanying consolidated balance sheets of the Corporation at June 30:

	(In thousands)		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Book Value**
As of June 30, 2013:			
Definite-lived intangible assets:			
Noncompete agreements	$ 21,169	$ 15,968	$ 5,201
Physician guarantees	7,888	2,615	5,273
Other	6,190	604	5,586
Total definite-lived intangible assets	35,247	19,187	16,060
Indefinite-lived intangible assets:			
Trade names	43,702	-	43,702
Other	6,889	1,242	5,647
Total indefinite-lived intangible assets	50,591	1,242	49,349
Total intangible assets	$ 85,838	$ 20,429	$ 65,409
As of June 30, 2012:			
Definite-lived intangible assets:			
Noncompete agreements	$ 19,439	$ 13,199	$ 6,240
Physician guarantees	5,256	2,384	2,872
Other	6,085	187	5,898
Total definite-lived intangible assets	30,780	15,770	15,010
Indefinite-lived intangible assets:			
Trade names	43,762	-	43,762
Other	7,022	1,319	5,703
Total indefinite-lived intangible assets	50,784	1,319	49,465
Total intangible assets	$ 81,564	$ 17,089	$ 64,475

The following is a schedule of estimated future amortization of definite-lived intangible assets as of June 30, 2013:

	(In thousands)
Years ending June 30:	
2014	$ 5,459
2015	2,617
2016	1,491
2017	1,127
2018	569
Thereafter	4,797
Total	$ 16,060

Temporarily and Permanently Restricted Net Assets – Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Patient Accounts Receivable, Estimated Receivables from and Payables to Third-Party Payors and Net Patient Service Revenue – The Corporation has agreements with third-party payors that provide for payments to the Corporation's ministry organizations at amounts different from established rates. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from patients, 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 receivables from and payables to third-party payors. 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. Estimated receivables from third-party payors include amounts receivable from Medicare and state Medicaid meaningful use programs.

Allowance for Doubtful Accounts – The Corporation recognizes a significant amount of patient service revenue at the time the services are rendered even though the Corporation does not assess the patient's ability to pay at that time. As a result, the provision for bad debts is presented as a deduction from patient service revenue (net of contractual provisions and discounts). For uninsured patients that do not qualify for charity care, the Corporation establishes an allowance to reduce the carrying value of such receivables to their estimated net realizable value. This allowance is established based on the aging of accounts receivable and the historical collection experience by ministry organization and for each type of payor. A significant portion of the Corporation's provision for doubtful accounts relates to self-pay patients, as well as co-payments and deductibles owed to the Corporation by patients with insurance.

Short-Term Borrowings – Short-term borrowings include puttable variable rate demand bonds supported by self liquidity or liquidity facilities considered short-term in nature.

Other Long-Term Liabilities – Other long-term liabilities include accrued payments for the acquisition of Loyola University Health System as stipulated in the Definitive Agreement, deferred compensation, asset retirement obligations and interest rate swaps.

Premium and Capitation Revenue – The Corporation has certain ministry organizations that arrange for the delivery of health care services to enrollees through various contracts with providers and common provider entities. Enrollee contracts are negotiated on a yearly basis. Premiums are due

monthly and are recognized as revenue during the period in which the Corporation is obligated to provide services to enrollees. Premiums received prior to the period of coverage are recorded as deferred revenue and included in accrued expenses in the consolidated balance sheets.

Certain of the Corporation's ministry organizations have entered into capitation arrangements whereby they accept the risk for the provision of certain health care services to health plan members. Under these agreements, the Corporation's ministry organizations are financially responsible for services provided to the health plan members by other institutional health care providers. Capitation revenue is recognized during the period for which the ministry organization is obligated to provide services to health plan enrollees under capitation contracts. Capitation receivables are included in other receivables in the consolidated balance sheets.

Reserves for incurred but not reported claims have been established to cover the unpaid costs of health care services covered under the premium and capitation arrangements. The premium and capitation arrangement reserves are classified with accrued expenses in the consolidated balance sheets. The liability is estimated based on actuarial studies, historical reporting, and payment trends. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges, and other factors. As settlements are made and estimates are revised, the differences are reflected in current operations.

Income Taxes – The Corporation and substantially all of its subsidiaries have been recognized as tax-exempt pursuant to Section 501(a) of the Internal Revenue Code. The Corporation also has taxable subsidiaries, which are included in the consolidated financial statements. Certain of the taxable subsidiaries have entered into tax sharing agreements and file consolidated federal income tax returns with other corporate taxable subsidiaries. The Corporation includes penalties and interest, if any, with its provision for income taxes in other nonoperating items in the consolidated statements of operations and changes in net assets.

Excess of Revenue Over Expenses – The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include the effective portion of the change in market value of derivatives that meet hedge accounting requirements, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets received or gifted (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), net change in retirement plan related items, discontinued operations, extraordinary items and cumulative effects of changes in accounting principles.

Adopted Accounting Pronouncements –

On July 1, 2012, the Corporation adopted Accounting Standard Update (ASU) 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U S GAAP and IFRSs.*" This guidance amends the fair value disclosure requirements regarding transfers between Level 1 and Level 2 of the fair value hierarchy, and also the categorization by level of the fair value hierarchy for items that are not measured at fair value in the financial statements but for which the fair value is required to be disclosed. The adoption of this guidance resulted in additional disclosures in the footnotes to the Corporation's consolidated financial statements.

On July 1, 2012, the Corporation adopted ASU 2011-07, "*Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities.*" This guidance requires certain health care entities to present the provision for bad debts related to patient service revenues as a deduction from revenue,

net of contractual allowances and discounts, versus as an expense in the statement of operations. In addition, it also requires enhanced disclosures regarding revenue recognition policies and the assessment of bad debt. The adoption of this guidance resulted in a reduction of net patient service revenue, operating revenue, and operating expense but had no impact on operating income in the consolidated statement of operations and changes in net assets. All periods presented have been reclassified in accordance with the provisions of ASU 2011-07. The adoption of this guidance also resulted in additional disclosures as presented in the allowance for doubtful accounts policy within Note 2 and net patient service revenue disclosures presented within Note 4.

On July 1, 2012, the Corporation adopted ASU 2011-08, "*Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment.*" This guidance provides entities the option of first assessing qualitative factors about the likelihood of goodwill impairment to determine whether further impairment assessment is necessary. The adoption of this guidance had no impact on the Corporation's consolidated financial statements.

Forthcoming Accounting Pronouncements –

In December 2011, the Financial Accounting Standards Board (FASB) issued ASU 2011-11, "*Disclosures About Offsetting Assets and Liabilities.*" This guidance contains new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance is effective for the Corporation beginning July 1, 2013, and retrospective application is required. The Corporation does not expect this guidance to have an impact on its consolidated financial statements.

In July 2012, the FASB issued ASU 2012-02, "*Intangibles Goodwill and Other (Topic 350): Testing Indefinite-lived Intangible Assets for Impairment.*" This guidance provides entities the option of first assessing qualitative factors about the likelihood that an indefinite-lived intangible asset is impaired to determine whether further impairment assessment is necessary. It also enhances the consistency of the impairment testing guidance among long-lived asset categories by permitting entities to assess qualitative factors to determine whether it is necessary to calculate the asset's fair value when testing an indefinite-lived intangible asset for impairment. This guidance is effective for the Corporation beginning July 1, 2013, with early adoption permitted. The Corporation does not expect this guidance to have an impact on its consolidated financial statements.

In October 2012, the FASB issued ASU 2012-05, "*Statement of Cash Flows (Topic 230): Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.*" This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash flows. This guidance is effective for the Corporation beginning July 1, 2013, with early adoption permitted. The Corporation does not expect this guidance to have a material impact on its consolidated statement of cash flows.

In January 2013, the FASB issued ASU 2013-01, "*Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities.*" This guidance provides clarification on the scope of the offsetting disclosure requirements in ASU 2011-11. This guidance is effective for the Corporation beginning July 1, 2013. with early adoption permitted. The Corporation does not expect this guidance to have a material impact on its consolidated balance sheets.

In February 2013, the FASB issued ASU 2013-04, "*Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date.*" This guidance requires entities to measure obligations resulting from the joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at

the reporting date. This guidance is effective for the Corporation beginning July 1, 2014, with early adoption permitted. The Corporation has not yet evaluated the impact this guidance may have on its consolidated financial statements.

3. INVESTMENTS IN UNCONSOLIDATED AFFILIATES, BUSINESS ACQUISITIONS AND DIVESTITURES

Investments in Unconsolidated Affiliates – The Corporation and certain of its ministry organizations have investments in entities that are recorded under the cost and equity methods of accounting. At June 30, 2013, the Corporation maintained investments in unconsolidated affiliates with ownership interests ranging from 3% to 50%. The Corporation's share of equity earnings from entities accounted for under the equity method was $33.7 million and $33.6 million for the years ended June 30, 2013 and 2012, respectively, which is included in other revenue in the consolidated statements of operations and changes in net assets.

