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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: SAN JUAN REGIONAL MEDICAL CENTER
 Doing Business As: _____
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite: 801 WEST MAPLE STREET _____
 Suite: _____
 City or town, state or country, and ZIP + 4: FARMINGTON, NM 87401

D Employer identification number: 85-0127924

E Telephone number: (505) 609-6110

G Gross receipts \$ 250,632,057

F Name and address of principal officer:
 RICK WALLACE
 801 WEST MAPLE STREET
 FARMINGTON, NM 87401

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number: _____

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

J Website: WWW.SANJUANREGIONAL.COM

K Form of organization: Corporation Trust Association Other _____
L Year of formation: 1953
M State of legal domicile: NM

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTH CARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,020
	6 Total number of volunteers (estimate if necessary)	6	200
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	4,078,279	3,035,644
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	242,701,524	242,954,451
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,133,976	4,641,962
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	250,913,779	250,632,057
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	448,500	240,526
	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)	147,758,101	149,743,126
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) \rightarrow 0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	93,565,003	94,412,672
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	241,771,604	244,396,324	
19 Revenue less expenses Subtract line 18 from line 12	9,142,175	6,235,733	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	351,253,027	354,024,369
	21 Total liabilities (Part X, line 26)	118,166,894	114,456,461
22 Net assets or fund balances Subtract line 21 from line 20	233,086,133	239,567,908	

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: 2014-05-12
 J Michael Philips Chief Strategy Officer
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name BRENDA D GRIESEMER	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name \rightarrow ERNST & YOUNG US LLP			Firm's EIN \rightarrow	
Firm's address \rightarrow TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004			Phone no (602) 322-3000	

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 Yes No

1 Briefly describe the organization's mission
SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTH CARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING

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 \$ 227,198,593 including grants of \$ 240,526) (Revenue \$ 242,954,451)
ALL ACTIVITY IS DIRECTLY RELATED TO PROVIDING PATIENT MEDICAL SERVICES AND QUALITY HEALTH CARE TO THE COMMUNITY AND SURROUNDING RURAL AREAS SEE SCHEDULE O FOR OVERVIEW AND PROGRAMS

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 227,198,593

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)? <i>If "Yes," complete Schedule A</i>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		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? <i>If "Yes," complete Schedule C, Part II</i>	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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</i>		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? <i>If "Yes," complete Schedule D, Part II</i>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	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?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	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?	Yes	
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	Yes	

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed NM
- 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
 J MICHAEL PHILIPS 801 WEST MAPLE STREET FARMINGTON, NM (505) 609-6025

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) SANDY WILLIAMS CHAIRMAN	6 0 0 0	X		X			0	0	0	
(2) JEFF BOWMAN 2ND VICE-CHAIRMAN	6 0 0 0	X		X			0	0	0	
(3) JOSEPH RASOR SECRETARY	6 0 6 0	X		X			0	0	0	
(4) JAMES SHAHEEN TREASURER	6 0 0 0	X		X			0	0	0	
(5) CHARLENE SCOTT DIRECTOR	6 0 0 0	X					0	0	0	
(6) CHRISTIAN MOORE DIRECTOR	6 0 0 0	X					0	0	0	
(7) JACK EBERHART MD DIRECTOR	6 0 0 0	X					0	0	0	
(8) JANEL M RYAN DIRECTOR	6 0 0 0	X					0	0	0	
(9) DWAYNE GIBBS DIRECTOR/CHIEF OF STAFF	6 0 0 0	X					108,715	0	0	
(10) CHARLES HOFFMAN DIRECTOR/VICE CHIEF OF STAFF	40 0 0 0	X					361,253	0	28,873	
(11) RICHARD MENNING DIRECTOR/AUXILIARY REP	6 0 6 0	X					0	0	0	
(12) RICK WALLACE PRESIDENT/CEO	40 0 2 0			X			546,882	0	106,643	
(13) JOHN BUFFINGTON COO	40 0 0 0			X			378,683	0	86,311	
(14) J MICHAEL PHILIPS CSO	40 0 0 0			X			382,581	0	111,881	
(15) SUZANNE SMITH CHIEF NURSING OFFICER	40 0 0 0				X		257,714	0	56,475	
(16) TIBOR BOCO DOCTOR	40 0 0 0					X	677,398	0	37,196	
(17) EDWARD MAURIN DOCTOR	40 0 0 0					X	673,888	0	37,373	

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) CHARLES E WILKINS DOCTOR	40 0 0 0					X		661,111	0	36,258
(19) MARC A FLITTER DOCTOR	40 0 0 0					X		612,726	0	38,873
(20) LUTHER B WEATHERS III DOCTOR	40 0 0 0					X		566,568	0	28,873
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,227,519	0	568,756

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 **227**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK CLINICAL TECHNOLOGIES , PO BOX 100401 PASEDNA CA 91189	BIO-MED/HOUSEKEEPING	1,795,633
TOTAL RENAL CARE INC , 6000 FELDWOOD COLLEGE PARK GA 30349	DIALYSIS SERVICES	1,480,600
RESOURCE ANESTHESIOLOGY , 10 COMMERCE DRIVE NEW ROCHELLE NY 10801	ANESTHESIA SERVICES	1,086,566
QUEST DIAGNOSTICS INC , 3924 COLLECTION CENTER CHICAGO IL 60693	CLINICAL LAB SERVICE	965,285
ORTHOPEDIC ASSOCIATES , 2300 EAST MAIN ST BLDG D STE 101 FARMINGTON NM 87401	ORTHOPEDIC SERVICES	539,232

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 **17**

Part VIII Statement of Revenue

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . . 1a _____					
	b Membership dues 1b _____					
	c Fundraising events 1c _____					
	d Related organizations 1d _____					
	e Government grants (contributions) 1e 2,969,644					
	f All other contributions, gifts, grants, and similar amounts not included above 1f 66,000					
	g Noncash contributions included in lines 1a-1f \$ _____					
	h Total. Add lines 1a-1f ▶	3,035,644				
Program Service Revenue	2a NET PATIENT SERVICES REVENUE					
		Business Code 622110	238,798,734	238,798,734		
	b CAFETERIA	722210	1,185,266	1,185,266		
	c MEDICAL OFFICE BLDG RENTAL	531120	395,867	395,867		
	d ALL OTHER PROGRAM SERVICE REVENUE	900099	2,574,584	2,574,584		
	e _____					
	f All other program service revenue					
g Total. Add lines 2a-2f ▶		242,954,451				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		2,930,251		2,930,251	
	4 Income from investment of tax-exempt bond proceeds ▶		0			
	5 Royalties ▶		0			
	6a Gross rents	(i) Real				
		(ii) Personal				
		b Less rental expenses				
		c Rental income or (loss)	0	0		
	d Net rental income or (loss) ▶		0			
	7a Gross amount from sales of assets other than inventory	(i) Securities	1,707,611			
		(ii) Other		4,100		
		b Less cost or other basis and sales expenses				
		c Gain or (loss)	1,707,611	4,100		
	d Net gain or (loss) ▶		1,711,711		1,711,711	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
		b Less direct expenses b				
c Net income or (loss) from fundraising events ▶			0			
9a Gross income from gaming activities See Part IV, line 19 a						
	b Less direct expenses b					
	c Net income or (loss) from gaming activities ▶		0			
10a Gross sales of inventory, less returns and allowances a						
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶		0			
Miscellaneous Revenue		Business Code				
11a _____						
b _____						
c _____						
d All other revenue						
e Total. Add lines 11a-11d ▶		0				
12 Total revenue. See Instructions ▶		250,632,057	242,954,451	0	4,641,962	

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	240,526	240,526		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,647,677		2,647,677	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	168,742	168,742		
7	Other salaries and wages	110,901,656	105,689,292	5,212,364	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,945,838	4,581,393	364,445	
9	Other employee benefits	23,136,783	21,497,322	1,639,461	
10	Payroll taxes	7,942,430	7,440,206	502,224	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	238,375	80,701	157,674	
c	Accounting	409,552	377,145	32,407	
d	Lobbying	53,485		53,485	
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	558,937		558,937	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	21,004,455	20,412,351	592,104	
12	Advertising and promotion	1,032,283		1,032,283	
13	Office expenses	26,463,124	24,884,710	1,578,414	
14	Information technology	4,495,094	4,139,410	355,684	
15	Royalties	0			
16	Occupancy	3,546,698	3,393,814	152,884	
17	Travel	360,333	240,479	119,854	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	919,737	825,760	93,977	
20	Interest	2,507,905	2,309,461	198,444	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	13,460,990	12,395,860	1,065,130	
23	Insurance	3,518,192	2,991,638	526,554	
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	EQUIP RENTAL & MAINTENANCE	7,470,649	7,158,135	312,514	
b	MEDICAL SUPPLIES	8,372,863	8,371,648	1,215	
c					
d					
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e	244,396,324	227,198,593	17,197,731	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> 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)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	18,918,429	1	24,670,405
	2 Savings and temporary cash investments	6,962,125	2	5,460,974
	3 Pledges and grants receivable, net	268,472	3	268,630
	4 Accounts receivable, net	32,551,914	4	32,411,098
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	1,771,655	7	1,280,416
	8 Inventories for sale or use	3,590,660	8	3,725,408
	9 Prepaid expenses and deferred charges	3,906,581	9	4,036,014
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 303,224,086		
	b Less accumulated depreciation	10b 152,884,456	155,862,921	10c 150,339,630
	11 Investments—publicly traded securities	109,468,043	11	115,090,897
	12 Investments—other securities See Part IV, line 11	7,489,563	12	8,180,149
	13 Investments—program-related See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets See Part IV, line 11	10,462,664	15	8,560,748
16 Total assets. Add lines 1 through 15 (must equal line 34)	351,253,027	16	354,024,369	
Liabilities	17 Accounts payable and accrued expenses	28,784,451	17	27,447,743
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	64,049,445	20	57,865,446
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	9,064,974	23	7,826,941
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	16,268,024	25	21,316,331
	26 Total liabilities. Add lines 17 through 25	118,166,894	26	114,456,461
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	233,086,133	27	239,567,908
	28 Temporarily restricted net assets	0	28	0
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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	233,086,133	33	239,567,908	
34 Total liabilities and net assets/fund balances	351,253,027	34	354,024,369	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	250,632,057
2	Total expenses (must equal Part IX, column (A), line 25)	2	244,396,324
3	Revenue less expenses Subtract line 2 from line 1	3	6,235,733
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	233,086,133
5	Net unrealized gains (losses) on investments	5	246,042
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	239,567,908

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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

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

Name of the organization

SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number

85-0127924

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?
 (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 (ii) A family member of a person described in (i) above?
 (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

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

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

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

Part 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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

- 19a 33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

Facts And Circumstances Test

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

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

Table with 2 columns: Name of the organization (SAN JUAN REGIONAL MEDICAL CENTER) and Employer identification number (85-0127924)

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

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization

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														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
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-														
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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)).

		(a)		(b)
		Yes	No	Amount
<i>For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.</i>				
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?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		43,640
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		9,845
j	Total Add lines 1c through 1i			53,485
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
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B	LINE 1G - SAN JUAN REGIONAL MEDICAL CENTER PAID NEW MEXICO GOVERNMENT AFFAIRS \$43,640 FOR A LOBBYIST IN SANTA FE, NEW MEXICO WHO MONITORS NEW MEXICO STATE LEGISLATIVE ISSUES WITH REGARD TO HOSPITAL ISSUES, KEEPS SAN JUAN REGIONAL MEDICAL CENTER APPRISED OF THOSE ISSUES AND TAKES FEEDBACK TO THE STATE LEGISLATURE. LINE 1I - A PORTION OF THE DUES PAID TO HEALTHCARE ASSOCIATIONS BY SAN JUAN REGIONAL MEDICAL CENTER WAS ALLOCABLE TO LOBBYING ACTIVITIES. 1) NEW MEXICO HOSPITALS AND HEALTH SYSTEMS ASSOCIATION - \$9,845

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2012

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number 85-0127924

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.

Table with 3 columns: (a) Donor advised funds, (b) Funds and other accounts, and a Yes/No column. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and questions about donor advisement and grant purposes.

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, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description (2a-2d) and Held at the End of the Year. Rows include total number of easements, total acreage, and number of easements on historic structures.

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?

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)?

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
1c	
1d	
1e	
1f	

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

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

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

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

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

- a** Board designated or quasi-endowment
 - b** Permanent endowment
 - c** Temporarily restricted endowment
- The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,914,671		5,914,671
b Buildings		109,150,946	33,568,717	75,582,229
c Leasehold improvements		69,707,858	38,816,666	30,891,192
d Equipment		113,508,412	80,499,073	33,009,339
e Other		4,942,199		4,942,199
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				150,339,630

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
ASC 740 FOOTNOTE	SCHEDULE D, PART X, LINE 2	ACCOUNTING STANDARDS CODIFICATION (ASC) 740, INCOME TAXES, PRESCRIBES CRITERIA FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. ASC 740 ALSO PROVIDES GUIDANCE ON DE-RECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE, AND TRANSITION. IN ACCORDANCE WITH THIS ACCOUNTING GUIDANCE, MANAGEMENT HAS REVIEWED ITS TAX POSITIONS AND HAS DETERMINED THAT THE COMPANY HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS.

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 SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number 85-0127924

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 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 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 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"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance and Means-Tested Government Programs, and Other Benefits.