The unaudited summarized financial position and results of operations for the entities accounted for under the equity method as of and for the periods ended June 30 are as follows:

	2013 (In thousands)					
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	$ 63,069	$ 94,075	$ 71,019	$ 25,728	$ 167,523	$ 421,414
Total debt	36,094	11,685	37,027	17	38,609	123,432
Net assets	22,481	58,804	26,425	6,806	100,543	215,059
Revenue, net	11,712	165,426	116,943	29,663	205,753	529,497
Excess of revenue over expenses	7,954	19,295	34,938	916	14,927	78,030

	2012 (In thousands)					
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	$ 88,425	$ 116,970	$ 76,078	$ 17,530	$ 137,711	$ 436,714
Total debt	51,182	17,804	36,003	27	35,800	140,816
Net assets	30,765	69,368	29,733	5,576	80,235	215,677
Revenue, net	22,823	155,521	125,615	20,537	169,724	494,220
Excess of revenue over (under) expenses	1,607	24,908	44,245	(188)	13,972	84,544

Business Acquisitions – The Corporation entered into the following significant acquisition activities during the year ended June 30, 2012:

Acquisition of Mercy Health System of Chicago (MHSC) – Effective April 1, 2012, the Corporation became the sole member of MHSC. MHSC is the parent of Mercy Hospital and Medical Center (Mercy Hospital) and other subsidiaries and affiliates that provide health care services in Chicago, Illinois. Mercy Hospital has a network of primary care clinics, physician offices and satellite facilities. The fair value of assets acquired exceeded liabilities assumed resulting in an inherent contribution of $140.8 million, which was recorded in gain on bargain purchase and inherent contribution in the consolidated statement of operations and changes in net assets for the year ended June 30, 2012. Transactions costs accrued and paid totaled $0.8 million, primarily for legal and consulting services, and are included in purchased services in the consolidated statement of operations and changes in net assets.

Summarized consolidated opening balance sheet information for MHSC is shown below:

(In thousands)			
Cash, cash equivalents and investments	$ 13,777	Current portion of long-term debt	$ 819
Patient accounts receivable, net	42,746	Accounts payable and accrued expenses	41,815
Other current assets	35,018	Other current liabilities	12,957
Assets limited or restricted as to use	16,451	Long-term debt	48,907
Property and equipment	166,529	Self-insurance reserves	36,362
Intangibles	11,000		
Other assets	749	Total liabilities acquired	$140,860
Total assets acquired	$286,270		
		Unrestricted noncontrolling interest	$ 561
		Temporarily restricted net assets	4,016
		Total net assets	$ 4,577

The operating results of MHSC for the year ended June 30, 2013, include total unrestricted revenue of $244.3 million, operating income of $4.6 million and excess of revenue over expense of $4.5 million. The operating results of MHSC for the period April 1, 2012 through June 30, 2012, included total unrestricted revenue of $64.0 million, operating income of $4.7 million, and excess of revenue over expense of $4.5 million.

Acquisition of Loyola University Health System (LUHS) – On July 1, 2011, the Corporation replaced Loyola University of Chicago (University) as the sole member of LUHS, an Illinois not-for-profit corporation. LUHS is the sole member of Loyola University Medical Center and Gottlieb Memorial Hospital (Gottlieb), both Illinois not-for-profit corporations. LUHS was also the sole shareholder of Loyola University of Chicago Insurance Company (LUCIC), a Cayman Islands Corporation until December 31, 2011, as further described in Note 7. The Corporation will coordinate with the University to support health science education and research. The entities seek to work collaboratively both within and outside the Chicago market to become one of the nation's leading providers of Catholic health care, research and medical education.

The Corporation acquired LUHS for $212.9 million, $88.3 million in cash at the effective date, $49.6 million in cash based on a post closing reconciliation adjustment to the purchase price as stipulated in the Definitive Agreement paid in October 2011, and an accrual of an additional $75.0 million to be paid over future years, which remains outstanding as of June 30, 2013. The Corporation recorded indefinite-lived intangible assets, primarily for a trade name, of $36.1 million in the consolidated balance sheet at the acquisition date. Based on the purchase price allocation, the fair value of assets acquired and liabilities assumed exceeded the fair value of consideration paid and accrued. As a result, the Corporation recognized a gain of $76.0 million in gain on bargain purchase and inherent contribution in the consolidated statement of operations and changes in net assets. Transaction costs accrued and paid totaled $6.0 million, primarily for legal and consulting services, and are included in purchased services in the consolidated statement of operations and changes in net assets.

Summarized consolidated opening balance sheet information for LUHS is shown below:

(In thousands)			
Cash, cash equivalents and investments	$ 76,865	Current portion of long-term debt	$163,834
Patient accounts receivable, net	153,006	Accounts payable and accrued expenses	50,947
Inventory	15,276	Estimated payables to third party payors	72,320
Other current assets	49,568	Other current liabilities	48,245
Assets limited or restricted as to use	298,997	Long-term debt	212,536
Property and equipment	522,076	Self-insurance reserves	242,058
Intangibles	36,170	Pension and post retirement plan obligations	59,866
Other assets	32,378	Other liabilities	18,596
Total assets acquired	$1,184,336	Total liabilities acquired	$868,402
		Temporarily restricted net assets	$ 20,362
		Permanently restricted net assets	6,671
		Total net assets	$ 27,033

As of August 8, 2011, all of LUHS' debt was retired with the proceeds from the Corporation's issuance of $234 million of taxable commercial paper and cash on hand as further described in Note 6.

As part of the LUHS acquisition, certain executed agreements provide for ongoing financial support from the Corporation including:

- A Definitive Agreement upon which the Corporation has agreed that over the seven year period from July 1, 2011 to 2018, at least $300 million will be expended on capital projects and, if certain operating thresholds are met, the amount may be increased to $400 million.

- An Academic Affiliation Agreement, which has an initial term of ten years starting July 1, 2011, and provides for an annual academic support payment from the Corporation to the University adjusted annually for inflation. The payment totaled $22.7 million and $22.5 million for the years ended June 30, 2013 and 2012, respectively.

- A Shared Services Agreement between the University and LUHS who have agreed on a cost sharing agreement related to common employees and services. Cost incurred to the University totaled $7.1 million and $9.6 million for the years ended June 30, 2013 and 2012, respectively.

The operating results of LUHS for the years ended June 30, 2013 and 2012 include total unrestricted revenue of $1.2 billion and $1.1 billion, respectively, operating income of $42.1 million and $0.3 million, respectively, and excess (deficiency) of revenue over expense of $51.6 million and ($13.0) million, respectively.

The amount of the Corporation's revenue, earnings, and changes in net assets had the acquisitions of LUHS and MHSC occurred on July 1, 2011, are as follows:

	2013	2012
	(In thousands)	
Total operating revenue	$8,978,385	$8,662,121
Excess of revenue over expenses	666,439	374,352
Change in unrestricted net assets	921,473	(372,145)
Change in temporarily restricted net assets	10,460	27,871
Change in permanently restricted net assets	2,091	6,079

Business Divestitures:

On July 1, 1991, Battle Creek Health System (BCHS) was formed through an agreement between the Corporation and Community Hospital Association of Battle Creek, Michigan, with the Corporation owning 50% of the stock of BCHS with effective control of BCHS. Effective July 1, 2011, the Corporation transferred its shares of BCHS to Bronson Healthcare Group, Inc., for $76.0 million. As described in Note 2, the consolidated financial statements for year ended June 30, 2012, present the operations of BCHS as a discontinued operation. As a result of the transfer, the Corporation reported a loss of $28.5 million, which includes a pension curtailment gain of $5.8 million and settlement loss of $27.5 million in discontinued operations in the consolidated statements of operations and changes in net assets. For the years ended June 30, 2013 and 2012, the Corporation reported a loss on operations of $9.5 million and $5.4 million, respectively, in discontinued operations in the consolidated statements of operations and changes in net assets.

4. NET PATIENT SERVICE REVENUE

A summary of the payment arrangements with major third-party payors follows:

Medicare – Acute inpatient and outpatient services rendered to Medicare program beneficiaries are paid primarily at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediaries.

Medicaid – Reimbursement for services rendered to Medicaid program beneficiaries includes prospectively determined rates per discharge, per diem payments, discounts from established charges, fee schedules, and cost reimbursement methodologies with certain limitations. Cost reimbursable items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediaries.

Other – Reimbursement for services to certain patients is received from commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement includes prospectively determined rates per discharge, per diem payments, and discounts from established charges.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Charity Care – The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify for charity care, they are not reported as net patient service revenue in the consolidated statements of operations and changes in net assets.

Patient service revenues, net of contractual and other allowances (but before the provision for bad debts), recognized during the years ended June 30 is as follows:

	2013	2012
	(In thousands)	
Medicare	$3,149,767	$2,958,591
Blue Cross	1,899,297	1,865,238
Medicaid	1,005,540	828,620
Uninsured	350,887	314,292
Commercial and other	1,883,500	1,882,420
Total	$8,288,991	$7,849,161

A summary of net patient service revenue before provision for bad debts for the years ended June 30 is as follows:

	2013	2012
	(In thousands)	
Gross charges:		
Acute inpatient	$ 9,496,833	$ 9,226,067
Outpatient, nonacute inpatient, and other	10,744,217	10,045,912
Gross patient service revenue	20,241,050	19,271,979
Less:		
Contractual and other allowances	(11,228,833)	(10,725,957)
Charity care charges	(552,429)	(541,490)
Allowance for self-insured health benefits	(170,797)	(155,371)
Net patient service revenue before provision for bad debts	$ 8,288,991	$ 7,849,161

In October 2012, the Corporation received cash of $50.0 million, net of legal costs, as a result of an industry-wide settlement with the U.S. Department of Health and Human Services (HHS), the Secretary of HHS and the Centers for Medicare and Medicaid Services that corrects Medicare payments made to providers for inpatient hospital services for a number of prior periods. The net gain is recorded in patient service revenue, net of contractuals and other allowances, for the year ended June 30, 2013.

5. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	2013	2012
	(In thousands)	
Land	$ 246,363	$ 237,551
Buildings and improvements	4,880,923	4,651,308
Equipment	3,405,298	3,158,288
Capital leased assets	87,022	84,083
Total	8,619,606	8,131,230
Less accumulated depreciation	(4,542,149)	(4,220,346)
Less accumulated amortization	(24,818)	(19,969)
Construction in progress	496,269	330,912
Property and equipment, net	$ 4,548,908	$ 4,221,827

At June 30, 2013, commitments to purchase property and equipment of approximately $367 million were outstanding. Significant commitments are primarily for facility expansion at existing campuses and related infrastructures at the following ministry organizations: Holy Cross Hospital in Silver Spring, Maryland - $182 million; Mount Carmel Health System in Columbus, Ohio - $54 million; Saint Joseph Mercy Oakland in Pontiac, Michigan - $34 million; St. Joseph Mercy Ann Arbor, Michigan - $33 million; LUHS in Chicago, Illinois - $26 million, and MHSC in Chicago, Illinois - $14 million. Costs of these projects are expected to be financed by proceeds from bond issuances, available funds, future operations of the hospitals and contributions.

6. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

A summary of short-term borrowings and long-term debt at June 30 is as follows:

	2013	2012
	(In thousands)	
Short-term borrowings:		
Variable rate demand bonds with contractual maturities through 2048. Interest payable monthly at rates ranging from 0.04% to 0.82% during 2013 and from 0.02% to 0.86% during 2012	$ 867,130	$ 892,865
Long-term debt:		
Tax-exempt revenue bonds and refunding bonds, fixed rate term and serial bonds, payable at various dates through 2048. Interest rate ranges from 2.0% to 6.5% during 2013 and 2012	$2,134,525	$2,162,070
Notes payable to banks. Interest payable at rates ranging from 2.0% to 7.8%, fixed and variable, payable in varying monthly installments through 2021	3,941	4,582
Capital lease obligations (excluding imputed interest of $41.3 million and $51.2 million at June 30, 2013 and 2012, respectively)	73,126	72,746
Mortgage obligations. Interest payable at rates ranging from 4.1% to 6.5% during 2013 and 4.1% to 6.0% during 2012	82,507	64,000
Other	7,888	-
Total long-term debt	2,301,987	2,303,398
Less current portion, net of current discounts	(30,862)	(32,362)
Unamortized premiums, net	28,469	31,200
Long-term debt, net of current portion	$2,299,594	$2,302,236

Contractually obligated principal repayments on short-term borrowings and long-term debt as of June 30, 2013, are as follows:

	(In thousands)	
	Short-Term Borrowings	Long-Term Debt
Years ending June 30:		
2014	$ 33,250	$ 31,131
2015	23,710	41,189
2016	25,015	48,289
2017	26,590	42,466
2018	28,000	43,700
Thereafter	730,565	2,095,212
Total	$867,130	$2,301,987

A summary of interest costs on borrowed funds primarily under the revenue bond indentures during the years ended June 30 is as follows:

	2013	2012
	(In thousands)	
Interest costs incurred	$ 118,901	$ 108,390
Less capitalized interest	(8,368)	(5,609)
Interest expense included in operations	$ 110,533	$ 102,781

Obligated Group and Other Requirements – The Corporation has debt outstanding under a Master Trust Indenture dated July 1, 1998, as amended and supplemented thereto, the Amended and Restated Master Indenture (ARMI). The ARMI permits the Corporation to issue obligations to finance certain activities. Obligations issued under the ARMI are general, direct obligations of the Corporation and any future members of the Trinity Health Obligated Group. Proceeds from the tax-exempt bonds and refunding bonds are to be used to finance the construction, acquisition and equipping of capital improvements. Since the implementation of the ARMI, the Corporation is the sole member of the Trinity Health Obligated Group. Certain ministry organizations of the Corporation constitute designated affiliates and the Corporation covenants to cause each designated affiliate to pay, loan, or otherwise transfer to the Corporation such amounts necessary to pay the amounts due on all obligations issued under the ARMI. The Corporation, the designated affiliates and all other controlled affiliates are referred to as the Credit Group. The Corporation has granted a security interest in certain pledged property and has caused not less than 85% of the designated affiliates representing, when combined with the Corporation and any future members, not less than 85% of the consolidated net revenue of the Credit Group to grant to the Corporation security interests in certain pledged property in order to secure all obligations issued under the ARMI. The aggregate amount of obligations outstanding using the ARMI (other than obligations that have been advance refunded) were $3,002 million and $3,055 million at June 30, 2013 and 2012, respectively.

There are several conditions and covenants required by the ARMI with which the Corporation must comply, including covenants that require the Corporation to maintain a minimum debt service coverage and limitations on liens or security interests in property, except for certain permitted encumbrances, affecting the property of the Corporation or any Material Designated Affiliate (a designated affiliate whose total revenues for the most recent fiscal year exceed 5% of the total revenues of the Credit Group for the most recent fiscal year). Long-term debt outstanding at June 30, 2013 and 2012, excluding amounts issued under the ARMI, is generally collateralized by certain property and equipment.

MHSC has a commitment from the U.S. Department of Housing and Urban Development (HUD) to insure an approximate $66 million mortgage loan, under the Federal Housing Administration's Section 242 Hospital Mortgage Insurance Program. At June 30, 2013 and 2012, the outstanding obligation was $63 million and $53 million, respectively. MHSC's main hospital campus and two satellite facilities are collateral for the mortgage. The mortgage loan agreement with HUD contains various covenants, including those relating to limitations on incurring additional debt, disposing of designated property, financial performance, insurance coverage and timely submission of specified financial reports.

Issuance and Defeasance of Debt – In May 2012, the Corporation issued $101.9 million in tax-exempt, fixed rate hospital revenue bonds (Series 2012 Bonds) under its ARMI. The proceeds, along with cash, were used to refund the Corporation's $126.2 million series 2002C bonds and pay costs of issuance. Concurrently, with the series 2012 financing, the Corporation re-offered approximately $192.8 million

of its existing series 2008C, series 2009B and series 2009C variable rate demand bonds in a long-term fixed rate mode. The Corporation also defeased $35.0 million of outstanding hospital revenue bonds. These transactions resulted in a loss from extinguishment of debt of $7.0 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets. In addition, on June 1, 2012, the Corporation converted $189.3 million of its currently outstanding variable rate bonds (Series 2008D-2 Bonds) from a weekly mode to a flexible mode.

In December 2011, the Corporation defeased $36.2 million of outstanding hospital revenue bonds. This transaction resulted in a loss from extinguishment of debt of $0.7 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets.

In October 2011, the Corporation issued $648.7 million in tax-exempt, fixed rate hospital revenue bonds and $100.0 million in variable rate hospital revenue bonds (Series 2011 Bonds) under its ARMI. The proceeds were used to finance, refinance and reimburse a portion of the costs of acquisition, construction, renovation and equipping of health facilities, and to pay related costs of issuance. Proceeds, together with assets released from bond trustees, were used to retire $69.4 million of the Corporation's then outstanding fixed rate hospital revenue bonds and $102.9 million of the Corporation's then outstanding variable rate hospital revenue bonds. These transactions resulted in a loss from extinguishment of debt of $2.5 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets. In addition, $354.0 million of the proceeds were used to pay off commercial paper obligations.

In July 2011, the Corporation extinguished $338.4 million of outstanding hospital revenue bonds related to LUHS through the issuance of commercial paper. These transactions resulted in a loss from extinguishment of debt of $3.3 million, which has been included in nonoperating items in the consolidated statement of operations and changes in net assets.

The outstanding balance of all bonds advance refunded through net defeasance and excluded from the consolidated balance sheets was $170.0 million and $318.5 million at June 30, 2013 and 2012, respectively. The Corporation advance refunded the bonds by depositing funds in trustee-held escrow accounts exclusively for the payment of principal and interest. The trustees/escrow agents are solely responsible for the subsequent extinguishment of the bonds. The trustee-held escrow accounts are invested in U.S. government securities.

Commercial Paper – The Corporation's commercial paper program is authorized for borrowings up to $600 million. In fiscal year 2013, the Corporation issued $234 million in commercial paper with a total of $368.9 million and $135.0 million outstanding at June 30, 2013 and 2012, respectively. Proceeds from this program are to be used for general purposes of the Corporation. The notes are payable from the proceeds of subsequently issued notes and from other funds available to the Corporation, including funds derived from the liquidation of securities held by the Corporation in its investment portfolio. The interest rate charged on borrowings outstanding during the years ended June 30, 2013 and 2012, ranged from 0.07% to 0.20% and 0.08% to 0.22%, respectively.