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			1,136,736		1,136,736	0.470 %
9 Other						
10 Total			1,136,736		1,136,736	0.470 %

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 Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2		
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		
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	62,142,534
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	66,859,357
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	-4,716,823
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: <input checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part 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 FOUR CORNERS ASC	AMBULATORY SURGERY CENTER	38.000 %		62.000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(List in order of size from largest to smallest—see instructions)

How many hospital facilities did the organization operate during the tax year?

1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	SAN JUAN REGIONAL MEDICAL CENTER 801 WEST MAPLE STREET FARMINGTON, NM 87401 www.sanjuanregional.com	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)

SAN JUAN REGIONAL MEDICAL CENTER

Name of hospital facility or facility reporting group _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years 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 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA <u>20 11</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> 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	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input checked="" type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9 Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	10 Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	11 Yes	
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12 Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13 Yes	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14 Yes	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> 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	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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

19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate why

- 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)

	Yes	No
19	Yes	

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI

21		No
22		No

Part V Facility Information *(continued)***Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

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

24

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

Part VI Supplemental Information

Complete this part to provide the following information

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's 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
SCHEDULE H, PART I, LINE 6A		AN ANNUAL REPORT IS PREPARED AND MAILED TO THE CITIZENS OF FARMINGTON, AZTEC, AND BLOOMFIELD, NM AS WELL AS THE SURROUNDING COMMUNITIES IN THE ANNUAL REPORT IS FINANCIAL INFORMATION FOR THE HOSPITAL, STORIES OF CARE, AND INFORMATION ABOUT NEW PROGRAMS OR SERVICES PROVIDED BY THE HOSPITAL
SCHEDULE H, PART I, LINE 7		SJRMC USES A COST ACCOUNTING SYSTEM WHICH IS A PART OF ITS HOSPITAL INFORMATION SYSTEM THE SYSTEM ADDRESSES ALL PATIENT SEGMENTS SCHEDULE H, PART II, LINE 7E THE AMOUNTS SUMMARIZED INCLUDE PROGRAMS FOR COMMUNITY HEALTH EDUCATION WHICH INCLUDES HEALTH FAIRS AND HEALTH EDUCATION SEMINARS LACTATION CONSULTATION AND OUTPATIENT DIETITIAN SERVICES SCHEDULE H, PART I, LINE 7G SAN JUAN REGIONAL MEDICAL CENTER PROVIDES NUMEROUS SUBSIDIZED HEALTH SERVICES TO THE COMMUNITY THESE SUBSIDIZED HEALTH SERVICES ARE EMERGENCY AND TRAUMA SERVICES 2,909,970 AMBULATORY CARE CENTERS 14,998,771 ORTHOPEDICS 1,053,312 BEHAVIORAL HEALTH-IP 1,172,006 OUTPATIENT NURSING/WOUND CARE 2,497,851 OUTPATIENT THERAPIES 1,630,343 OBSTETRIC/NURSERY 1,300,684 OTHER 3,013,522 ----- TOTAL 28,576,459 SCHEDULE H, PART II COMMUNITY BUILDING ACTIVITIES THE FEDERAL GOVERNMENT THROUGH HRSA HAS DESIGNATED SAN JUAN COUNTY AS A SHORTAGE AREA FOR PHYSICIANS IN ORDER TO REDUCE THIS SHORTAGE SAN JUAN REGIONAL MEDICAL CENTER HAS BEEN RECRUITING FOR PHYSICIANS AND IN THIS EFFORT SPENT \$1,478,273 IN FY 2013

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 2		THE FOOTNOTE THAT DESCRIBES THE METHODOLOGY USED IN CALCULATING THE BAD DEBT AMOUNT REPORTED ON LINE 2 IS LOCATED ON PAGE 8 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS
SCHEDULE H, PART III, LINE 3		THE AMOUNT ON LINE 3 IS AN ESTIMATE BASED ON MANAGEMENT'S BELIEF OF THE PERCENTAGE OF ADDITIONAL FINANCIAL ASSISTANCE COST IF THE PATIENTS WOULD COMPLETE THE FINANCIAL ASSISTANCE APPLICATION THIS AMOUNT IS CURRENTLY ESTIMATED AT 25% THAT IS INCLUDED IN OUR BAD DEBT

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 4		THE FOOTNOTE THAT DESCRIBES BAD DEBT IS ON PAGE 8 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS
SCHEDULE H, PART III, LINE 8		THE AMOUNT OF MEDICARE SHORTFALL REPORTED ON LINE 7 IS \$(4,716,823) THIS AMOUNT IS A RESULT OF THE TOTAL REVENUE AND ALLOWABLE COST CALCULATION ON OUR FY 13 COST REPORT THE HOSPITAL'S ACTUAL EXPENSES ARE ENTERED INTO THE COST REPORT SOFTWARE AND THE ALLOWABLE COSTS ARE DETERMINED BY THE MEDICARE REGULATIONS THIS MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE, ABSENT THIS PROGRAM, MANY INDIVIDUALS WOULD QUALIFY FOR FINANCIAL ASSISTANCE AND OTHER NEEDS-BASED PROGRAMS BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF THE GOVERNMENT ARE RELIEVED, AND THE AMOUNT SPENT TO COVER THE MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFIT NEEDS

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 9B		SAN JUAN REGIONAL MEDICAL CENTER'S (SJRMC) POLICY ON PATIENT ACCOUNT COLLECTIONS STATES "SJRMC WILL NOT ATTEMPT TO COLLECT FROM A PATIENT WHO IS APPLYING FOR THE SAN JUAN COUNTY INDIGENT FUND AS LONG AS THE PATIENT IS COOPERATING WITH THE APPLICATION PROCESS " THE POLICY ALSO STATES "SJRMC WILL NOT COLLECT FROM A PATIENT APPLYING FOR THE COMMUNITY SERVICE FUND (FINANCIAL ASSISTANCE) AS LONG AS THE PATIENT IS COOPERATING WITH THE APPLICATION PROCESS "
SCHEDULE H, PART V, SECTION B, LINE 3		AS PART OF THE COMMUNITY HEALTH ASSESSMENT, THERE WERE FIVE FOCUS GROUPS HELD AUGUST 17-19TH, 2011 THE FOCUS GROUP PARTICIPANTS INCLUDED 49 KEY INFORMANTS, INCLUDING PHYSICIANS, OTHER HEALTH PROFESSIONALS, BUSINESS LEADERS, AND OTHER COMMUNITY LEADERS IN ADDITION, ONE GROUP WAS DEDICATED SPECIFICALLY TO THOSE WHO PROVIDE SERVICES TO NATIVE AMERICANS IN THE COMMUNITY A LIST OF RECOMMENDED PARTICIPANTS FOR THE FOCUS GROUPS WAS PROVIDED BY SAN JUAN REGIONAL MEDICAL CENTER POTENTIAL PARTICIPANTS WERE CHOSEN BECAUSE OF THEIR ABILITY TO IDENTIFY PRIMARY CONCERNS OF THE POPULATIONS WITH WHOM THEY WORK, AS WELL AS OF THE COMMUNITY OVERALL PARTICIPANTS INCLUDED SEVERAL INDIVIDUALS WHO WORK WITH LOW-INCOME, MINORITY OR OTHER MEDICALLY UNDERSERVED POPULATIONS, AND THOSE WHO WORK WITH PERSONS WITH CHRONIC DISEASE CONDITIONS

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 4		SAN JUAN REGIONAL REHABILITATION HOSPITAL INC
SCHEDULE H, PART V, SECTION B, LINE 5A		<p>THIS COMMUNITY HEALTH NEEDS ASSESSMENT IS AVAILABLE TO THE PUBLIC USING THE FOLLOWING URL HTTP //SANJUANCOUNTY HEALTHFORECAST NET SCHEDULE H, PART V, SECTION B, LINE 6I SAN JUAN REGIONAL MEDICAL CENTER HELD A MEETING OF KEY COMMUNITY LEADERS WHO VOTED ON THE TOP SIX HEALTH PRIORITIES (1) ACCESS TO HEALTHCARE, (2) CANCER, (3) DIABETES, (4) MATERNAL - INFANT - CHILD HEALTH, (5) MENTAL HEALTH, AND (6) NUTRITION & WEIGHT STATUS THROUGH THE PARTNERSHIP COMMITTEE OF THE BOARD OF DIRECTORS OF SAN JUAN REGIONAL MEDICAL CENTER, ALL PROJECTS FUNDED BY THE COMMITTEE THROUGH THE COMMUNITY REINVESTMENT FUND MUST TIE TO ONE OF THE TOP SIX PRIORITIES IDENTIFIED IN THE CHNA AND PRIORITIZED BY THE KEY COMMUNITY LEADERS SCHEDULE H, PART V, SECTION B, LINE 7 THE ENTIRE CHNA IDENTIFIED 28 SPECIFIC HEALTH ISSUES BUDGETARY CONSTRAINTS, TIME AND LACK OF OTHER NECESSARY RESOURCES PREVENTED US FROM ADDRESSING ALL OF THE ISSUES IN THE REPORT THROUGH THE PARTNERSHIP COMMITTEE OF THE BOARD OF DIRECTORS OF SAN JUAN REGIONAL MEDICAL CENTER, ALL PROJECTS FUNDED BY THE COMMITTEE THROUGH THE COMMUNITY REINVESTMENT FUND MUST TIE TO ONE OF THE TOP 6 PRIORITIES IDENTIFIED IN THE CHNA AND PRIORITIZED BY THE KEY COMMUNITY LEADERS</p>