Liquidity Facilities – In July 2012, the Corporation renewed the Amended and Restated 2010 Revolving Credit Agreements (2012 Credit Agreements) with U.S. Bank National Association, which acts as an administrative agent for a group of lenders thereunder. The 2012 Credit Agreements establish a revolving credit facility for the Corporation under which that group of lenders agrees to lend to the Corporation amounts that may fluctuate from time to time, but as of June 30, 2013, the amount available was $731 million. Amounts drawn under the 2013 Credit Agreements can only be used to support the Corporation's obligation to pay the purchase price of bonds that are subject to tender and that have not been successfully remarketed, and the maturing principal of and interest on commercial paper notes. Of

the $731 million, $150 million expires in July 2013, $110 million expires in July 2014, $256 million expires in July 2015, and $215 million expires in July 2016. In addition, in August 2012, the Corporation added a second general purpose facility of $200 million, which expires in July 2016. There were no draws on these credit agreements during the years ended June 30, 2013 or 2012.

Standby Letters of Credit – The Corporation entered into various standby letters of credit totaling approximately $22.9 million and $21.5 million at June 30, 2013 and 2012, respectively. These standby letters of credit are renewed annually and are available to the Corporation as necessary under its insurance programs and for unemployment liabilities. There were no draws on these letters of credit during the years ended June 30, 2013 or 2012.

7. PROFESSIONAL AND GENERAL LIABILITY PROGRAMS

The Corporation's insurance company, Venzke Insurance Company, Ltd. (Venzke), a wholly owned subsidiary of Trinity Health, qualifies as a captive insurance company in the domicile where it operates and provides certain insurance coverage to the Corporation's ministry organizations. The Corporation is self-insured for certain levels of general and professional liability, workers' compensation, and certain other claims. The Corporation, through Venzke, has limited its liability by purchasing reinsurance and commercial coverage from unrelated third-party insurers.

As discussed in Note 3, on July 1, 2011, Trinity Health-Michigan, a wholly-owned subsidiary of Trinity Health, replaced LUHS as the sole shareholder of LUCIC, a captive insurance company in the domicile where it operates. Effective July 1, 2011, Venzke's policies include the facilities and individuals that were previously insured with LUCIC. Policies issued and reinsurance purchased by LUCIC prior to July 1, 2011, and all losses previous to July 1, 2011, were assumed through a merger with Venzke at December 31, 2011. On April 1, 2012, the Corporation became the sole member of MHSC, which included assuming MHSC's professional liability losses.

For the years ended June 30, 2013 and 2012, the Corporation's self-insurance program includes $20 million per occurrence for the first layers of professional liability, as well as $10 million per occurrence for hospital government liability, $5 million per occurrence for errors and omission liability, and $1 million per occurrence for directors' and officers' liability and the insured auto liability program. Additional layers of professional liability insurance are available with coverage provided through other insurance carriers and various reinsurance arrangements. The total amount available for these subsequent layers is $100 million in aggregate. The Corporation also self-insures $500,000 in property damage liability with commercial insurance providing coverage up to $1 billion.

The liability for self-insurance reserves represents estimates of the ultimate net cost of all losses and loss adjustment expenses, which are incurred but unpaid at the consolidated balance sheet date. The reserves are based on the loss and loss adjustment expense factors inherent in the Corporation's premium structure. Independent consulting actuaries determined these factors from estimates of the Corporation's expenses and available industry-wide data. Beginning in fiscal year 2013, the Corporation began discounting the reserves to their present value using a discount rate of 3.0%. The impact of this change resulted in a decrease of $43 million in expense in the consolidated statements of operations for fiscal year 2013, of which $37 million was recorded in other expense and $6 million was recorded in employee benefits. The reserves include estimates of future trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid claims and related adjustment expenses is adequate based on the loss experience of the Corporation. The estimates are continually reviewed and adjusted as necessary.

Claims in excess of certain insurance coverage and the recorded self-insurance liability have been asserted against the Corporation by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. There are known incidents occurring through June 30, 2013, that may result in the assertion of additional claims, and other claims may be asserted arising from services provided in the past. While it is possible that settlement of asserted claims and claims that may be asserted in the future could result in liabilities in excess of amounts for which the Corporation has provided, management, based upon the advice of Counsel, believes that the excess liability, if any, should not materially affect the consolidated financial position, operations, or cash flows of the Corporation.

8. PENSION AND OTHER BENEFIT PLANS

Self-Insured Employee Health Benefits – The Corporation administers self-insured employee health benefit plans for employees. The majority of the Corporation's employees participate in the programs. The provisions of the plans permit employees and their dependents to elect to receive medical care at either the Corporation's ministry organizations or other health care providers. Gross patient service revenue has been reduced by an allowance for self-insured employee health benefits of $170.8 million and $155.4 million for the years ended June 30, 2013 and 2012, respectively, which represented revenue attributable to medical services provided by the Corporation to its employees and dependents in such years.

Deferred Compensation – The Corporation has nonqualified deferred compensation plans at certain ministry organizations that permit eligible employees to defer a portion of their compensation. The deferred amounts are distributable in cash after retirement or termination of employment. As of June 30, 2013 and 2012, the assets under these plans totaled $74.8 million and $60.8 million, and liabilities totaled $80.3 million and $67.4 million, respectively.

Retirement Plan Acquisitions – The Corporation acquired LUHS on July 1, 2011, including its benefit plans. LUHS maintains three qualified, noncontributory defined benefit pension plans that provide retirement benefits for substantially all full-time employees. Two of these plans are governed by the Employee Retirement Income Security Act of 1974 (ERISA). One of the ERISA plans was frozen by LUHS for employees with service through March 2004. This plan is a multiple-employer plan and administration of the plan is the responsibility of Loyola University of Chicago. LUHS's calculated accrued benefit obligation represents approximately 62% of the total multiple-employer plan accrued benefit obligation. The third plan is a Church plan as determined by the Internal Revenue Service and is not governed by ERISA. This plan was merged into the Corporation's Church plan on January 1, 2013. The Corporation amended the remaining two plans to freeze accrued benefits effective December 31, 2012, and participants in those plans became participants of the Corporation's defined benefit plan effective January 1, 2013. The amendments to freeze both plans resulted in a decrease in the plans' liabilities of $27.0 million at June 30, 2012.

LUHS also maintains qualified defined contribution plans for certain eligible employees as well as nonqualified pension programs and deferred compensation arrangements for eligible executives. In addition, LUHS provides other postretirement benefits (primarily health benefits) to an eligible group of employees. LUHS discontinued contributions to the cost of retiree health coverage in 2001 for certain future retirees. This plan is closed to new participants. Health benefits are provided subject to various cost-sharing features and are not prefunded.

The Corporation acquired MHSC on April 1, 2012, including its defined contribution plan. The plan covers substantially all of MHSC's employees and provides a 1.5% employer contribution and an employer matching contribution of up to 2% of compensation.

Defined Contribution Benefits – The Corporation sponsors defined contribution pension plans covering substantially all of its employees. The plans include discretionary employer matching contributions of up to 3% of compensation. Effective January 1, 2013, the Corporation suspended the majority of employer matching contributions for the calendar year 2013. Employer and employee contributions are self-directed by plan participants in defined contribution plans. Contribution expense under the plans totaled $35.2 million and $71.4 million during the years ended June 30, 2013 and 2012, respectively.

Noncontributory Defined Benefit Pension Plans (Pension Plans) – Substantially all of the Corporation's employees participate in a qualified, noncontributory defined benefit pension plan. Certain non-qualified, supplemental plan arrangements also provide retirement benefits to specified groups of participants. For the majority of plan participants prior to June 30, 2010, benefits were based on years of service and employees' highest five years of compensation at which time an accrued frozen benefit was calculated for all active participants. As of July 1, 2010, participants accrue benefits based on a cash balance formula, which credits participants annually with a percentage of eligible compensation based on age and years of service, as well as an interest credit based on a benchmark interest rate. A transition adjustment is provided to participants who were vested as of June 30, 2010, whose age and service met certain requirements at that date. The transition adjustment applies to the pension benefit earned through June 30, 2010, and increased compensation under the final average pay formula over a five-year period. Because the Pension Plan has Church Plan status as defined in the ERISA, funding in accordance with ERISA is not required. The Corporation's adopted funding policy for its qualified plan, which is reviewed annually, is to fund the current normal cost based on the accumulated benefit obligation at the plans' December 31 year-end, and amortization of any under or over funding over a ten year period. The Corporation funded $27.2 million in excess of the stated funding policy for the combined fiscal years 2013 and 2012.

During the year ended June 30, 2012, the Corporation recorded a pension curtailment gain of $5.8 million and a pension settlement loss of $27.5 million related to the sale of BCHS described in Note 3. The net loss is included in the loss from discontinued operations in the 2012 consolidated statement of operations and changes in net assets.

Postretirement Health Care and Life Insurance Benefits (Postretirement Plans) – The Corporation sponsors both funded and unfunded contributory plans to provide health care benefits to certain of its retirees. All of the Postretirement Plans are closed to new participants. The plans cover certain hourly and salaried employees who retire from certain ministry organizations. Medical benefits for these retirees are subject to deductibles and co-payment provisions. Effective January 1, 2011, the funded plans provide benefits to certain retirees at fixed dollar amounts in Health Reimbursement Account arrangements for Medicare eligible participants.

The following table sets forth the changes in projected benefit obligations, accumulated postretirement obligations, and changes in plan assets and funded status of the plans for both the Pension and Postretirement Plans for the years ended June 30, 2013 and 2012:

	2013	2012	2013	2012
	(In thousands)			
	Pension Plans		Postretirement Plans	
Change in benefit obligation				
Benefit obligation, beginning of year	$ 5,161,197	$ 3,961,864	$ 116,721	$ 110,739
Service cost	143,567	141,408	884	1,023
Interest cost	255,483	256,058	5,371	6,254
Amendments	(1,998)	(32,761)	-	-
Actuarial (gain) loss	(214,944)	601,102	(10,137)	(482)
Benefits paid	(176,572)	(159,211)	(5,067)	(5,707)
Medicare Part D reimbursement	-	-	96	674
Acquisition of LUHS	-	392,737	-	4,220
Benefit obligation, end of year	5,166,733	5,161,197	107,868	116,721
Change in plan assets				
Fair value of plan assets, beginning of year	4,141,192	3,647,407	79,160	78,254
Actual return on plan assets	254,759	168,122	9,131	4,649
Employer contributions	285,132	146,347	1,299	1,964
Benefits paid	(176,572)	(159,211)	(5,067)	(5,707)
Acquisition of LUHS	-	338,527	-	-
Fair value of plan assets, end of year	4,504,511	4,141,192	84,523	79,160
Unfunded amount recognized June 30	(662,222)	(1,020,005)	(23,345)	(37,561)
Recognized in prepaid assets	-	-	1,379	-
Recognized in accrued liabilities	$ (662,222)	$ (1,020,005)	$ (24,724)	$ (37,561)

Actuarial gains and losses incurred during the years ended June 30, 2013 and 2012 are primarily related to changes in discount rates used to measure the plan's liabilities.

The accumulated benefit obligation and fair value of plan assets for the qualified defined benefit pension plans for the years ended June 30 are as follows:

	2013	2012
	(In thousands)	
	Pension Plans	
Accumulated benefit obligation	$ 5,074,277	$ 5,038,497
Fair value of plan assets	4,504,511	4,141,192
Funded status	$ (569,766)	$ (897,305)

Components of net periodic benefit cost for the years ended June 30 consisted of the following:

	2013	2012	2013	2012
	(In thousands)			
	Pension Plans		Postretirement Plans	
Service cost	$ 143,567	$ 141,408	$ 884	$ 1,023
Interest cost	255,483	255,990	5,371	6,254
Expected return on assets	(317,426)	(317,290)	(5,675)	(6,025)
Amortization of prior service cost	(23,092)	(19,438)	(7,318)	(7,318)
Recognized net actuarial loss	122,718	70,336	1,243	1,283
Net periodic benefit cost (income)	$ 181,250	$ 131,006	$ (5,495)	$ (4,783)

The amounts in unrestricted net assets, including amounts arising during the year and amounts reclassified into net periodic benefit cost, are as follows:

	(In thousands)		
	Pension Plans		
	Net Loss (Gain)	Prior Service Cost	Total
Balance at July 1, 2011	$ 1,183,248	$ (198,349)	$ 984,899
Curtailments/settlements	(21,678)	-	(21,678)
Reclassified into net periodic benefit cost	(70,336)	19,438	(50,898)
Arising during the year	750,047	(32,762)	717,285
Balance at June 30, 2012	1,841,281	(211,673)	1,629,608
Reclassified into net periodic benefit cost	(122,718)	23,092	(99,626)
Arising during the year	(158,207)	3,785	(154,422)
Balance at June 30, 2013	$ 1,560,356	$ (184,796)	$ 1,375,560

	(In thousands)			
	Postretirement Plans			All Plans
	Net Loss (Gain)	Prior Service Credit	Total	Grand Total
Balance at July 1, 2011	$ 18,480	$ (24,795)	$ (6,315)	$ 978,584
Curtailments/settlements	-	-	-	(21,678)
Reclassified into net periodic benefit cost	(1,283)	7,318	6,035	(44,863)
Arising during the year	918	-	918	718,203
Balance at June 30, 2012	18,115	(17,477)	638	1,630,246
Reclassified into net periodic benefit cost	(1,243)	7,318	6,075	(93,551)
Arising during the year	(13,584)	-	(13,584)	(168,006)
Balance at June 30, 2013	$ 3,288	$ (10,159)	$ (6,871)	$ 1,368,689

The following are estimated amounts to be amortized from unrestricted net assets into net periodic benefit cost during 2014:

	(In thousands)	
	Pension Plans	Postretirement Plans
Amortization of prior service credit	$ (22,738)	$ (5,763)
Recognized net actuarial loss (gain)	98,729	(167)
Total	$ 75,991	$ (5,930)

Assumptions used to determine benefit obligations and net periodic benefit cost were as follows:

	2013	2012	2013	2012
	Pension Plans		Postretirement Plans	
Benefit obligations				
Discount rate	4.95%–5.45%	4.70%–5.05%	4.40%–5.20%	4.25%–4.85%
Rate of compensation increase in 2013 graduated to 4% by 2017	3.0 %	2.0 %	N/A	N/A
Net periodic benefit cost				
Discount rate	4.70%–5.10%	5.95%–6.0%	4.25%–4.85%	5.10%–5.75%
Expected long-term return on plan assets	7.00%–7.50%	7.80%–8.0%	7.50 %	8.00 %
Rate of compensation	2.0 %	4.0 %	N/A	N/A

Approximately 95% of the Corporation's pension plan liabilities are measured using the 5.45% discount rate at June 30, 2013.

The Corporation uses an efficient frontier analysis approach in determining its asset allocation and long-term rate of return for plan assets. Efficient frontier analysis models the risk and return trade-offs among asset classes while taking into consideration the correlation among the asset classes. Historical market returns and risks are examined as part of this process, but risk-based adjustments are made to correspond with modern portfolio theory. Long-term historical correlations between asset classes are used, consistent with widely accepted capital markets principles. Current market factors, such as inflation and interest rates, are evaluated before long-term capital market assumptions are determined. The long-term rate of return is established using the efficient frontier analysis approach with proper consideration of asset class diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonableness and appropriateness.

Health Care Cost Trend Rates – Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement plans. The postretirement benefit obligation includes assumed health care cost trend rates as follows:

	2013	2012
Medical and drugs, pre-age 65	7.8 %	8.3 %
Medical and drugs, post-age 65	7.8 %	8.3 %
Ultimate trend rate	5.0 %	5.0 %
Year rate reaches the ultimate rate	2018	2018

A one-percentage point change in assumed health care cost trend rates would have the following effects at June 30, 2013:

	(In thousands)	
	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on postretirement benefit obligation	$ 3,181	$ (2,721)
Effect on total of service cost and interest	251	(210)

The Corporation's investment allocations at June 30, by investment category, are as follows:

	2013 Pension Plans	2012 Pension Plans	2013 Postretirement Plans	2012 Postretirement Plans
Investment category:				
Cash and cash equivalents	10 %	10 %	1 %	2 %
Marketable securities:				
U.S. and non-U.S equity securities	5	7	65	59
Equity mutual funds	7	2	-	-
Debt securities	30	35	34	39
Other investments:				
Commingled funds	9	11	-	-
Hedge funds	30	30	-	-
Private equity funds	6	5	-	-
Other	3	-	-	-
Total	100 %	100 %	100 %	100 %

The Corporation employs a total return investment approach whereby a mix of equities and fixed-income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value, and small and large capitalizations. Other investments, such as hedge funds, interest rate swaps, and private equity are used judiciously to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset/liability studies. For the majority of the Corporation's pension plan investments, the combined target investment allocation at June 30, 2013 was U.S. and non-U.S. equity securities 15%; fixed-income obligations 35%; hedge funds 20%; long/short equity 15%; private equity 5%; opportunistic fixed income 7%; and real assets 3%.

The following tables summarize the Pension and Postretirement Plans' assets measured at fair value at June 30, 2013 and 2012. See Note 10 for definitions of Levels 1, 2, and 3 of the fair value hierarchy.

	2013 (In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Pension plans				
Cash and cash equivalents	$ 452.032	$ 11.073	$ -	$ 463.105
Equity securities	238.493	-	-	238.493
Debt securities				
Government and government agency obligations	-	322.538	-	322.538
Corporate bonds	-	1.000.922	1.632	1.002.554
Asset backed securities	-	34.342	-	34.342
Mutual funds				
Equity mutual funds	309.119	-	-	309.119
Fixed-income mutual funds	95.504	9.533	-	105.037
Commingled funds	-	416.453	-	416.453
Hedge funds	-	344.730	1.016.262	1.360.992
Private equity	-	-	251.228	251.228
Real estate partnerships	-	-	52	52
Other	598	-	-	598
Total pension plans' assets at fair value	$ 1.095.746	$ 2.139.591	$ 1.269.174	$ 4.504.511
Postretirement plans				
Mutual funds				
Short-term investment mutual funds	$ 817	$ -	$ -	$ 817
Fixed-income mutual fund	28.321	-	-	28.321
Commingled funds	-	55.385	-	55.385
Total postretirement plans' assets at fair value	$ 29.138	$ 55.385	$ -	$ 84.523

	2012 (In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Pension plans				
Cash and cash equivalents	$396,043	$ 1,422	$ -	$ 397,465
Equity securities	273,125	682	-	273,807
Debt securities				
Government and government agency obligations	-	433,634	-	433,634
Corporate bonds	-	1,010,844	-	1,010,844
Asset backed securities	-	23,046	-	23,046
Mutual funds				
Equity mutual funds	96,352	-	-	96,352
Fixed-income mutual funds	11,393	7,617	-	19,010
Commingled funds	-	438,575	-	438,575
Hedge funds	-	39,693	1,211,388	1,251,081
Private equity	-	-	204,250	204,250
Real estate partnerships	-	-	520	520
Other	(7,392)	-	-	(7,392)
Total pension plans' assets at fair value	$769,521	$ 1,955,513	$ 1,416,158	$ 4,141,192
Postretirement plans				
Mutual funds				
Short-term investment mutual funds	$ 1,178	$ -	$ -	$ 1,178
Fixed-income mutual fund	31,291	-	-	31,291
Commingled funds	-	46,638	-	46,638
Other	53	-	-	53
Total postretirement plans' assets at fair value	$ 32,522	$ 46,638	$ -	$ 79,160

Unfunded capital commitments related to Level 3 private equity investments totaled $181.8 million and $191.5 million at June 30, 2013 and 2012, respectively.