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	<p>A COMMUNITY NEEDS ASSESSMENT IS CONDUCTED BY SAN JUAN REGIONAL MEDICAL CENTER TO DETERMINE THE HEALTH NEEDS FOR SAN JUAN COUNTY-AND THE FOUR CORNERS REGION-AS PERCEIVED BY THOSE SERVED BY THE HOSPITAL THE NEEDS ASSESSMENT IS CONDUCTED VIA TELEPHONE SURVEYS IN BOTH ENGLISH AND SPANISH, INTERVIEWS CONDUCTED WITH NATIVE AMERICAN RESPONDENTS, KEY SHAREHOLDERS IN THE PROVISION OF HEALTH CARE IN SAN JUAN COUNTY, AND A SERIES OF FOCUS GROUPS THE SURVEY IS ALSO SHARED WITH KEY COMMUNITY GROUPS IN A SERIES OF OPEN FORUMS THE MOST RECENT ASSESSMENT OCCURRED IN CY 2011 (FY 2012) THE NEEDS WHICH WERE IDENTIFIED FROM THIS SURVEY INCLUDE CANCER BARRIERS TO ACCESSING HEALTHCARE SERVICES IMMUNIZATION & INFECTIOUS DISEASES DIABETES MENTAL HEALTH OBESITY AND WEIGHT LOSS ORAL HEALTH PRENATAL CARE RESPIRATORY DISEASE ROUTINE CHECKUPS AND PREVENTIVE SCREENINGS SEXUALLY TRANSMITTED DISEASES TEEN BIRTHS AND UNWED MOTHERS UNINTENTIONAL INJURY SUBSTANCE/TOBACCO USE THE SAN JUAN REGIONAL MEDICAL CENTER BOARD OF DIRECTORS AND HOSPITAL ADMINISTRATION CONDUCTS THE SURVEY FOR THE PURPOSE OF DETERMINING HOW BEST TO DIRECT RESOURCES TO IMPROVE THE HEALTH OF THE FOUR CORNERS WITH THREE GOALS IN MIND - TO IMPROVE RESIDENTS' HEALTH STATUS, INCREASE THEIR LIFE SPANS, AND ELEVATE THEIR OVERALL QUALITY OF LIFE - TO REDUCE HEALTH DISPARITIES AMONG RESIDENTS BY IDENTIFYING POPULATION SEGMENTS WHO ARE MOST AT-RISK FOR VARIOUS DISEASES AND INJURIES INTERVENTION PLANS AIMED AT TARGETING THESE INDIVIDUALS ARE ALSO DEVELOPED TO COMBAT SOME OF THE SOCIO-ECONOMIC FACTORS WHICH HAVE HISTORICALLY HAD A NEGATIVE IMPACT ON RESIDENTS' HEALTH - TO INCREASE ACCESSIBILITY TO PREVENTIVE SERVICES FOR ALL COMMUNITY RESIDENTS MORE ACCESSIBLE PREVENTIVE SERVICES WILL PROVE BENEFICIAL IN ACCOMPLISHING THE FIRST GOAL (IMPROVING HEALTH STATUS, INCREASING LIFE SPANS, AND ELEVATING QUALITY OF LIFE), AS WELL AS LOWERING THE COSTS ASSOCIATED WITH CARING FOR LATE-STAGE DISEASES RESULTING FROM A LACK OF PREVENTIVE CARE</p>
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	<p>POLICY SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) WILL RENDER FINANCIAL ASSISTANCE TO PERSONS WITH A DEMONSTRATED INABILITY TO PAY, REGARDLESS OF RACE, COLOR OR CREED FINANCIAL ASSISTANCE REPRESENTS MEDICAL SERVICES PROVIDED TO A PERSON FOR WHICH THE HOSPITAL HAS NO EXPECTATION OF RECEIVING FULL PAYMENT FINANCIAL ASSISTANCE ELIGIBILITY DOES NOT ALWAYS MEAN THAT A MEDICAL DEBT OWED TO THE HOSPITAL IS COMPLETELY ELIMINATED THERE MAY BE A RESIDUAL AMOUNT THE PATIENT OR HOUSEHOLD IS EXPECTED TO PAY PURPOSE WE RECOGNIZE THAT IT WILL BE NECESSARY TO IDENTIFY THE MEDICAL INDIGENT PATIENT AND ESTABLISH THE AMOUNT OF FINANCIAL ASSISTANCE TO BE RENDERED IN A MANNER MOST RESPONSIVE TO THE NEEDS OF THE COMMUNITY SJRMC WILL CLEARLY DISTINGUISH IT FROM BAD DEBT FINANCIAL ASSISTANCE WILL BE IDENTIFIED AND RECORDED AS SUCH, AS EARLY AS POSSIBLE IN THE REGISTRATION AND COLLECTION PROCESS AN INDIVIDUAL WHO IS TOO POOR TO MEET HIS OR HER MEDICAL EXPENSES IS GENERALLY CATEGORIZED AS MEDICALLY INDIGENT THE TERM INCLUDES PEOPLE WHOSE INCOME IS SUFFICIENT TO PAY FOR BASIC LIVING EXPENSES BUT NOT ADEQUATE TO PAY FOR UNEXPECTED OR LARGE MEDICAL BILLS ELIGIBILITY WILL BE DECIDED ON A CASE-BY-CASE BASIS WHILE FAMILY SIZE AND HOUSEHOLD INCOME ARE THE PRIMARY DETERMINANTS, OTHER FACTORS, SUCH AS ASSETS NOT REQUIRED TO MAINTAIN A BASIC STANDARD OF LIVING, MAY BE CONSIDERED FUTURE EARNING CAPACITY MAY ALSO BE CONSIDERED GENERAL INFORMATION ELIGIBILITY REQUIREMENTS (ROUTINE DETERMINATIONS) SJRMC WILL USE THE FOLLOWING ELIGIBILITY CRITERIA TO DETERMINE IF A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE AT SJRMC 1 THE PATIENT'S HOUSEHOLD AVERAGE MONTHLY INCOME AND/OR ASSISTANCE FROM ALL SOURCES FOR THE 12-MONTH PERIOD PRIOR TO RECEIVING SERVICES AT SJRMC, DID NOT EXCEED 400% OF THE MONTHLY FEDERAL POVERTY INCOME GUIDELINES THE NUMBER OF DEPENDENTS AND OTHERS IN THE HOUSEHOLD MUST BE TAKEN INTO ACCOUNT IN MAKING THIS DETERMINATION * "PATIENT'S HOUSEHOLD INCOME AND/OR ASSISTANCE" INCLUDES ALL FUNDS RECEIVED BY ALL MEMBERS OF THE PATIENT'S HOUSEHOLD THAT SUPPORT THE HOUSEHOLD SPECIAL RULES PERTAINING TO HOUSEHOLD INCOME APPLY IN SITUATIONS WHERE AN UNMARRIED ADULT IS LIVING IN THE SAME HOME WITH ANOTHER ADULT * "HOUSEHOLD" IS DEFINED AS ALL DEPENDENTS AND OTHERS WHO LIVE IN THE SAME RESIDENCE AS THE PATIENT AND/OR GUARANTOR * A "DEPENDENT" IS DEFINED AS A PERSON WHO CAN BE CLAIMED BY THE GUARANTOR AND/OR PATIENT AS A DEPENDENT ON THEIR FEDERAL TAX RETURN * "OTHERS" IS DEFINED AS A PERSON WHO RESIDES IN THE GUARANTOR AND/OR PATIENT'S RESIDENCE FOR A MINIMUM OF SIX CONSECUTIVE MONTHS DURING A 12-MONTH PERIOD THE GUARANTOR AND/OR PATIENT MAY OR MAY NOT BE ABLE TO CLAIM THIS PERSON AS A DEPENDENT ON THEIR FEDERAL TAX RETURN 2 THE PATIENT HAS NO MEDICAL INSURANCE, LIABILITY OR OTHER THIRD-PARTY COVERAGE THAT WILL PAY FOR THE SERVICES THE PATIENT RECEIVED AT SJRMC RESIDUAL AMOUNTS AFTER ANY THIRD-PARTY PAYMENTS, SUCH AS DEDUCTIBLES, NON-COVERED AMOUNTS, CO-PAYMENTS AND CO-INSURANCE MAY BE CONSIDERED FOR FINANCIAL ASSISTANCE THE PATIENT MUST BE PERSONALLY RESPONSIBLE FOR PAYING ANY RESIDUAL AMOUNTS NOT COVERED BY A THIRD PARTY MEDICARE DEDUCTIBLES AND COINSURANCE MAY BE CONSIDERED FOR FINANCIAL ASSISTANCE 3 THE PATIENT HAS ASSETS AND RESOURCES, EXCLUDING THEIR PRIMARY RESIDENCE AND AUTOMOBILE(S) OF \$5,000 OR LESS RETIREMENT FUNDS WILL NORMALLY BE EXCLUDED AS ASSETS SJRMC RESERVES THE RIGHT TO REQUIRE THE PATIENT TO BORROW AGAINST OR EVEN LIQUIDATE SOME OR ALL FUNDS EARMARKED FOR RETIREMENT TO SATISFY THE DEBT OWED TO SJRMC ELIGIBILITY CRITERIA (PRESUMPTIVE DETERMINATIONS) 1 KNOWN CIRCUMSTANCES SURROUNDING A PATIENT'S PERSONAL SITUATION SUPPORT THE CONCLUSION THAT THEY ARE MEDICALLY INDIGENT IN ADDITION, THE PATIENT IS EITHER UNABLE TO APPLY FOR THE FINANCIAL ASSISTANCE AND/OR TO PROVIDE REQUIRED SUPPORTING DOCUMENTATION TO MAKE A ROUTINE DETERMINATION OF ELIGIBILITY 2 PRESUMPTIVE FINANCIAL ASSISTANCE MAY ALSO BE APPROVED IN SITUATIONS WHERE THE PATIENT HAS A "MEDICAL HARDSHIP" A MEDICAL HARDSHIP IS WHERE THE PATIENT DOES NOT MEET THE USUAL CRITERIA TO QUALIFY FOR A FINANCIAL ASSISTANCE ADJUSTMENT BASED ON BEING MEDICALLY INDIGENT HOWEVER, THEIR DEBT FOR A PARTICULAR MEDICAL EVENT, TO INCLUDE THE DEBT OF OTHER PROVIDERS BESIDES SJRMC, IS PROHIBITIVE BASED ON THEIR AVAILABLE INCOME AND ASSETS AS WELL AS THEIR FUTURE EARNING CAPACITY MEDICAL HARDSHIP IS DEFINED AS A SITUATION WHERE THE CUMULATIVE MEDICAL DEBTS FOR ONE EPISODE OF CARE EXCEEDS 30% OF THE VALUE OF THE PATIENT'S (OR GUARANTOR, IF PATIENT IS A MINOR OR INCOMPETENT) AVAILABLE INCOME AND ASSETS NOT ESSENTIAL TO A BASIC LIFESTYLE FOR THE 12 MONTHS PRIOR TO THE MEDICAL EVENT AN "EPISODE OF CARE" BEGINS WITH SERVICES BEING PERFORMED AT SJRMC AND ENDS THE SOONER OF A) SIX MONTHS AFTER THE INITIAL DATE OR B) DISCHARGE FROM AN INPATIENT STAY THE SERVICES PROVIDED MAY BE FOR MORE THAN ONE ILLNESS OR INJURY AS LONG AS THE SERVICES ARE FOR THE SAME PATIENT PROCEDURE 1 A REPRESENTATIVE FROM THE BILLING DEPARTMENT WILL REVIEW THE APPLICATION AND SUBMIT ACCOUNTS FOR REVIEW THAT MEET THE ELIGIBILITY REQUIREMENTS 2 REVIEW WILL BE PROVIDED BY THE EXECUTIVE DIRECTOR, COORDINATOR OF CASE MANAGEMENT, AND A REPRESENTATIVE FROM THE FINANCIAL DEPARTMENT ALL ELIGIBLE APPLICATIONS FOR FINANCIAL ASSISTANCE WILL BE CONSIDERED BASED ON INDIVIDUAL MERITS A APPROVED FOR LESS THAN \$20,000 WILL BE DECIDED AT THIS LEVEL B CASES WITH AMOUNTS GREATER THAN \$20,000 WILL BE SUBMITTED WITH COMMITTEE RECOMMENDATIONS FOR APPROVAL OR DENIAL OF FINANCIAL ASSISTANCE FUNDS TO THE BOARD OF DIRECTORS FOR THEIR FINAL DECISION 3 APPROVED FINANCIAL ASSISTANCE ALLOWANCES WILL BE REPORTED TO THE BOARD OF DIRECTORS 4 THE FINANCE DEPARTMENT WILL DO THE NECESSARY ADJUSTMENTS AND NOTIFICATIONS TO THE PATIENT SAN JUAN REGIONAL MEDICAL CENTER EMPLOYS A NUMBER OF FINANCIAL COUNSELORS AND CUSTOMER SERVICE REPRESENTATIVES WHO WORK ALONGSIDE PATIENTS TO HELP THEM NAVIGATE THEIR PAYMENT, BILLING, AND ASSISTANCE OPTIONS INFORMATION IS DISSEMINATED TO PATIENTS THROUGH ONLINE AND PAPER RESOURCES LOCATED THROUGHOUT THE HOSPITAL A WIDELY DISTRIBUTED BROCHURE TITLED, "PAYING FOR HOSPITAL SERVICES AT SAN JUAN REGIONAL MEDICAL CENTER," IS SPECIFICALLY DESIGNED TO HELP PATIENTS UNDERSTAND THEIR HOSPITAL BILL AND INFORM THEM OF THEIR OPTIONS FOR PAYMENT AND ASSISTANCE, INCLUDING INFORMATION ON THE AVAILABILITY OF INDIAN HEALTH SERVICE ASSISTANCE, CASH DISCOUNTS, BILL REDUCTION THROUGH A COMMUNITY SERVICE FUND, SPECIAL FUNDS THROUGH THE SAN JUAN COUNTY INDIGENT FUND, OR MEDICAL HARDSHIP WAIVERS THE HOSPITAL'S VISION IS TO BE KNOWN AS THE MOST PERSONALIZED QUALITY HEALTHCARE PROVIDER SAN JUAN REGIONAL MEDICAL CENTER IS ALSO A VALUES-DRIVEN ORGANIZATION WITH A CENTURY OF SERVICE TO THE FOUR CORNERS REGION-DRIVEN BY A SIMPLE YET POWERFUL PRINCIPLE DO THE RIGHT THING FOR THE PATIENT NO MATTER WHAT AN INTEGRAL PART OF THIS SACRED TRUST THE COMMUNITY HAS IN ITS HOSPITAL IS ENSURING THAT NO PATIENT FEELS ALONE AND DISCONNECTED DURING AND AFTER THEIR TREATMENT THEREFORE, IT IS IN THE SPIRIT OF THE HOSPITAL'S VISION AND MISSION TO ENSURE THAT PATIENTS RECEIVE A HIGH LEVEL OF ASSISTANCE WHEN FIGURING OUT THEIR BILL AND OPTIONS NOT ONLY DOES THE HOSPITAL HAVE FINANCIAL COUNSELORS TO EDUCATE ITS PATIENTS, IT HAS AN IN-HOUSE MEDICAL ADVOCACY SERVICES FOR HEALTHCARE PROGRAM ("MASH") FOR SELF-PAY INDIVIDUALS THROUGH THE MASH PROGRAM, PATIENT ADVOCATES STAND HAND-IN-HAND WITH PATIENTS TO EXPLORE EVERY POSSIBILITY OF ASSISTANCE</p>

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	<p>SAN JUAN REGIONAL MEDICAL CENTER SERVES THE FOUR CORNERS REGION OF THE UNITED STATES, WHICH IS MOSTLY RURAL THE HOSPITAL IS LOCATED IN THE REGION'S LARGEST CITY AND ONLY METROPOLITAN AREA, WHICH IS FARMINGTON, NEW MEXICO OTHER CITIES IN THE REGION INCLUDE CORTEZ AND DURANGO IN COLORADO, MONTICELLO AND BLANDING IN UTAH, KAYENTA AND CHINLE IN ARIZONA, AND SHIPROCK, AZTEC, AND BLOOMFIELD IN NEW MEXICO THIS REGION ALSO INCLUDES THE NAVAJO NATION STATISTICS GATHERED FOR THE HOSPITAL'S COMMUNITY NEEDS ASSESSMENT IN 2011 FOR SAN JUAN COUNTY (POPULATION 130,044)-WHICH IS THE PRINCIPAL COUNTY SERVED BY SAN JUAN REGIONAL MEDICAL CENTER-INDICATE THE FOLLOWING POPULATION CHARACTERISTICS MEN 49.6% WOMEN 50.4% AGES 18 AND UNDER 29% AGES 65+ 10.8% WHITE 51.6% AMERICAN INDIAN & ALASKA NATIVE 36.6% HISPANIC 19.1% THE MEDIAN HOUSEHOLD INCOME FOR SAN JUAN COUNTY IS \$46,007</p>
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	<p>IN THE CONSTANT EFFORT TO MEET COMMUNITY NEED, SJRMC SEEKS TO IMPROVE PHYSICIAN ACCESS THROUGH A VIGOROUS RECRUITING PROGRAM AND TO PROVIDE COMMUNITY EDUCATION AND MANY OTHER COMMUNITY BENEFIT PROGRAMS IN FISCAL YEAR 2013, SAN JUAN REGIONAL MEDICAL CENTER PROVIDED BENEFITS TO THE POOR AND THE BROADER COMMUNITY OF OVER \$31 MILLION PROGRAM PERSONS SERVED COMMUNITY BENEFIT TRADITIONAL FINANCIAL ASSISTANCE 351,544,532 COMMUNITY HEALTH EDUCATION 19,835,66,454 DIABETES EDUCATION AND SUPPORT PROGRAMS 811,43,330 COMMUNITY FLU VACCINES 887,11,689 HEALTH PROFESSIONS EDUCATION PHYSICIANS AND MEDICAL STUDENTS 1,052,1,444,325 NURSES/NURSING STUDENTS 27,218,592 SUBSIDIZED HEALTH SERVICES EMERGENCY SERVICES 10,202,2,909,970 WOMEN'S AND CHILDREN SERVICES 3,657,1,628,257 BEHAVIORAL HEALTH SERVICES 733,1,172,006 OUTPATIENT SERVICES 111,195,19,126,965 OTHER SUBSIDIZED HEALTH SERVICES 3,170,3,739,261 SAN JUAN UNITED WAY (CORPORATE MATCH) 53,997 FINANCIAL CONTRIBUTIONS 13,548,574,986 OTHER COMMUNITY SERVICES 93,446 ----- TOTAL 165,468,31,627,830</p>

Additional Data**Software ID:****Software Version:****EIN:** 85-0127924**Name:** SAN JUAN REGIONAL MEDICAL CENTER**Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility****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?

24

Name and address	Type of Facility (describe)
SJRCM CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM INTERNAL MEDICINE 407 S SCHWARTZ SUITE 101 FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM BLOOMFIELD CLINIC 100 N CHURCH STREET BLOOMFIELD, NM 87413	MEDICAL CLINIC
SAN JUAN NEURODIAGNOSTIC CENTER 407 S SCHWARTZ STE 202 FARMINGTON, NM 87401	MEDICAL CLINIC
SAN JUAN PEDIATRICS 407 S SCHWARTZ STE 102 FARMINGTON, NM 87401	MEDICAL CLINIC
FOUR CORNERS NEUROSURGERY 407 S SCHWARTZ STE 202 FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM MIDWIFERY CLINIC 655 WEST PINON FARMINGTON, NM 87401	MEDICAL CLINIC
OUTPATIENT BEHAVIORAL HEALTH CLINIC 555 S SCHWARTZ FARMINGTON, NM 87401	MEDICAL CLINIC
URGENT CARE CENTER 4820 E MAIN STREET FARMINGTON, NM 87402	MEDICAL CLINIC
SJR WOUND CARE CENTER 4251 ENGLISH ROAD FARMINGTON, NM 87402	MEDICAL CLINIC
SJR CANCER TREATMENT CENTER 731 W ANIMAS STREET FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM OUTPATIENT DIAGNOSTIC CENTER 2300 E 30TH STREET BLDG C FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #1 730 S LAKE STREET FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #2 902 W BROADWAY BLOOMFIELD, NM 87412	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #3 484 S OLIVER STREET AZTEC, NM 87410	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #4 4 CR 3660 KIRTLAND, NM 87117	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #5 3782 ENGLISH RD FARMINGTON, NM 87402	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #6 2014 E 16TH STREET FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM EMS STATION - MEDIC #10 737 W ANIMAS STREET FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM AZTEC CLINIC 120 Llano AZTEC, NM 87410	MEDICAL CLINIC
GENERAL SURGERY CLINIC 630 W MAPLE FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM AUDIOLOGY 816 W MAPLE FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM OUTPATIENT REHABILITATION 301 S AUBURN AVE FARMINGTON, NM 87401	MEDICAL CLINIC
SJRCM PEDIATRIC OUTPATIENT REHAB 810 W MAPLE FARMINGTON, NM 87401	MEDICAL CLINIC

Schedule I (Form 990)

OMB No 1545-0047

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

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number 85-0127924

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?
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.

Table with 8 columns: (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, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Includes entries for SAN JUAN UNITED WAY and SAN JUAN COLLEGE FOUNDATION.

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

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

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

Part IV Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS	FORM 990, SCHEDULE I, PART 1, LINE 2	<p>EVENT FUNDING/SPONSORSHIP REQUEST GUIDELINES SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) RECOGNIZES THE VALUE OF COMMUNITY PARTNERSHIPS AND, ON A LIMITED BASIS, OFFERS SUPPORT TO ITS COMMUNITY PARTNERS BY SHARING OUR RESOURCES INCLUDING THE TIME AND TALENT OF OUR PHYSICIANS AND EMPLOYEES, AS WELL AS OUR FINANCIAL AND IN-KIND SUPPORT SAN JUAN REGIONAL MEDICAL CENTER HAS ESTABLISHED CRITERIA TO ENSURE ALIGNMENT WITH OUR MISSION AND TO ALLOW US TO STRATEGICALLY FOCUS OUR LIMITED RESOURCES IN ORDER TO MAXIMIZE THEIR IMPACT SPONSORSHIP REQUESTS ARE EVALUATED BASED ON, BUT NOT LIMITED TO, THE FOLLOWING CRITERIA - ALIGNMENT WITH SJRMC'S MISSION TO PERSONALIZE HEALTHCARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING - ALIGNMENT AND OPPORTUNITY TO PROMOTE STRATEGIC SERVICE LINES AND BUSINESS OBJECTIVES - COMMUNITY AND NEIGHBORHOOD DEVELOPMENT - MAGNITUDE OF IMPACT AND REACH (NUMBER OF INDIVIDUALS SERVED) - DEPTH AND BREADTH OF PARTNERSHIP WITH REQUESTING ORGANIZATION ALL REQUESTS MUST BE RECEIVED AT LEAST 4 WEEKS IN ADVANCE OF THE SPONSORSHIP DEADLINE SPONSORSHIP REQUESTS ARE REVIEWED THROUGH OUR MARKETING DEPARTMENT THE REQUEST SHOULD PROVIDE APPROPRIATE AND COMPLETE DETAILS REGARDING THE SPONSORSHIP REQUEST PLEASE BE PREPARED TO PROVIDE THE ADDITIONAL INFORMATION ABOUT YOUR REQUEST, IF NEEDED SPONSORSHIP REQUESTS OF MORE THAN \$3,000 MUST BE REVIEWED BY THE PARTNERSHIP COMMITTEE OF SJRMC'S BOARD OF DIRECTORS I APPLICANT INFORMATION - MUST BE WRITTEN ON OFFICIAL LETTERHEAD - NAME OF PERSON OR ORGANIZATION REQUESTING FUNDING AND/OR SPONSORSHIP - NAME, EMAIL ADDRESS, AND PHONE NUMBER OF PRIMARY CONTACT FOR THE REQUEST/ INDIVIDUAL FILLING OUT THE REQUEST II EVENT DETAILS 1 DESCRIPTION (250 WORDS MAXIMUM) - DESCRIBE HOW THE EVENT BEING SPONSORED RELATES TO SJRMC'S MISSION - DESCRIBE THE PURPOSE OF THE EVENT BEING SPONSORED AND THE TARGET AUDIENCE 2 LOGISTICS - IF AVAILABLE, PROVIDE THE TITLE, DATE, AND TIME OF THE EVENT - IF AVAILABLE AND APPLICABLE, LIST THE PROPOSED EVENT LAYOUT (E G , PANEL, CONFERENCE, SEMINAR, ETC) AND AGENDA FOR THE EVENT 3 FUNDING - INDICATE AMOUNT REQUESTED FROM SJRMC - DESCRIBE THE EXPENSES SJRMC'S FUNDS WILL BE USED TO COVER - PROVIDE WHAT OTHER ORGANIZATIONS ARE SUPPORTING YOUR EVENT (INDICATING AMOUNTS REQUESTED, WHICH ARE PENDING, AND WHICH ARE CONFIRMED) - WHAT WILL SJRMC RECEIVE IN EXCHANGE FOR ITS CONTRIBUTION PLEASE SUBMIT ALL MATERIALS TO MARKETING MANAGER C/O SAN JUAN REGIONAL MEDICAL CENTER 657 WEST MAPLE STREET FARMINGTON, NM 87401</p>

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number

85-0127924

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p>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.</p>	1b									
<p>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?</p>	2									
<p>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.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p>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:</p> <p>a Receive a severance payment or change-of-control payment?</p>	4a	No								
<p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p>	4b	Yes								
<p>c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4c	No								
<p>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</p>										
<p>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:</p> <p>a The organization?</p>	5a	No								
<p>b Any related organization? If "Yes," to line 5a or 5b, describe in Part III.</p>	5b	No								
<p>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:</p> <p>a The organization?</p>	6a	No								
<p>b Any related organization? If "Yes," to line 6a or 6b, describe in Part III.</p>	6b	No								
<p>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.</p>	7	No								
<p>8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</p>	8	No								
<p>9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	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
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	SAN JUAN REGIONAL MEDICAL CENTER HAS A 457(F) DEFERRED COMPENSATION PLAN THAT ALLOWS CERTAIN EXECUTIVES TO CONTRIBUTE MONEY ON A PRE-TAX BASIS INTO INVESTMENTS AND TO ACCUMULATE TAX-DEFERRED EARNINGS. THE FOLLOWING PRE-TAX CALENDAR YEAR 2012 CONTRIBUTIONS TO THE 457(F) PLAN ARE INCLUDED IN SCHEDULE J, PART II, COLUMN (C) AS DEFERRED COMPENSATION: JOHN BUFFINGTON \$ 23,719; J. MICHAEL PHILIPS \$ 36,504; SUZANNE SMITH \$ 10,025; RICK WALLACE \$ 38,934.
SUPPLEMENTAL COMPENSATION INFORMATION	MANAGEMENT INCENTIVE PLAN	SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) HAS A SENIOR MANAGEMENT INCENTIVE COMPENSATION PLAN FOR SELECTED SENIOR MANAGEMENT POSITIONS. AN AWARD TARGET IS ESTABLISHED FOR EACH PARTICIPANT. PERFORMANCE IS BASED ON EIGHT GOALS, TWO OF WHICH ARE HOSPITAL EXCESS OF REVENUES OVER EXPENSES PERCENTAGE AND TOTAL HOSPITAL EARNINGS. THE AWARD IS A PERCENTAGE OF BASE PAY IF CERTAIN TARGETS ARE MET.
SUPPLEMENTAL COMPENSATION INFORMATION		THE COMPENSATION REPORTED IN PART VII FOR DWAYNE GIBBS MD IS FOR A DIRECTORSHIP, NOT FOR SERVICES RENDERED AS A BOARD MEMBER. THE COMPENSATION REPORTED FOR CHARLES HOFFMAN MD IS FROM HIS CURRENT EMPLOYMENT, NOT FOR SERVICES RENDERED AS A BOARD MEMBER.

Software ID:
Software Version:
EIN: 85-0127924
Name: SAN JUAN 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				
CHARLES HOFFMAN	(i)	357,473	3,780	0	7,500	21,373	390,126	0
	(ii)	0	0	0	0	0	0	0
RICK WALLACE	(i)	414,128	115,550	17,204	95,369	11,274	653,525	0
	(ii)	0	0	0	0	0	0	0
JOHN BUFFINGTON	(i)	278,664	83,410	16,609	64,938	21,373	464,994	0
	(ii)	0	0	0	0	0	0	0
J MICHAEL PHILIPS	(i)	286,967	78,437	17,177	90,508	21,373	494,462	0
	(ii)	0	0	0	0	0	0	0
SUZANNE SMITH	(i)	183,982	57,445	16,287	35,102	21,373	314,189	0
	(ii)	0	0	0	0	0	0	0
TIBOR BOCO	(i)	610,703	50,000	16,695	15,823	21,373	714,594	0
	(ii)	0	0	0	0	0	0	0
EDWARD MAURIN	(i)	663,198	7,127	3,563	16,000	21,373	711,261	0
	(ii)	0	0	0	0	0	0	0
CHARLES E WILKINS	(i)	621,653	22,755	16,703	15,687	20,571	697,369	0
	(ii)	0	0	0	0	0	0	0
MARC A FLITTER	(i)	591,963	3,050	17,713	17,500	21,373	651,599	0
	(ii)	0	0	0	0	0	0	0
LUTHER B WEATHERS III	(i)	546,453	20,000	115	7,500	21,373	595,441	0
	(ii)	0	0	0	0	0	0	0

**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

2012

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number

85-0127924

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF FARMINGTON NM - 2004A	85-6000129	311428AZ9	03-25-2004	16,982,883	CONSTRUCTION OF TOWER/NEW EQUIP		X		X		X
B	CITY OF FARMINGTON NM - 2007A	85-6000129	311428BN5	06-28-2007	12,290,518	CONSTRUCTION OF CANCER TRMT CENTER		X		X		X
C	NM HOSPITAL EQUIPMENT LOAN COUNCIL - 2010A2010	84-0426875		12-21-2010	25,773,000	REFUND 2004B, FINANCE EQUIP/CONST		X		X		X
D	NM HOSPITAL EQUIPMENT LOAN COUNCIL - 2010B	84-0426875	647370FK6	12-21-2010	8,800,000	CONST MOB PERD/NEURO		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,660,000		2,095,000		2,698,376		320,000	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	17,087,788		12,457,932		25,773,063		8,800,248	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		151,201		0		13,498	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	339,658		245,810		205,429		13,200	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	16,748,130		12,212,122		25,567,634		8,800,495	
11	Other spent proceeds	0		0		0		0	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	2007		2010		2011		2011	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X	X			X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 00000%		0 00000%		0 00000%		0 00000%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 00000%		0 00000%		0 00000%		0 00000%	
6 Total of lines 4 and 5	0 00000%		0 00000%		0 00000%		0 00000%	
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 00000%		0 00000%		0 00000%		0 00000%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X		X		X
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X		X	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?	X		X			X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X				X		X	
b Exception to rebate?		X				X		X
c No rebate due?		X				X		X
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X		X		X
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b Name of provider	0		0		0			
c Term of hedge								
d Was the hedge superintegrated?								
e Was a hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b Name of provider	0		0		0		0	
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 3, COLUMN A-D	0	THE EXCESS OF "TOTAL PROCEEDS" OVER "ISSUE PRICE" IS DUE TO INVESTMENT EARNINGS SCHEDULE K, PART I, LINE C THE 2010 LEASE PROJECT OBLIGATION PORTION OF THIS ISSUE IN THE AMOUNT OF \$8,103,000 HAS NOT BEEN DESIGNATED AS A QUALIFIED TAX-EXEMPT OBLIGATION THESE ARE BUILD AMERICA BONDS