The Corporation's policy is to recognize transfers between all levels as of the beginning of the reporting period. There were no significant transfers to or from Levels 1 and 2 during the years ended June 30, 2013 or 2012.

See Note 10 for the Corporation's methods and assumptions to estimate the fair value of equity and debt securities, mutual funds, commingled funds, and hedge funds.

Private Equity – These assets include several private equity funds that invest primarily in the United States, Asia and Europe, both directly and on the secondary market, pursuing distressed opportunities and natural resources, primarily energy. These funds are valued at net asset value, which is calculated using the most recent fund financial statements.

Real Estate Partnerships – These assets are reported at fair value based on either independent appraisals performed by the general partner during the year, or estimated using discounted cash flow and market analysis, supported by sales comparison information.

Other – Represents unsettled transactions relating primarily to purchases and sales of plan assets, accrued income, and derivatives. Due to the short maturity of these assets and liabilities, the fair value is equal to the carrying amounts. Concerning derivatives, the Pension Plans are party to certain agreements, which are designed to manage exposures to equities and interest rate risks. These instruments are used for the purpose of hedging changes in the fair value of assets and actuarial present value of accumulated plan benefits that result from interest rate changes or as an efficient substitute for traditional securities. The fair value of the derivatives is estimated utilizing the terms of the derivative instruments and publicly available market yield curves. The Pension Plans' investment policies specifically prohibit the use of derivatives for speculative purposes.

The following tables summarize the changes in Level 3 Pension Plan assets for the years ended June 30:

	(In thousands)				
	Corporate Bonds	Hedge Funds	Private Equity	Real Estate Partnerships	Total
Balance at July 1, 2011	$ -	$ 1,045,751	$ 134,336	$ 3,848	$ 1,183,935
Acquisition of LUHS	-	-	7,038	119	7,157
Realized gain	-	24,990	6,761	18	31,769
Unrealized (loss) gain	-	(29,924)	3,730	(480)	(26,674)
Purchases	-	537,598	75,340	-	612,938
Sales	-	(367,524)	(2,911)	(36)	(370,471)
Settlements	-	497	(20,044)	(2,949)	(22,496)
Balance at June 30, 2012	-	1,211,388	204,250	520	1,416,158
Realized gain	-	82,063	7,711	-	89,774
Unrealized (loss) gain	(142)	33,232	11,444	81	44,615
Purchases	1,774	286,768	63,668	-	352,210
Sales	-	(389,652)	(2,180)	(452)	(392,284)
Settlements	-	(240)	(33,665)	(97)	(34,002)
Transfers to Level 2	-	(207,297)	-	-	(207,297)
Balance at June 30, 2013	$ 1,632	$ 1,016,262	$ 251,228	$ 52	$ 1,269,174

Transfers out of Level 3 to Level 2 were made for direct hedge funds where initial lock-up periods expired during fiscal 2013.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Expected Contributions – The Corporation expects to contribute $163.0 million to its Pension Plans, and $1.4 million to its Postretirement Plans during the year ended June 30, 2014 under the Corporation's stated funding policy.

Expected Benefit Payments – The Corporation expects to pay the following for pension benefits, which reflect expected future service as appropriate, and expected postretirement benefits, before deducting the Medicare Part D subsidy.

	(In thousands)		
	Pension Plans	Postretirement Plans	Postretirement Medicare Part D Subsidy
2014	$ 223,491	$ 7,508	$ 107
2015	231,604	7,707	104
2016	253,976	7,929	99
2017	280,171	8,092	94
2018	309,031	8,186	88
Years 2019–2023	1,938,177	40,463	335

9. COMMITMENTS AND CONTINGENCIES

Operating Leases – The Corporation leases various land, equipment, and facilities under operating leases. Total rental expense, which includes provisions for maintenance in some cases, was $105.1 million and $103.2 million for the years ended June 30, 2013 and 2012, respectively.

The following is a schedule 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)
Years ending June 30:	
2014	$ 73,886
2015	58,281
2016	48,131
2017	39,093
2018	29,995
Thereafter	94,327
Total	$ 343,713

Asset Retirement Obligations – The Corporation has conditional asset retirement obligations for certain fixed assets mainly related to the removal of asbestos contained within facilities and the removal of underground storage tanks.

A reconciliation of the asset retirement obligations at June 30 is as follows:

	2013	2012
	(In thousands)	
Asset retirement obligation, beginning of year	$ 18,857	$ 17,487
Accretion	716	587
Liabilities incurred	27	877
Liabilities settled	(111)	(94)
Asset retirement obligation, end of year	$ 19,489	$ 18,857

Litigation and Settlements –

On September 21, 2007, in Boise, Idaho a jury awarded $58.9 million in damages to MRI Associates, LLP, an Idaho limited partnership (MRIA) against Saint Alphonsus Regional Medical Center and its subsidiary Saint Alphonsus Diversified Care, Inc. (collectively, "Saint Alphonsus"). The lawsuit involved Saint Alphonsus' withdrawal from the MRIA partnership. The jury's award was reduced by the trial judge to $36.3 million, which was offset by the award of $4.6 million to Saint Alphonsus, the value of its partnership interest in MRIA. St. Alphonsus appealed and, in October 2009, the Idaho Supreme Court overturned the trial court decision and remanded the case for a new trial. The second trial was held during October 2011 with a jury awarding approximately $52 million in damages to MRIA. After Saint Alphonsus filed an objection, the trial court entered amended judgments indicating that the plaintiffs could execute alternative judgments which vary in amount from approximately $20 million to $52 million. Saint Alphonsus continues to have an offset of $4.6 million plus 10% interest running from September 21, 2007. Saint Alphonsus filed a Notice of Appeal to the Idaho Supreme Court in May 2012, because the Corporation believes that the proof of damages is insufficient to sustain the jury's award under Idaho law. The Corporation recorded management's estimation for litigation expense of $20 million in the consolidated statement of operations and changes in net assets during the year ended June 30, 2007. As of June 30, 2013 and 2012, the liability is included in other long-term liabilities in the consolidated balance sheets in the event of an unfavorable resolution of this matter.

In June 2007, the Corporation was added to litigation pending in the United States District Court for the Eastern District of Michigan, alleging that certain hospitals in Southeastern Michigan conspired to suppress the wages of nurses over a period of five years. The plaintiffs brought the action on their own behalf and on behalf of all others similarly situated and seeking certification of the class. The complaint alleges that there was a direct agreement among the executives of defendant hospitals to suppress compensation and that they shared non-public compensation information, which had an anticompetitive effect on wages. The complaint specifically references certain of the Corporation's Southeast Michigan hospitals. Mediation was held in November 2011 and the parties reached a settlement in March 2013, the amount of which is immaterial to these financial statements.

The Corporation is involved in other litigation and regulatory investigations arising in the course of doing business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation's future consolidated financial position or results of operations.

10. FAIR VALUE MEASUREMENTS

The Corporation's consolidated financial statements reflect certain assets and liabilities recorded at fair value. Assets and liabilities measured at fair value on a recurring basis in the Corporation's consolidated balance sheets include cash, cash equivalents, equity securities, debt securities, mutual funds, commingled funds, hedge funds, securities lending collateral, and derivatives. Defined benefit retirement plan assets are measured at fair value on an annual basis. Liabilities measured at fair value on a recurring basis for disclosure only include debt.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

To determine fair value, the Corporation uses various valuation methodologies based on market inputs. For many instruments, pricing inputs are readily observable in the market; the valuation methodology is widely accepted by market participants and involves little to no judgment. For other instruments, pricing inputs are less observable in the marketplace. These inputs can be subjective in nature and involve uncertainties and matters of considerable judgment. The use of different assumptions, judgments and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Corporation assesses the inputs used to measure fair value using a three-level hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The fair value hierarchy is as follows:

Level 1 – Quoted (unadjusted) prices for identical instruments in active markets

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar instruments in active markets
- Quoted prices for identical or similar instruments in non-active markets (few transactions, limited information, non-current prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the instrument (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

Level 3 – Unobservable inputs that cannot be corroborated by observable market data

Valuation Methodologies – Exchange-traded securities whose fair value is derived using quoted prices in active markets are classified as Level 1. In instances where quoted market prices are not readily available, fair value is estimated using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures. The inputs to these models depend on the type of security being priced, but are typically benchmark yields, credit spreads, prepayment speeds, reported trades and broker-dealer quotes, all with reasonable levels of transparency. Generally, significant changes in any of those inputs in isolation would result in a significantly different fair value measurement. The Corporation classifies these securities as Level 2 within the fair value hierarchy.