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number 85-0127924

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

Table with 4 main columns: (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

Table with 9 main columns: (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)

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 5 main columns: (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	No
(1) ANNA BUFFINGTON	JOHN BUFFINGTON / COO	115,042	EMPLOYEE PAY		No
(2) ERIC BUFFINGTON	JOHN BUFFINGTON / COO	53,700	EMPLOYEE PAY		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 O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

**Open to Public
Inspection**

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number

85-0127924

Identifier	Return Reference	Explanation
VOLUNTEERS	FORM 990, PART I, LINE 6	SJRMC HAS A TOTAL OF 200 VOLUNTEERS THAT PROVIDE SERVICE TO THE FOLLOWING AREAS ADMINISTRATIVE SUPPORT, CANCER TREATMENT CENTER, CARDIAC REHABILITATION, COURIER/PATIENT TRANSPORT, CRAFTY CREATIONS, DIETARY, GIFT MARKET, INFORMATION DESK, MAIL CALL, MEDICAL RECORDS AND AUXILIARY MEMBERSHIP

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	<p>SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) IS A MODERN ACUTE-CARE HOSPITAL LOCATED IN ONE OF THE MOST RURAL AREAS OF THE AMERICAN SOUTHWEST. SAN JUAN COUNTY, NM. A 2010 ESTIMATE OF THE POPULATION OF SAN JUAN COUNTY SHOWS THE COUNTY POPULATION HAS GROWN 14.3% FROM THE YEAR 2000 TO 2010 AND NOW NUMBERS APPROXIMATELY 130,044, 37% OF WHICH IS AMERICAN INDIAN AND ALASKA NATIVE PERSONS. SJRMC IS A SOLE COMMUNITY PROVIDER AND DISPROPORTIONATE SHARE HOSPITAL PROVIDING NEEDED HEALTHCARE TO RESIDENTS OF THE FOUR CORNERS REGION OF NEW MEXICO, ARIZONA, UTAH AND COLORADO. SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTHCARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING. OUR CORE VALUES ARE ACTIVELY TAUGHT, AND REINFORCED, TO STAFF, MANAGEMENT AND PHYSICIANS SO THAT THE ORGANIZATION MAY ACHIEVE EXCELLENCE AND CONSISTENCY IN PATIENT CARE. SJRMC IS A COMMUNITY GOVERNED HOSPITAL THAT WAS FOUNDED IN 1910 BY DRS. A. M. SMITH AND G. W. SAMMONS. THE HOSPITAL CORPORATION IS AN ADVISORY BODY COMPOSED OF UP TO THREE REPRESENTATIVES FROM EACH OF 90 NON-PROFIT ORGANIZATIONS IN SAN JUAN COUNTY. THE CORPORATION MEETS QUARTERLY, AND, AT THEIR ANNUAL MEETING, THEY NOMINATE AND ELECT 9 MEMBERS TO THE GOVERNING BOARD OF DIRECTORS. THE CORPORATION RECEIVES REPORTS FROM THE BOARD OF DIRECTORS AND HOSPITAL ADMINISTRATION ON HOSPITAL OPERATIONS INCLUDING QUALITY AND FINANCE AND PROVIDES FEEDBACK ON COMMUNITY HEALTH ISSUES. SJRMC PROVIDES MEDICAL, SURGICAL, PEDIATRICS, ONCOLOGY, OBSTETRICS, CARDIOLOGY, AND BEHAVIORAL HEALTH INPATIENT CARE. AMBULATORY CARE INCLUDES DAY SURGERY, URGENT CARE, OUTPATIENT DIAGNOSTIC AND TREATMENT SERVICES. SJRMC IS A LEVEL III TRAUMA CENTER THAT PROVIDES GROUND AMBULANCE AND AIR AMBULANCE SERVICE WITH A HELICOPTER AND A FIXED WING AIRCRAFT AS WELL AS SERVICES THROUGH ITS EMERGENCY DEPARTMENT TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY. SOME OF OUR OUTPATIENT SERVICES ARE PHYSICIAN CLINICS SPECIALIZING IN CARDIOLOGY, BEHAVIORAL HEALTH, INTERNAL MEDICINE, NEUROSURGERY, NEURODIAGNOSTICS, URGENT CARE CENTER AND PEDIATRICS. OUR FINANCIAL AND IN-KIND CONTRIBUTIONS WENT TO VARIOUS LOCAL CHARITIES SUCH AS NAVAJO MINISTRIES, FAMILY CRISIS CENTER, LOCAL SCHOOL DISTRICTS, SENIOR CENTERS AND TOTAL BEHAVIORAL HEALTH. THE OTHER COMMUNITY SERVICES NOTED ABOVE PROVIDE CARE FOR SURGERY, GASTROINTESTINAL, ORTHOPEDICS, ONCOLOGY, NEURO AND CARDIAC REHAB.</p>

Identifier	Return Reference	Explanation
MEMBERS AND THEIR RIGHTS	FORM 990, PART VI, LINES 6 AND 7A	SAN JUAN REGIONAL MEDICAL CENTER IS A COMMUNITY-GOVERNED HOSPITAL THE HOSPITAL CORPORATION IS AN ADVISORY BODY COMPOSED OF TWO REPRESENTATIVES FROM ABOUT 90 NON-PROFIT ORGANIZATION MEMBERS IN SAN JUAN COUNTY AFTER TEN YEARS OF SERVICE AS A REPRESENTATIVE, AN INDIVIDUAL MAY BE DESIGNATED BY THE CORPORATION AS A SENIOR CORPORATE DELEGATE AND SHALL NO LONGER BE CONSIDERED TO BE THE REPRESENTATIVE OF THE MEMBER ORGANIZATION THE MEMBER ORGANIZATION MAY THEN DESIGNATE ANOTHER REPRESENTATIVE IN ADDITION TO THE SENIOR CORPORATE DELEGATE THE HOSPITAL CORPORATION MEETS QUARTERLY AT THEIR ANNUAL MEETING, THEY NOMINATE AND ELECT NINE VOTING MEMBERS TO SJRMC'S BOARD OF DIRECTORS OF THE NINE, THREE MUST BE ELECTED FROM THE MEMBER REPRESENTATIVES OR SENIOR CORPORATE DELEGATES IN ADDITION TO THE NINE ELECTED DIRECTORS, THE SJRMC CHIEF OF THE STAFF AND VICE CHIEF OF STAFF AND A HOSPITAL AUXILIARY APPOINTEE ALSO SERVE AS SJRMC DIRECTORS FOR A TOTAL OF TWELVE VOTING MEMBERS OF THE BOARD OF DIRECTORS IN FISCAL YEAR 2012 THERE WAS A VACANCY ON THE BOARD OF DIRECTORS, RESULTING IN ONLY ELEVEN VOTING DIRECTORS FOR THE YEAR

Identifier	Return Reference	Explanation
PROCESS USED BY MANAGEMENT AND/OR GOVERNING BODY TO REVIEW 990	FORM 990, PART VI, LINE 11B	THE FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM BASED ON DATA PROVIDED BY MANAGEMENT A DRAFT COPY OF THE 990 IS PROVIDED TO MANAGEMENT FOR REVIEW A MEETING IS CONDUCTED BY THE ACCOUNTING FIRM TO REVIEW THE RETURN IN DETAIL WITH MANAGEMENT ANY QUESTIONS ARE ADDRESSED AND ANY NECESSARY CHANGES ARE MADE TO THE RETURN THE FINAL DRAFT OF THE FORM 990 IS PROVIDED TO THE AUDIT COMMITTEE ALONG WITH A BRIEF EDUCATION SESSION CONDUCTED BY THE ACCOUNTING FIRM TO DISCUSS THE HIGHLIGHTS OF THE FORM THE FINAL DRAFT OF THE FORM 990 IS THEN PROVIDED TO EACH BOARD MEMBER PRIOR TO FILING

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, LINE 12C	SAN JUAN REGIONAL MEDICAL CENTER HAS A CONFLICT OF INTEREST POLICY THAT EACH BOARD MEMBER, OFFICER AND KEY EMPLOYEE IS REQUIRED TO FILL OUT ON AN ANNUAL BASIS THIS CONFLICT OF INTEREST POLICY SPECIFICALLY ASKS QUESTIONS REGARDING BUSINESS AND PERSONAL RELATIONSHIPS THAT THEY MAY HAVE WITH ANY OTHER BOARD MEMBER, OFFICER AND KEY EMPLOYEE OF ANY BUSINESS THAT DEALS WITH SAN JUAN REGIONAL MEDICAL CENTER OR ANY OF ITS AFFILIATES IF A CONFLICT IS IDENTIFIED, IT MUST BE REPORTED TO THE COMPLIANCE OFFICER, AND IF IT CONSTITUTES A BREACH OF EMPLOYMENT, IT MAY LEAD TO DISCIPLINARY ACTION

Identifier	Return Reference	Explanation
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, LINES 15A & 15B	THE BOARD OF DIRECTORS FOR SAN JUAN REGIONAL MEDICAL CENTER USES THE FOLLOWING COMPARABLE DATA WHEN DETERMINING THE COMPENSATION FOR THE CEO AND SENIOR MANAGEMENT, REGIONAL / LOCAL AREA NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE, NATIONAL NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE, AND OTHER RELEVANT COMPARATORS (E.G., FOR PROFIT HEALTHCARE AND/OR GENERAL INDUSTRY ORGANIZATIONS) OF COMPARABLE SIZE AND COMPLEXITY, ONLY WHEN COMPETITIVE CIRCUMSTANCES WARRANT THESE MARKETS. ADDITIONALLY, THE BOARD BI-ANNUALLY HAS AN INDEPENDENT OUTSIDE FIRM COMPARE THE CEO'S COMPENSATION WITH OTHER HEALTHCARE ORGANIZATIONS TO REMAIN COMPETITIVE. THE PROCESS WAS LAST COMPLETED IN 2012. THE PROCESS IS DOCUMENTED IN THE BOARD MINUTES WHEN PRESENTED TO THEM.

Identifier	Return Reference	Explanation
AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND	FINANCIAL STATEMENTS TO THE GENERAL PUBLIC	FORM 990, PART VI, LINE 19 SAN JUAN REGIONAL MEDICAL CENTER MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

**Open to Public
Inspection**

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number

85-0127924

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) SAN JUAN HEALTH PARTNERS INC 801 WEST MAPLE STREET FARMINGTON, NM 87401 27-2367549	HEALTHCARE	NM	501(C)(3)	3	SJRMCMC	Yes	
(2) SAN JUAN REGIONAL REHABILITATION HOSP 525 SOUTH SCHWARTZ 2 FARMINGTON, NM 87401 85-0441767	HEALTHCARE	NM	501(C)(3)	3	SJRMCMC	Yes	

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

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

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
(1) SJR HOLDING COMPANY INC 801 W MAPLE STREET FARMINGTON, NM 87401 20-1126483	SUPPORT SERVICES	NM	SJPMC	C-CORP	583,156	1,585,789	100.000 %	Yes	

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

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

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f	Yes	
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o		No
1p		No
1q	Yes	
1r		No
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
(1) SJR HOLDING COMPANY INC	F	300,000	CASH
(2) SAN JUAN REGIONAL REHABILITATION HOSPITAL	Q	120,000	FAIR VALUE
(3) SAN JUAN REGIONAL REHABILITATION HOSPITAL	Q	317,661	COST

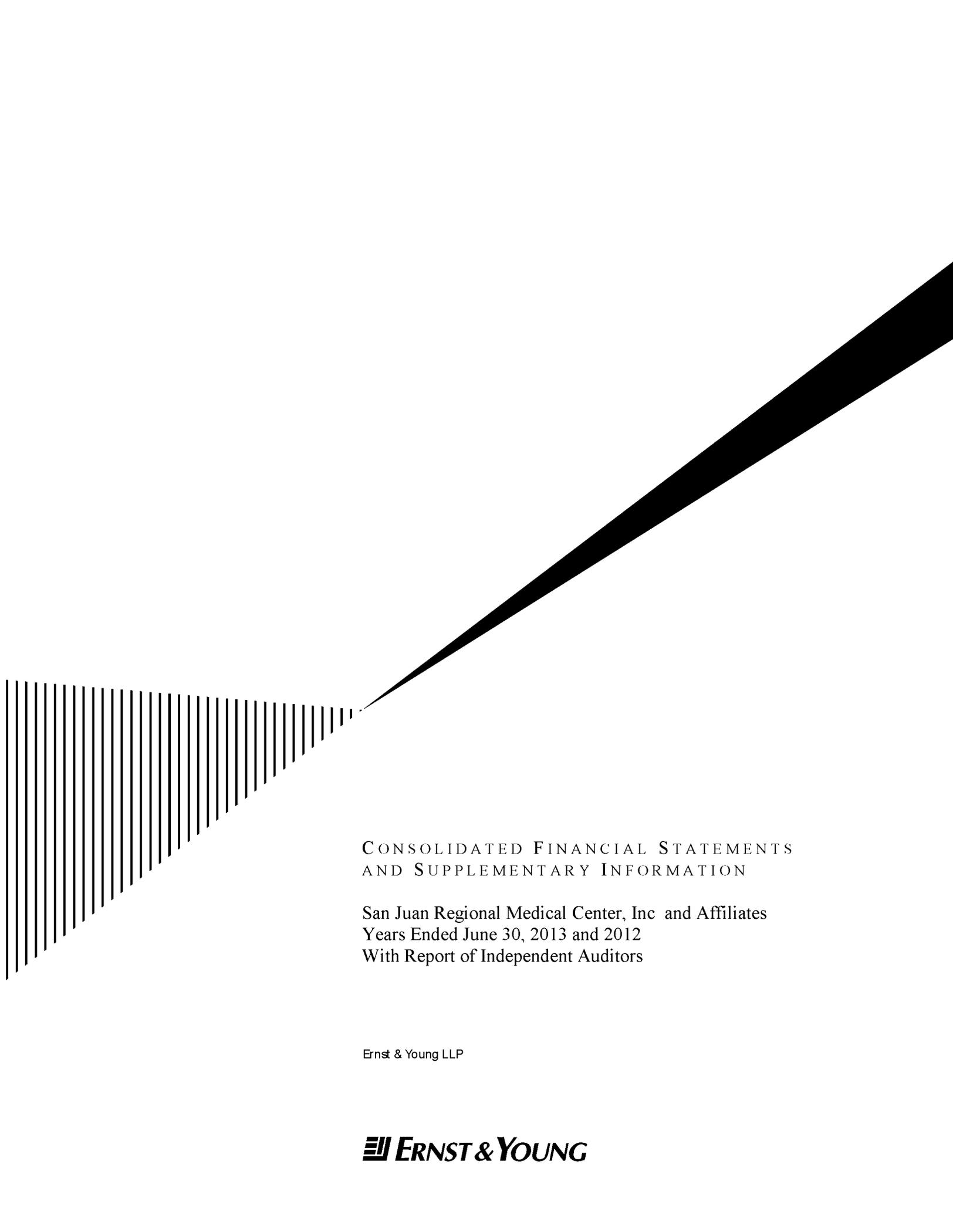
Software ID:
Software Version:
EIN: 85-0127924
Name: SAN JUAN REGIONAL MEDICAL CENTER

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
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CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

San Juan Regional Medical Center, Inc and Affiliates
Years Ended June 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2013 and 2012

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Report of Independent Auditors

The Board of Directors
San Juan Regional Medical Center, Inc

We have audited the accompanying consolidated financial statements of San Juan Regional Medical Center, Inc and Affiliates, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of San Juan Regional Medical Center, Inc and Affiliates at June 30, 2013 and 2012, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Ernst + Young LLP

September 30, 2013

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Balance Sheets

	June 30	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 26,981,869	\$ 20,281,562
Short-term investments	5,712,027	8,070,149
Current portion of assets whose use is limited	268,630	268,472
Patient accounts receivable, net of allowance for doubtful accounts of \$20,900,000 in 2013 and \$17,400,000 in 2012	33,176,664	33,327,747
Other receivables	1,211,543	1,712,177
Current portion of insurance receivable	2,681,000	2,769,000
Inventories	3,725,408	3,590,660
Prepaid expenses and other	4,059,516	3,960,442
Total current assets	<u>77,816,657</u>	<u>73,980,209</u>
Long-term investments	36,403,432	33,256,435
Assets whose use is limited, less current portion	76,214,300	72,426,824
Insurance receivable, less current portion	4,854,000	6,209,000
Property and equipment, net	152,261,611	157,123,949
Notes receivable, joint ventures, and other	7,144,453	9,014,781
Total assets	<u>\$ 354,694,453</u>	<u>\$ 352,011,198</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 5,528,328	\$ 3,038,907
Accrued expenses	22,405,394	21,630,073
Current portion of long-term debt	3,686,162	7,365,945
Current portion of professional and general insurance liability	2,787,000	2,893,000
Estimated third-party payor settlements, net	6,192,844	3,518,215
Total current liabilities	<u>40,599,728</u>	<u>38,446,140</u>
Long-term debt, less current portion	62,006,225	65,748,474
Professional and general insurance liability, less current portion	8,485,000	9,581,000
Other long-term liabilities	4,035,592	5,149,452
Total liabilities	<u>115,126,545</u>	<u>118,925,066</u>
Net assets	239,567,908	233,086,132
Total liabilities and net assets	<u>\$ 354,694,453</u>	<u>\$ 352,011,198</u>

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2013	2012
Revenue		
Patient service	\$ 273,758,724	\$ 268,645,080
Provision for doubtful accounts	(30,679,458)	(25,608,360)
Net patient service revenue	243,079,266	243,036,720
Investment income, gains, and losses	5,355,901	1,412,394
Other	6,176,366	6,651,611
Total revenue	254,611,533	251,100,725
Expenses		
Salaries and wages	115,986,680	116,422,633
Employee benefits	36,687,760	34,734,442
Supplies, services, and other	50,870,381	51,821,112
Purchased services	25,868,414	24,134,174
Depreciation and amortization	13,550,611	13,580,873
Rent and leases	2,658,006	2,511,465
Interest	2,507,905	2,868,574
Total expenses	248,129,757	246,073,273
Excess of revenue over expenses	6,481,776	5,027,452
Contributions designated for fixed assets	–	1,071,609
Increase in net assets	6,481,776	6,099,061
Net assets, beginning of year	233,086,132	226,987,071
Net assets, end of year	\$ 239,567,908	\$ 233,086,132

See accompanying notes.

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2013	2012
Operating activities		
Increase in net assets	\$ 6,481,776	\$ 6,099,061
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	13,550,611	13,580,873
Provision for doubtful accounts	30,679,458	25,608,360
Contributions of property and equipment	-	(1,071,609)
Gain on sale of fixed assets	(4,100)	(19,578)
Changes in assets and liabilities		
Patient accounts receivable	(30,528,375)	(29,590,870)
Other receivables	500,634	944,390
Inventories and prepaid expenses	(233,822)	(789,522)
Investments designated as trading, net	(4,576,509)	2,281,024
Notes receivable, joint ventures, and other	1,787,257	(4,580,284)
Accounts payable	2,489,421	(1,331,513)
Accrued expenses	775,321	2,756,767
Insurance receivable	1,443,000	(2,638,000)
Professional and general insurance reserves	(1,202,000)	2,839,000
Estimated third-party pay or settlements	2,674,629	1,278,225
Other long-term liabilities	(1,113,860)	4,763,189
Net cash provided by operating activities	<u>22,723,441</u>	<u>20,129,513</u>
Investing activities		
Purchases of property and equipment	(8,605,202)	(10,966,516)
Proceeds from sales of fixed assets	4,100	42,226
Net cash used in investing activities	<u>(8,601,102)</u>	<u>(10,924,290)</u>
Financing activities		
Repayment of long-term debt	(7,422,032)	(5,313,703)
Net cash used in financing activities	<u>(7,422,032)</u>	<u>(5,313,703)</u>
Net increase in cash and cash equivalents	6,700,307	3,891,520
Cash and cash equivalents, beginning of year	20,281,562	16,390,042
Cash and cash equivalents, end of year	<u>\$ 26,981,869</u>	<u>\$ 20,281,562</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	\$ 2,570,332	\$ 2,887,759
Net assets transferred from County	<u>\$ -</u>	<u>\$ 1,071,609</u>

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2013

1. Organization

San Juan Regional Medical Center, Inc (the Hospital) is a New Mexico not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income. The Hospital is located in Farmington, New Mexico, and was incorporated in 1952 to furnish medical and surgical care to the residents of San Juan County (the County), New Mexico.

San Juan Regional Rehabilitation Hospital, Inc (SJRRH) is a New Mexico not-for-profit organization located in Farmington, New Mexico, and is exempt from federal and state income taxes on related income. The Hospital is the sole member of SJRRH. SJRRH provides rehabilitation services primarily to the residents of the County.

SJR Holding Company, Inc (SJH) is a New Mexico for-profit corporation and a wholly owned subsidiary of the Hospital. SJH's ownership interest in an ambulatory surgery center is SJH's only activity.

2. Summary of Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Hospital, SJRRH, and SJH (collectively referred to as the Company). Intercompany transactions have been eliminated in consolidation.

Use of Estimates

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

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

Cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less, excluding assets whose use is limited by the Hospital and SJRRH Boards of Directors' (the Boards) designation or by other arrangements under trust agreements

Investments and Assets Whose Use Is Limited

Investments in equity securities (other than those accounted for under the equity method) and all investments in debt securities are measured at fair value. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses. Unrealized gains and losses on investments are also included in the excess of revenues over expenses, as the investments are classified as trading securities.

Short-Term Investments

Short-term investments include certificates of deposit, money market investments, and other investment securities that will be liquidated within the next fiscal year.

Assets Whose Use Is Limited

Assets whose use is limited consist primarily of assets designated by the Boards for future capital improvements, over which the Boards retain control and may, at their discretion, use for other purposes, deferred compensation arrangements, and assets restricted under the terms of the outstanding hospital revenue bond issues. Amounts required to meet current liabilities have been classified as current in the accompanying consolidated balance sheets at June 30, 2013 and 2012.

Inventories

Inventories consist of drugs and medical supplies and are stated at the lower of cost (which approximates the first-in, first-out method) or market value.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset (which ranges from 3 to 40 years) and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest cost incurred on borrowed funds, net of interest earned on assets held by trustee during the period of construction of capital projects, is capitalized as a component of the cost of acquiring those assets.

Net Patient Accounts Receivable and Service Revenue

Net patient accounts receivable have been adjusted to the estimated amounts expected to be collected. In evaluating the collectibility of accounts receivable, the Company analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and co-payments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients, the Company records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. During fiscal year 2013, the Company experienced collection delays from Medicare and Indian Health payers as well as self-pay patients. These changes increased the provision for doubtful accounts by approximately \$5,100,000.

The Company has agreements with third-party payors that provide for payments to the Company at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

Other Revenue

Other revenue includes gains and losses on the sales of assets, contributions, cafeteria sales, rental income, and revenue from other miscellaneous sources.

Contributions

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received. The gifts are reported as temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and recognized as a component of other revenue, unless the donation was for property and equipment, in which case it is recognized as a change in net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions.

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 contributions restricted for the acquisition of property and equipment and contributed property.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Uncertainty in Income Taxes

Accounting Standards Codification (ASC) 740, *Income Taxes*, prescribes criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In accordance with this accounting guidance, management has reviewed its tax positions and has determined that the Company has no significant uncertain tax positions.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued an accounting standard that further amends fair value measurement and disclosure requirements in U.S. generally accepted accounting principles. The accounting standard will require additional disclosure relating to transfers of any financial instruments between Level 1 and Level 2 of the fair value hierarchy, disclosure of the fair value hierarchy level for items not recorded at fair value in the financial statements but for which disclosure of the fair value of the item is required, and disclosure of additional quantitative information about the unobservable inputs used in the fair value measurement of financial instruments categorized within Level 3 of the fair value hierarchy. The Company adopted the amended disclosure requirements in 2013.

Subsequent Events

The Company has completed an evaluation of all subsequent events through September 30, 2013, which is the issuance date of these consolidated financial statements, and has concluded that no subsequent events have occurred that required recognition or disclosure.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

3. Net Patient Service Revenue

The Company has the following estimated percentage of patient service revenue by major payor group

	<u>2013</u>	<u>2012</u>
Medicare	31%	31%
Managed care	31	31
Medicaid	11	10
Commercial insurance	13	14
Self-pay	14	14
	<u>100%</u>	<u>100%</u>

The Company has agreements with third-party payors that provide for payments to the Company at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Substantially all other services rendered to Medicare beneficiaries are paid at prospectively determined rates including inpatient non-acute services, certain outpatient services, and certain capital costs and medical education costs.

Medicaid

Approximately 46% and 45% of services provided to Medicaid program beneficiaries in 2013 and 2012, respectively, were reimbursed by the State of New Mexico. Inpatient acute care services rendered to New Mexico Medicaid program beneficiaries not covered by a managed care program are paid at prospectively determined rates per discharge.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

3. Net Patient Service Revenue (continued)

The Company participates in the New Mexico “Salud!” Medicaid managed care program. Approximately 46% of services provided to Medicaid program beneficiaries in 2013 and 2012 were paid under the Salud! program by third-party health plans. Inpatient services paid under the Salud! program are reimbursed on a fee-for-service basis.

Approximately 8% of services provided to Medicaid program beneficiaries in 2013 and 2012 were paid by Medicaid programs of other states under various fee-for-service and percentage-of-charge methods. The prospectively determined payment rates are determined by each state and are accepted by the Company as payment in full as a condition of participation.

Medicare and Medicaid Cost Report Settlements

Government audits of the Hospital’s and SJRRH’s Medicare cost reports have been completed through June 30, 2010. An appeal has been filed for the Hospital’s 2008 cost report and appeals will be filed for the Hospital’s 2009 and 2010 cost reports based on specific issues that resulted in underpayments to the Hospital. Government audits of the Hospital’s and SJRRH’s Medicaid cost reports have been completed through June 30, 2009. It is management’s opinion that estimated Medicare and Medicaid settlements accrued at June 30, 2013, are adequate to provide for the settlement of the Hospital’s and SJRRH’s cost reports. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

Other

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

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

4. Concentration of Credit Risk

The Company grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The following reflects the estimated percentage of gross patient accounts receivable at June 30 by major payor group.