The Corporation maintains policies and procedures to value instruments using the best and most relevant data available. The Corporation's Level 3 securities are primarily investments in hedge funds. The fair values of Level 3 investments in these securities are predominately valued using a net asset value per share, which is provided by third-party administrators; however, in some cases, they are obtained directly from the investment fund manager. We have not adjusted the prices we have obtained. Third-party administrators do not provide access to their proprietary valuation models, inputs, and assumptions. Accordingly, the Corporation reviews the independent reports of internal controls for these service providers. In addition, on a quarterly basis, the Corporation performs reviews of investment consultant industry peer group benchmarking and supporting relevant market data. Finally, all of the fund managers of the Corporation's Level 3 securities have an annual independent audit performed by an accredited accounting firm. The Corporation reviews these audited financials for ongoing validation of pricing used. Based on the information available, we believe that the fair values provided by the third-party administrators and investment fund managers are representative of prices that would be received to sell the assets at June 30, 2013 and 2012, respectively.

In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Corporation's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset.

Following is a description of the valuation methodologies the Corporation used for instruments recorded at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Cash and Cash Equivalents – The carrying amounts reported in the consolidated balance sheets approximate their fair value. Certain cash and cash equivalents are included in investments and assets limited or restricted as to use in the consolidated balance sheets.

Commercial Paper – The fair value of commercial paper is based on amortized cost. Commercial paper is designated as Level 2 investments with significant observable inputs, including security cost, maturity, and credit rating. Commercial paper is classified as either cash and cash equivalents or marketable securities in the consolidated balance sheets depending upon the length to maturity when purchased.

Security Lending Collateral – The security lending collateral is invested in a Northern Trust sponsored commingled collateral fund, which is comprised primarily of short-term securities. The fair value amounts of the commingled collateral fund are determined using the calculated net asset value per share (or its equivalent) for the fund with the underlying investments valued using techniques similar to those used for marketable securities noted below.

Equity Securities – Equity securities are valued at the closing price reported on the applicable exchange on which the security is traded or are estimated using quoted market prices for similar securities.

Debt Securities – Debt securities are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures.

Mutual Funds – Mutual funds are valued using the net asset value based on the value of the underlying assets owned by the fund, minus liabilities, divided by the number of shares outstanding, and multiplied by the number of shares owned.

Commingled Funds – Commingled funds are developed for investment by institutional investors only and therefore do not require registration with the Securities and Exchange Commission. Commingled funds are recorded at fair value based on either the underlying investments that have a readily determinable market value or based on net asset value, which is calculated using the most recent fund financial statements. Commingled funds are categorized as Level 2 unless they have a redemption restriction greater than 90 days, in which case they are categorized as Level 3.

Hedge Funds – The Corporation invests in various hedge fund strategies. These funds utilize either a direct or a "fund-of-funds" approach resulting in diversified multi-strategy, multi-manager investments. Underlying investments in these funds may include equities, fixed income securities, commodities, currencies and derivatives. These funds are valued at net asset value, which is calculated using the most recent fund financial statements. Hedge funds are categorized as Level 2, unless they have a redemption restriction greater than 90 days, in which case, they are categorized as Level 3.

The Corporation classifies its equity and debt securities, mutual funds, commingled funds and hedge funds as trading securities. Holding gains (losses) included in the excess of revenue over expenses for the years ended June 30, 2013 and 2012, were $238.9 million and ($44.3) million, respectively.

Equity Method Investments – The Corporation accounts for certain other investments using the equity method. These investments are structured as limited liability corporations and partnerships and are designed to produce stable investment returns regardless of market activity. These investments utilize a combination of "fund-of-funds" and direct fund investment resulting in a diversified multi-strategy, multi-manager investments approach. Some of these funds are developed by investment managers specifically for the Corporation's use and are similar to mutual funds, but are not traded on a public exchange. Underlying investments in these funds may include other funds, equities, fixed-income securities, commodities, currencies and derivatives. Audited information is only available annually based on the limited liability corporations, partnerships or funds' year-end. Management's estimates of the fair values of these investments are based on information provided by the third-party administrators and fund managers or the general partners. Management obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the recorded value. In addition to a review of external information provided, management's internal procedures include such things as review of returns against benchmarks and discussions with fund managers on performance, changes in personnel or process, along with evaluations of current market conditions for these investments. Investment managers meet with the Corporation's Investment Subcommittee of the Finance and Stewardship Committee of the Board of Directors on a periodic basis. Because of the inherent uncertainty of valuations, values may differ materially from the values that would have been used had a ready market existed. The balance of these investments at June 30, 2013 and 2012, was $781.5 million and $999.8 million, respectively. Unfunded capital commitments related to equity method investments totaled $113.7 million and $89.1 million at June 30, 2013 and 2012, respectively.

Cash and cash equivalents, equity and debt securities, mutual funds, commingled funds, hedge funds, and equity method investments totaled $5,906 million and $5,308 million at June 30, 2013 and 2012, respectively.

Interest Rate Swaps – The fair value of the Corporation's derivatives, which are mainly interest rate swaps, are estimated utilizing the terms of the swaps and publicly available market yield curves along with the Corporation's nonperformance risk as observed through the credit default swap market and bond market and based on prices for recent trades. These swap agreements are classified as Level 2 within the fair value hierarchy.

The following tables present information about the fair value of the Corporation's financial instruments measured at fair value on a recurring basis and recorded at June 30:

	2013 (In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Cash and cash equivalents	$ 1,283,675	$ 46,370	$ -	$ 1,330,045
Security lending collateral	-	114,865	-	114,865
Equity securities	432,398	405	1,449	434,252
Debt securities				
Government and government agency obligations	-	297,195	-	297,195
Corporate bonds	-	260,138	2,886	263,024
Asset backed securities	-	30,412	-	30,412
Other	-	11,731	-	11,731
Mutual funds				
Equity mutual funds	494,910	-	-	494,910
Fixed-income mutual funds	725,890	2,944	-	728,834
Real estate investment funds	5,705	-	-	5,705
Other	5,218	2,674	-	7,892
Commingled funds	-	674,956	-	674,956
Hedge funds	-	304,262	419,509	723,771
Interest rate swaps	-	30,500	-	30,500
Total assets	$ 2,947,796	$ 1,776,452	$423,844	$ 5,148,092
Liabilities				
Interest rate swaps	$ -	$ 144,576	$ -	$ 144,576

	2012 (In thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Cash and cash equivalents	$ 1,295,525	$ 55,634	$ -	$ 1,351,159
Security lending collateral	-	130,702	-	130,702
Equity securities	533,221	463	1,472	535,156
Debt securities				
Government and government agency obligations	-	405,740	-	405,740
Corporate bonds	-	273,845	1,114	274,959
Asset backed securities	-	76,537	559	77,096
Other	-	6,795	-	6,795
Mutual funds				
Equity mutual funds	199,080	39	-	199,119
Fixed-income mutual funds	157,334	3,338	-	160,672
Real estate investment funds	7,173	-	-	7,173
Other	2,403	2,363	-	4,766
Commingled funds and hedge funds	-	1,167,130	109,165	1,276,295
Interest rate swaps	-	27,183	-	27,183
Total assets	$ 2,194,736	$ 2,149,769	$ 112,310	$ 4,456,815
Liabilities				
Interest rate swaps	$ -	$ 205,111	$ -	$ 205,111

The Corporation's policy is to recognize transfers between all levels as of the beginning of the reporting period. There were no significant transfers to or from Levels 1 and 2 during the years ended June 30, 2013 or 2012. Transfers out of Level 3 to Level 2 were made for direct hedge funds where initial lock-up periods expired during fiscal 2013.

The following table summarizes the changes in Level 3 assets for the years ended June 30:

	(In thousands)					
	Equity Securities	Government and Government Agency Obligations	Corporate Bonds	Asset Backed Securities	Hedge Funds	Total
Balance at July 1, 2011	$ 500	$ 116	$ 2,467	$ 715	$ 8,600	$ 12,398
Realized gain	35	-	(7)	44	-	72
Unrealized (loss) gain	(35)	-	(81)	-	2,361	2,245
Purchases	972	-	992	-	98,227	100,191
Settlements	-	-	-	(200)	-	(200)
Transfers to Level 2	-	(116)	(2,257)	-	(23)	(2,396)
Balance at June 30, 2012	1,472	-	1,114	559	109,165	112,310
Realized gain	-	-	(53)	(43)	-	(96)
Unrealized (loss) gain	(19)	-	(23)	43	40,568	40,569
Purchases	-	-	-	-	310,000	310,000
Settlements	(6)	-	(125)	(559)	-	(690)
Transfers (to) from Level 2	2	-	1,973	-	(40,224)	(38,249)
Balance at June 30, 2013	$ 1,449	$ -	$ 2,886	$ -	$419,509	$423,844

Investments in Entities that Calculate Net Asset Value per Share: The Corporation holds shares or interests in investment companies at year-end, included in commingled funds and hedge funds, where the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company. There were no unfunded commitments as of June 30, 2013 or 2012. The fair value and redemption rules of these investments are as follows:

	Investments Held at June 30, 2013		
(In thousands)	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled funds	$ 615,684	Daily–Monthly	0–60 days
Hedge funds	723,771	Monthly, quarterly, semi-annually	30–95 days
Total	$ 1,339,455		

	Investments Held at June 30, 2012		
(In thousands)	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled funds	$ 965,096	Monthly	5 days
Hedge funds	249,592	Monthly, quarterly, semi-annually	30–95 days
Total	$ 1,214,688		

The hedge fund category includes equity long/short hedge funds, multi-strategy hedge funds and relative value hedge funds. Equity long/short hedge funds invest both long and short, primarily in U.S. common stocks. Management of the fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. Multi-strategy hedge funds pursue multiple strategies to diversify risks and reduce volatility. Relative value hedge funds' strategy is to exploit structural and technical inefficiencies in the market by investing in financial instruments that are perceived to be inefficiently priced as a result of business, financial or legal uncertainties.