	<u>2013</u>	<u>2012</u>
Medicare	25%	22%
Managed care	18	20
Medicaid	10	11
Commercial insurance	19	21
Self-pay	28	26
	<u>100%</u>	<u>100%</u>

5. Sole Community Provider Support

The Company receives support from the U.S. federal government, the state of New Mexico, and the County for the care of indigent patients. The Company received approximately \$16,909,000 in 2013 and \$19,689,000 in 2012 related to the care of indigent patients. The amounts received for indigent patient care are included in net patient service revenue in the applicable year. During the current year, Centers for Medicare & Medicaid Services (CMS) identified issues in the methodology used to determine government funding for the Sole Community Provider program. Negotiations between the state of New Mexico and the U.S. federal government resulted in payment reductions to all sole community providers in fiscal 2013. The state of New Mexico filed a section 1115(a) Medicaid demonstration waiver that will be the basis of the New Mexico Medicaid program for five “demonstration years” (calendar years) beginning January 1, 2014. The estimated future reduction in annual funding from current levels has not been finalized.

6. Charity Care

In support of its mission and philosophy, the Company provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. A patient is classified as a charity patient according to certain policies established by the Company regarding the ability of the patient to pay. Because the Company does not pursue

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

6. Charity Care (continued)

collection of amounts determined to qualify as charity care, such amounts are not recorded as revenue. The costs of these services were approximately \$1,261,000 and \$2,026,000 in 2013 and 2012, respectively. These estimates were determined using a ratio of cost-to-gross charges calculated from the Hospital's most recent statement of operations and applying that ratio to the gross charges associated with providing charity care for the period.

In addition, the Company provides care to patients under various federal, state, and County public assistance programs such as Medicare, Medicaid, Indian Health, and County indigent programs. Public programs such as Medicare provide for the elderly. Public programs such as Medicaid and County indigent programs provide for the poor and indigent. The Indian Health program provides for Native Americans. The Section 1011 program of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 provides for patients who have entered the community illegally. These public programs do not always cover the costs of providing these services. The following summarizes the unreimbursed costs for services provided to these patients:

	<u>2013</u>	<u>2012</u>
Medicare patients	\$ 18,303,000	\$ 19,163,000
Medicaid patients	13,268,000	12,136,000
Indian Health patients	2,139,000	2,285,000
County indigent patients	2,186,000	2,206,000
Section 1011 patients	—	132,000
	<u>\$ 35,896,000</u>	<u>\$ 35,922,000</u>

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Investments

Assets Whose Use is Limited

Assets whose use is limited were restricted for the following purposes at June 30

	2013	2012
Board-designated for future capital improvements	\$ 75,581,317	\$ 71,946,227
Bond reserve account	268,630	268,472
Deferred compensation trust agreement	632,983	480,597
	76,482,930	72,695,296
Less current portion required for current liabilities and amounts designated by the Board of Directors for current expenditures	268,630	268,472
Assets whose use is limited, less current portion	\$ 76,214,300	\$ 72,426,824

The composition of assets limited as to use at June 30 follows

	2013	2012
Cash and equivalents	\$ 11,116,038	\$ 18,683,558
U S Treasury and government obligations	23,495,904	25,031,499
Equity securities	31,801,791	18,903,718
Corporate debt securities	10,069,197	10,076,521
Assets whose use is limited	\$ 76,482,930	\$ 72,695,296

The composition of investments at June 30 follows

	2013	2012
Certificates of deposit	\$ 5,422,093	\$ 1,853,031
Government obligations	18,672,258	10,373,799
Corporate debt securities	18,021,108	29,099,754
	42,115,459	41,326,584
Less short-term investments	5,712,027	8,070,149
Long-term investments	\$ 36,403,432	\$ 33,256,435

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Investments (continued)

Corporate Debt and Government Securities – This investment class includes investments in various fixed-income instruments that include investment-grade and high-yield domestic and international bonds, mortgage pools, and bonds issued by U S government agencies. This investment class also includes investments in common trust funds, mutual funds, exchange-traded funds, and separately managed accounts that hold investments in fixed-income securities. The fixed-income investments are exposed to various kinds and levels of risk, including interest rate risk, credit risk, foreign exchange risk, and liquidity risk.

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

Investment income from assets whose use is limited and investments consists of the following for the years ended June 30

	<u>2013</u>	<u>2012</u>
Interest income on marketable securities and cash and equivalents	\$ 2,752,952	\$ 3,826,506
Realized gain on marketable securities	1,707,612	101,721
Unrealized gain (losses) on marketable securities	247,403	(3,109,719)
Income from joint ventures and other	647,934	593,886
	<u>\$ 5,355,901</u>	<u>\$ 1,412,394</u>

8. Fair Value Measurements

The Company utilizes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows

- Level 1 – Pricing is based on observable inputs for identical instruments such as quoted prices in active markets. Financial assets in Level 1 include U S Treasury securities, listed equities, and mutual funds.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

- Level 2 – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Financial assets in this category generally include corporate bonds and loans and federal agency securities.
- Level 3 – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are, therefore, determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates.

Assets measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are identified in the tables below. Where more than one technique is noted, individual assets were valued using one or more of the noted techniques. The valuation techniques are as follows:

- a) *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets.
- b) *Cost approach* – Amount that would be required to replace the service capacity of an asset (replacement cost).
- c) *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations, including present value techniques, option pricing, and excess earnings models.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

The following table summarizes financial instruments recorded at fair value that are classified in short-term investments, current portion of assets whose use is limited, long-term investments, and assets whose use is limited as presented on the accompanying consolidated balance sheets as of June 30, 2013 and 2012. The table does not include cash and cash equivalents and certificates of deposit, classified either as assets whose use is limited or investments.

	June 30	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
2013					
Corporate debt securities	\$ 28,741,456	\$ —	\$ 28,741,456	\$ —	a, c
U S Treasury securities	24,102,844	24,102,844	—	—	a, c
Equity securities	31,801,791	31,801,791	—	—	a
U S government agencies	17,414,168	—	17,414,168	—	a
2012					
Corporate debt securities	39,176,275	—	39,176,275	—	a, c
U S Treasury securities	18,153,878	18,153,878	—	—	a, c
Equity securities	18,903,718	18,903,718	—	—	a
U S government agencies	17,251,420	—	17,251,420	—	a

Fair Value Disclosures

The Company currently has no other financial instruments subject to fair value measurement on a recurring basis. Disclosures about the fair value of financial instruments require disclosure of fair value information about those financial instruments, whether or not they are recognized in the balance sheets, but would be practicable to estimate that value. Management believes the carrying value of cash, accounts receivable, other receivables, accounts payable, and accrued expenses approximates fair value due to their short-term maturity. The fair value of the Company's debt is based upon published or quoted market prices (Level 1). At June 30, 2013 and 2012, the fair value of long-term debt reported in the Company's consolidated balance sheets was approximately \$66,430,100 and \$75,443,000, respectively.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

9. Property and Equipment

Property and equipment consisted of the following at June 30

	2013	2012
Land and improvements	\$ 12,154,943	\$ 12,148,185
Buildings and improvements	176,049,328	175,096,676
Equipment	114,228,250	109,256,880
	302,432,521	296,501,741
Less accumulated depreciation	155,113,110	141,790,195
	147,319,411	154,711,546
Construction in progress	4,942,200	2,412,403
	\$ 152,261,611	\$ 157,123,949

The San Juan Regional Medical Center original campus land, buildings, and equipment were leased from the County in 1952. The lease provides for a 99-year term ending October 2051, at \$1 per year. Buildings, improvements, and equipment added to San Juan Regional Medical Center's original campus since the inception of the lease will revert to the County at the end of the lease term.

Since 2004, the Hospital and the County have initiated several additions and renovations related to the main campus building that the Hospital leases from the County (the Project). The Project was funded using the proceeds of the Revenue Bonds, together with funding from the operations of the Hospital. The Project was also funded with the proceeds of \$26,685,000 of revenue bonds issued by the County in 2004 (the County Revenue Bonds).

The Hospital will not be required to make any payments to the County with respect to the contribution to the Project of assets constructed using the County Revenue Bonds proceeds. The County Revenue Bonds have not been included as a liability of the Company. The portion of the Project funded with the County Revenue Bonds is being recognized as a transfer of net assets from the County as the Project is completed. In fiscal 2013 and 2012, the Company recorded approximately \$0 and \$1,072,000, respectively, of construction in progress and a related transfer of net assets for the portion of the Project completed during the year with proceeds of the County Revenue Bonds and other contributed assets.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

10. Notes Receivable, Joint Ventures, and Other

Notes receivable, joint ventures, and other consisted of the following at June 30

	<u>2013</u>	<u>2012</u>
Medical service coverage guarantee	\$ 4,728,617	\$ 5,821,605
Notes receivable from the sale of buildings	1,397,762	1,511,376
Investments in joint ventures	1,452,650	1,420,579
Deferred financing costs	1,025,648	1,108,719
Other	100	375,945
	<u>8,604,777</u>	<u>10,238,224</u>
Less portion included in current assets	<u>1,460,324</u>	<u>1,223,443</u>
	<u>\$ 7,144,453</u>	<u>\$ 9,014,781</u>

Deferred financing costs were incurred in connection with the issuance of long-term debt. These deferred costs are amortized on a straight-line basis over the term of the respective debt which approximates the effective-interest rate method. The weighted-average amortization period for these deferred costs is 20 years.

Deferred financing costs consisted of the following at June 30

	<u>2013</u>	<u>2012</u>
Gross deferred financing costs	\$ 1,465,167	\$ 2,057,933
Less accumulated amortization	439,519	949,214
	<u>\$ 1,025,648</u>	<u>\$ 1,108,719</u>

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt

Long-term debt consisted of the following at June 30

	2013	2012
Series 2010A bonds – Principal payments are due annually for \$14,556,000 of the bonds in installments ranging from \$578,000 to \$2,050,000 plus interest at a fixed rate of 5.06% through December 1, 2025. Principal payments are due semiannually for \$1,710,337 of the bonds in installments ranging from \$137,716 to \$372,597 plus interest at a fixed rate of 2.67% through December 1, 2017.	\$ 15,323,319	\$ 16,266,337
Series 2010B bonds – Principal payments are due annually in installments ranging from \$155,000 to \$515,000 through June 1, 2040. The bonds currently bear interest at a variable rate due semiannually. The variable rate was approximately 2.5% at June 30, 2013.	8,480,000	8,645,000
2010 tax-exempt note payable to a capital corporation – Principal payments are due semiannually in installments ranging from \$281,866 to \$381,488 through December 30, 2020. The lease bears interest at a fixed rate of 3.19% and is collateralized by equipment.	5,050,182	5,648,777
2010 tax-exempt note payable to a capital corporation – Principal payments are due semiannually in installments ranging from \$100,050 to \$117,075 through 2017. The lease bears interest at a fixed rate of 2.42% and is collateralized by equipment.	793,063	1,006,864
Series 2007A revenue bonds – Principal payments are due annually in installments ranging from \$220,000 to \$955,000 through June 10, 2027. The bonds bear interest at a fixed rate of 5.50%. The unamortized premium on the Series 2007A Bonds was \$170,577 at June 30, 2013.	10,075,577	10,584,704
Series 2007B revenue bonds – Principal payments are due annually in installments ranging from \$100,000 to \$663,000 through June 1, 2040. The bonds currently bear interest at a variable rate. The variable rate was approximately 0.21% at June 30, 2013.	8,860,000	8,985,000

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

	<u>2013</u>	<u>2012</u>
Series 2004A revenue bonds – Principal payments are due in installments ranging from \$540,000 to \$2,260,000 through June 1, 2023. The bonds bear interest fixed annually at rates ranging from 3.300% to 5.125%. The unamortized premium on the Series 2004A Bonds was \$286,550 at June 30, 2013.	\$ 15,126,550	\$ 15,733,404
Series 1997A revenue bonds – Principal payments are due annually in installments ranging from \$805,000 to \$1,555,000 through June 1, 2016. The bonds bear interest at fixed annual rates ranging from 4.9% to 5.0%. Paid in full in fiscal 2013.	–	3,835,000
Financial obligation to a limited liability company – Minimum lease payments ranging from \$25,373 to \$33,292 are due monthly through February 2019. The minimum lease payments are treated as payments of principal and interest at an effective rate of 7.20%.	1,686,034	1,913,230
Note payable to a limited liability company – Principal payments of approximately \$16,537 due monthly through December 2014. This is a non-interest-bearing note.	297,662	496,103
	65,692,387	73,114,419
Less current portion	3,686,162	7,365,945
	\$ 62,006,225	\$ 65,748,474

Future scheduled principal repayments on long-term debt at June 30, 2013, are as follows:

2014	\$ 3,686,162
2015	3,748,234
2016	3,815,702
2017	4,915,276
2018	4,672,101
Thereafter	44,397,785
	<u>65,235,260</u>
Add unamortized premiums	457,127
	<u>\$ 65,692,387</u>

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

The Series 2010A Bond issuance during 2011 was a private placement. The proceeds were used to retire the Series 2004B Bonds and to finance equipment replacement.

During fiscal 2011, the Company issued \$8,800,000 of tax-exempt Recovery Zone Facility Bonds (Series 2010B Bonds). The proceeds were used to finance the construction of a physician medical office building and to purchase other equipment. The Series 2010B Bonds initially bear interest at a variable rate determined on a weekly basis. The Company has the option to tender the Series 2010B Bonds at par, or to change the interest rate period to another variable interest rate period or to a fixed interest rate. The holders of the Series 2010B Bonds may tender the Series 2010B Bonds for purchase under the terms and conditions set forth in the related agreements. In connection with the issuance of the Series 2010B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expires December 19, 2015, for approximately \$8,916,000 to purchase the outstanding Series 2010B Bonds, if not remarketed. The Company also has the option to redeem the Series 2010B Bonds under certain conditions set forth in the related agreements.