The commingled fund category primarily includes investments in funds that invest in financial instruments of U.S. and non-U.S. entities, primarily bonds, notes, bills, debentures, currencies, and interest rate and derivative products.

The composition of investment returns included in the consolidated statement of operations and changes in net assets for the years ended June 30 is as follows:

	2013	2012
	(In thousands)	
Dividend, interest income and other	$ 77,900	$ 74,258
Realized gain, net	102,842	68,360
Realized equity gain (loss), other investments	69,693	(2,258)
Change in net unrealized gain (loss) on investments	90,335	(146,640)
Total investment return	$ 340,770	$ (6,280)
Included in:		
Operating income	$ 9,600	$ 13,300
Nonoperating items	325,646	(19,159)
Changes in restricted net assets	5,524	(421)
Total investment return	$ 340,770	$ (6,280)

In addition to investments, assets restricted as to use include receivables for unconditional promises to give cash and other assets net of allowances for uncollectible promises to give. Unconditional promises to give consist of the following at June 30:

	2013	2012
	(In thousands)	
Amounts expected to be collected in:		
Less than one year	$ 10,904	$ 8,632
One to five years	18,905	13,896
More than five years	4,059	3,676
	33,868	26,204
Discount to present value of future cash flows	(2,523)	(2,094)
Allowance for uncollectible amounts	(2,829)	(2,301)
Total unconditional promises to give, net	$ 28,516	$ 21,809

Patient Accounts Receivable, Estimated Receivables from Third-Party Payors, and Current Liabilities – The carrying amounts reported in the consolidated balance sheets approximate their fair value.

Long-Term Debt – The carrying amounts of the Corporation's variable rate debt approximate their fair values. The fair value of the Corporation's fixed rate long-term debt is estimated using discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the fixed rate long-term revenue and refunding bonds was

$2,247 million and $2,389 million at June 30, 2013 and 2012, respectively. Under the fair value hierarchy, these financial instruments are valued primarily using Level 2 inputs. The related carrying value of the fixed rate long-term revenue and refunding bonds was $2,135 million and $2,162 million at June 30, 2013 and 2012, respectively. The fair values of the remaining fixed rate capital leases, notes payable to banks, and mortgage loans are not materially different from their carrying values.

11. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative Financial Instruments – In the normal course of business, the Corporation is exposed to market risks, including the effect of changes in interest rates and equity market volatility. To manage these risks the Corporation enters into various derivative contracts, primarily interest rate swaps. Interest rate swaps are used to manage the effect of interest rate fluctuations.

Management reviews the Corporation's hedging program, derivative position, and overall risk management on a regular basis. The Corporation only enters into transactions it believes will be highly effective at offsetting the underlying risk.

Interest Rate Swaps – The Corporation utilizes interest rate swaps to manage interest rate risk related to the Corporation's variable interest rate debt, variable rate leases and a fixed-income investment portfolio. Cash payments on interest rate swaps totaled $19.6 million and $17.3 million for the years ended June 30, 2013 and 2012, respectively, and are included in nonoperating income.

Certain of the Corporation's interest rate swaps contain provisions that give certain counterparties the right to terminate the interest rate swap if a rating is downgraded below specified thresholds. If a ratings downgrade threshold is breached, the counterparties to the derivative instruments could demand immediate termination of the swaps. Such termination could result in a payment from the Corporation or a payment to the Corporation depending on the market value of the interest rate swap.

Certain of the Corporation's interest rate swaps are secured by $11.2 million and $89.4 million of collateral included in prepaid expenses and other current assets in the Corporation's consolidated balance sheets at June 30, 2013 and 2012, respectively.

Effect of Derivative Instruments on Excess of Revenue over Expenses – The following table represents the effect derivative instruments had on the Corporation's financial performance for the years ended June 30:

Derivatives Not Designated as Hedging Instruments	Location of Net Gain (Loss) Recognized in Excess of Revenue over Expenses or Unrestricted Net Assets	2013 (In thousands) Amount of Net Gain (Loss) Recognized in Excess of Revenue over Expenses	2012 (In thousands) Amount of Net Gain (Loss) Recognized in Excess of Revenue over Expenses
Excess of revenue over expenses			
Interest rate swaps	Change in market value and cash payment on interest rate swaps	$ 45,818	$ (114,468)
Interest rate swaps	Investment income	(1,953)	1,087
		$ 43,865	$ (113,381)

Balance Sheet Effect of Derivative Instruments - The following table summarizes the estimated fair value of the Corporation's derivative financial instruments at June 30:

Derivatives Not Designated as Hedging Instruments	Consolidated Balance Sheet Location	2013	2012
		(In Thousands)	
Asset derivatives:			
Interest rate swaps	Investments	$ 6,696	$ 8,401
Interest rate swaps	Other assets	23,804	18,782
Total asset derivatives		$ 30,500	$ 27,183
Liability derivatives:			
Interest rate swaps	Other long-term liabilities	$ 144,576	$ 205,111

The counterparties to the interest rate swaps expose the Corporation to credit loss in the event of non-performance. At June 30, 2013 and 2012, an adjustment for non-performance risk reduced derivative assets by $1.2 million and $1.1 million and derivatives liabilities by $5.3 million and $14.6 million, respectively.

12. ENDOWMENTS

The Corporation's endowments consist of funds established for a variety of purposes. Endowments include both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Corporation considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

The Corporation employs a total return investment approach whereby a mix of equities and fixed-income investments are used to maximize the long-term return of endowment funds for a prudent level of risk. The Corporation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Corporation can appropriate each year all available earnings in accordance with donor restrictions. The endowment corpus is to be maintained in perpetuity. Certain donor-restricted endowments require a portion of annual earnings to be maintained in perpetuity along with the corpus. Only amounts exceeding the amounts required to be maintained in perpetuity are expended.

Endowment net asset composition by type of fund at June 30 is as follows:

	2013 (In thousands)			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	$ -	$456	$42,761	$43,217
Board-designated endowment funds	36,873	-	-	36,873
Total endowment funds	$36,873	$456	$42,761	$80,090

	2012 (In thousands)			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	$ -	$438	$40,670	$41,108
Board-designated endowment funds	34,291	-	-	34,291
Total endowment funds	$34,291	$438	$40,670	$75,399

Changes in endowment net assets for the years ended June 30 include:

	(In thousands)			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Endowment net assets, July 1, 2011	$34,988	$446	$34,462	$69,896
Investment return				
Investment gain	1,477	7	(30)	1,454
Change in net realized and unrealized gain and loss	(1,651)	(10)	(391)	(2,052)
Total investment return	(174)	(3)	(421)	(598)
Contributions	91	-	636	727
Appropriation of endowment assets for expenditures	(624)	(5)	-	(629)
Acquisition of LUHS	-	-	6,671	6,671
Other	10	-	(678)	(668)
Endowment net assets, June 30, 2012	34,291	438	40,670	75,399
Investment return				
Investment gain (loss)	1,139	13	1,071	2,223
Change in net realized and unrealized gain and loss	2,174	14	1,207	3,395
Total investment return	3,313	27	2,278	5,618
Contributions	51	-	1,230	1,281
Appropriation of endowment assets for expenditures	(782)	(9)	-	(791)
Other	-	-	(1,417)	(1,417)
Endowment net assets, June 30, 2013	$36,873	$456	$42,761	$80,090

The table below describes endowment amounts classified as permanently restricted net assets and temporarily restricted net assets at June 30:

	2013	2012
	(In thousands)	
Permanently restricted net assets:		
Hospital operations support	$ 18,053	$ 17,537
Medical program support	6,491	5,941
Scholarship funds	2,912	2,247
Research funds	7,869	8,241
Community service funds	5,756	5,496
Other funds	1,680	1,208
Total endowment funds classified as permanently restricted net assets	$ 42,761	$ 40,670
Temporarily restricted net assets:		
Term endowment funds	$ 131	$ 127
Other	325	311
Total endowment funds classified as temporarily restricted net assets	$ 456	$ 438

Funds with Deficiencies – Periodically, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the Corporation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations and/or continued appropriation for certain programs that was deemed prudent by the Corporation.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2013, the date the consolidated financial statements were issued. The following subsequent events were noted:

Liquidity Facilities – In July 2013, the Corporation renewed the Amended and Restated 2010 Revolving Credit Agreements (2013 Credit Agreements) discussed in Note 6 with U.S. Bank National Association, which acts as an administrative agent for a group of lenders thereunder. The 2013 Credit Agreements establish a revolving credit facility for the Corporation, under which that group of lenders agrees to lend to the Corporation amounts that may fluctuate from time to time but, as of September 25, 2013, the amount available was $731 million along with an option to increase that amount by $200 million.

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