During fiscal 2011, the Company issued \$8,103,000 in tax-exempt financing with a capital corporation. The proceeds were used to finance the acquisition of a replacement helicopter and to finance cardiac catheterization lab construction and equipment.

During fiscal 2007, the Company issued \$12,000,000 in Hospital Revenue Bonds (Series 2007A Bonds) and \$12,300,000 in Hospital Revenue Bonds (Series 2007B Bonds). The Series 2007A Bonds were issued at a premium of approximately \$290,500. The proceeds of the Series 2007A Bonds and the Series 2007B Bonds are being used to finance various capital asset purchases and to pay for costs of issuance of the bonds.

The Series 2007A Bonds maturing on or after June 1, 2018, are subject to optional redemption prior to their respective maturities on June 1, 2017, and, thereafter, in whole or in part at any time, at par.

The Series 2007B Bonds initially bore interest at a variable rate determined on a weekly basis. The Company has the option to tender the Series 2007B Bonds at par, or to change the interest rate period on the Series 2007B Bonds to another variable interest rate period or to a fixed interest rate. The holders of the Series 2007B Bonds may tender the Series 2007B Bonds for purchase under the terms and conditions set forth in the related agreements. In connection with

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

the issuance of the Series 2007B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expires December 19, 2015, for approximately \$9,321,000 to purchase the outstanding Series 2007B Bonds, if not remarketed. The Company also has the option to redeem the Series 2007B Bonds under certain conditions set forth in the related agreements. On December 21, 2010, the Company called \$2,720,000 of the Series B Bonds.

In fiscal 2004, the Company issued \$16,500,000 in Hospital Revenue Bonds (Series 2004A Bonds) and \$15,000,000 in Hospital Revenue Bonds (Series 2004B Bonds). The Series 2004A Bonds were issued at a premium of approximately \$483,000. The proceeds of the Series 2004A Bonds and the Series 2004B Bonds were used to finance the Project and to pay for costs of issuance of the bonds.

The Series 2004A Bonds maturing on or after June 1, 2015, are subject to redemption at the option of the Hospital prior to their respective maturities on June 1, 2014, and, thereafter, in whole or in part at any time, at par. The Series 2004B Bonds were retired in December 2010.

In fiscal 1997, the Hospital issued \$21,000,000 in Hospital Revenue Bonds (Series 1997A Bonds). The Series 1997A Bonds were callable without penalty. The Series 1997A Bonds were retired in August 2012.

The Series 2010A Bonds, Series 2010B Bonds, Series 2007A Bonds, Series 2007B Bonds, and Series 2004A Bonds (collectively, the Bonds) are collateralized by a pledge of revenues and monies held in certain funds as required under the bond indenture throughout the term of the related agreements. Bonds are subject to various covenants, including but not limited to maintenance of a minimum debt service coverage ratio.

In March 2007, the Company entered into a sale agreement and a lease agreement for a building, the Outpatient Diagnostic Center (the ODC). The ODC building sale proceeds in the amount of \$2,768,000 were recorded as a financial obligation and are reflected in long-term debt, and the building was retained as a depreciable asset by the Company. Payments on the lease are treated as a reduction of the financial obligation. At June 30, 2013, the amount remaining on the obligation was \$1,686,000. The effective interest rate on the transaction was determined to be 7.2%. The original lease term is 12 years, through 2019. The Company has the option to extend the lease with two five-year extensions. The Company has an option to purchase the ODC at fair market value at the end of each lease term in 2019, 2024, and 2029.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies

Malpractice Insurance Coverage

The Company is involved in litigation arising in the ordinary course of business. Claims alleging malpractice have been asserted against the Company and are currently in various stages of litigation. Additional claims may be asserted against the Company arising from services provided to patients through June 30, 2013. The Company has accrued for estimated malpractice costs as well as an estimate of incurred but not reported claims not covered by its claims-made policy at June 30, 2013. The reserves for unpaid losses and loss expenses are estimated using individual case-basis valuations and actuarial analysis. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are continually reviewed, and adjustments are recorded as experience develops or new information becomes known. The changes to the estimated ultimate loss amounts are included in current operating results.

The Company's malpractice insurance coverage is based on a claims-made policy with a \$25,000 per claim deductible and \$28,000,000 aggregate coverage with a Reciprocal Risk Retention Group (RRRG). Reserves for malpractice insurance risks were \$11,272,000 and \$12,474,000 as of June 30, 2013 and 2012, respectively, and have been discounted at 3%. Amounts receivable under the excess contracts were \$7,535,000 and \$8,978,000 as of June 30, 2013 and 2012, respectively. The current and long-term portions of the reserves and receivables are disclosed in the consolidated balance sheets. Expenses associated with malpractice insurance risks were \$2,992,000 and \$2,964,000 for the years ended June 30, 2013 and 2012, respectively, and are classified in supplies, services, and other in the Company's consolidated statements of operations and changes in net assets.

Workers' Compensation Coverage

The Company has a self-funded program to provide workers' compensation coverage for its employees. To meet the state of New Mexico's insurance reserve requirements, the Hospital obtained a surety bond in the amount of \$1,875,000.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies (continued)

Operating Leases

Future minimum rental payments required for the next five years for all operating leases that have initial or remaining noncancelable lease terms in excess of one year at June 30, 2013, are as follows

	Minimum Lease Payments
2014	\$ 1,285,600
2015	300,114
2016	66,382
2017	14,993
2018	16,192
Thereafter	86,420
	<u>\$ 1,769,701</u>

Physician Income Guarantees

For physician income guarantees, the Company records an asset and liability for the estimated value of the physician income guarantees. The assets are amortized using the straight-line amortization method for the guarantee and service period. The unamortized portion of these physician guarantees, included in other receivables, was \$866,000 and \$1,211,000 at June 30, 2013 and 2012, respectively. The maximum amount of unpaid physician income guarantees was approximately \$354,500 at June 30, 2013.

Medical Coverage Income Guarantees

During fiscal 2012, the Company entered into a multiple-year service agreement for specialty medical coverage. To recognize the medical coverage income guarantees included in the agreement, the Company recorded an asset and liability for the estimated value of the guarantees for the contracted period. The assets are amortized using the straight-line amortization method for the guarantee and service period. The current unamortized portion of these guarantees,

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies (continued)

included in prepaid expenses and other, was \$1,326,000 and \$1,103,000 at June 30, 2013 and 2012, respectively, the noncurrent portion of the unamortized guarantee, included in notes receivable, joint ventures and other, was \$3,403,000 and \$4,719,000 at June 30, 2013 and 2012, respectively. The current portion of the unpaid guarantee, included in accrued expenses, was \$969,000 and \$717,000 at June 30, 2013 and 2012, respectively, the noncurrent portion of the unpaid guarantee, included in other long-term liabilities, was \$3,403,000 and \$4,669,000 at June 30, 2013 and 2012, respectively. The maximum amount of unpaid medical coverage income guarantees was approximately \$4,371,000 and \$5,386,000 at June 30, 2013 and 2012, respectively.

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation reimbursement, requirements for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in exclusion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed and paid. Management believes that it has established adequate reserves to investigate, defend, and ultimately resolve any alleged instances of noncompliance. Compliance with such laws and regulations can be subject to future government review as well as to regulatory actions unknown or unasserted at this time.

13. Employee Health Insurance Plan

The Company is self-insured for employee medical coverage. However, the Company purchased insurance that will pay up to \$1,700,000 per individual for medical expenses that exceed \$300,000 per individual per plan year. Expenses related to self-insured employee medical claims totaled approximately \$19,171,000 and \$17,338,000 in 2013 and 2012, respectively, and are classified in employee benefits in the Company's consolidated statements of operations and changes in net assets.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

14. Employee Benefit Plans

The Company operates and supports a tax-sheltered annuity program. All individuals employed full-time or part-time for one year are eligible to participate, and participants are eligible for full vesting of all Company contributions after five years of employment. Contributions charged to operations approximated \$2,185,000 and \$2,083,000 in 2013 and 2012, respectively. The Company's policy is to fund these costs as incurred.

The Company sponsors a Money Purchase Pension Trust Plan (the Plan), which requires the Company to contribute 3% of each participant's annual compensation. All Company employees hired prior to July 1, 2012, are eligible to participate in the Plan, regardless of length of service. Contributions to the Plan charged to operations approximated \$2,874,000 and \$3,339,000 in 2013 and 2012, respectively.

The Company sponsors a 457(f) Deferred Compensation Program to attract and retain a select group of management or highly compensated employees. The funds are available to the Company until vesting has occurred, at which time they accrue to the benefit of the employee. Full vesting occurs after five years of employment or upon reaching the age of 62. The assets and liabilities for this program approximated \$633,000 and \$480,600 at June 30, 2013 and 2012, respectively.

15. Functional Expenses

The Company provides general health care services to residents within its geographic region. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Health care services	\$ 228,453,264	\$ 227,383,664
General and administrative	19,676,493	18,689,609
	<u>\$ 248,129,757</u>	<u>\$ 246,073,273</u>

Supplementary Information

Independent Auditors' Report on Supplementary Information

The Board of Directors
San Juan Regional Medical Center, Inc

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet as of June 30, 2013, and the consolidating statement of operations and changes in net assets for the year then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

September 30, 2013

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Balance Sheet

June 30, 2013

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ 24,670,405	\$ 2,247,097	\$ 64,367	\$ -	\$ 26,981,869
Short-term investments	5,460,974	251,053	-	-	5,712,027
Current portion of assets whose use is limited	268,630	-	-	-	268,630
Patient accounts receivable, net	32,411,098	773,351	-	(7,785)	33,176,664
Other receivables	1,280,416	-	-	(68,873)	1,211,543
Current portion of insurance receivable	2,681,000	-	-	-	2,681,000
Inventories	3,725,408	-	-	-	3,725,408
Prepaid expenses and other	4,036,014	23,502	-	-	4,059,516
Total current assets	74,533,945	3,295,003	64,367	(76,658)	77,816,657
Long-term investments	34,204,488	2,198,944	-	-	36,403,432
Assets whose use is limited, less current portion	76,214,300	-	-	-	76,214,300
Insurance receivable, less current portion	4,854,000	-	-	-	4,854,000
Property and equipment, net	150,339,630	1,921,981	-	-	152,261,611
Notes receivable, joint ventures, and other	13,878,006	-	1,452,650	(8,186,203)	7,144,453
Total assets	<u>\$ 354,024,369</u>	<u>\$ 7,415,928</u>	<u>\$ 1,517,017</u>	<u>\$ (8,262,861)</u>	<u>\$ 354,694,453</u>
Liabilities and net assets					
Current liabilities					
Accounts payable	\$ 5,563,785	\$ 33,315	\$ (68,772)	\$ -	\$ 5,528,328
Accrued expenses	21,883,958	599,894	-	(78,458)	22,405,394
Current portion of long-term debt	3,686,162	-	-	-	3,686,162
Current portion of professional and general insurance liability	2,787,000	-	-	-	2,787,000
Estimated third-party payor settlements, net	6,008,739	184,105	-	-	6,192,844
Total current liabilities	39,929,644	817,314	(68,772)	(78,458)	40,599,728
Long-term debt, less current portion	62,006,225	-	-	-	62,006,225
Professional and general insurance liability, less current portion	8,485,000	-	-	-	8,485,000
Other long-term liabilities	4,035,592	-	-	-	4,035,592
Total liabilities	114,456,461	817,314	(68,772)	(78,458)	115,126,545
Net assets	239,567,908	6,598,614	1,585,789	(8,184,403)	239,567,908
Total liabilities and net assets	<u>\$ 354,024,369</u>	<u>\$ 7,415,928</u>	<u>\$ 1,517,017</u>	<u>\$ (8,262,861)</u>	<u>\$ 354,694,453</u>

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Revenue					
Patient service	\$ 269,471,369	\$ 4,397,256	\$ –	\$ (109,901)	\$ 273,758,724
Provision for doubtful accounts	(30,672,635)	(6,823)	–	–	(30,679,458)
Net patient service revenue	238,798,734	4,390,433	–	(109,901)	243,079,266
Investment income, gains, and losses	5,743,664	59,341	543,482	(990,586)	5,355,901
Other	6,335,702	1,515	–	(160,851)	6,176,366
Total revenue	250,878,100	4,451,289	543,482	(1,261,338)	254,611,533
Expenses					
Salaries and wages	113,718,075	2,259,005	–	9,600	115,986,680
Employee benefits	36,025,051	662,709	–	–	36,687,760
Supplies, services, and other	50,368,604	346,975	195,653	(40,851)	50,870,381
Purchased services	25,686,283	421,632	–	(239,501)	25,868,414
Depreciation and amortization	13,460,990	89,621	–	–	13,550,611
Rent and leases	2,629,416	28,590	–	–	2,658,006
Interest	2,507,905	–	–	–	2,507,905
Total expenses	244,396,324	3,808,532	195,653	(270,752)	248,129,757
Excess of revenue over expenses	6,481,776	642,757	347,829	(990,586)	6,481,776
Dividends	–	–	(300,000)	300,000	–
Increase in net assets	6,481,776	642,757	47,829	(690,586)	6,481,776
Net assets, beginning of year	233,086,133	5,955,856	1,537,960	(7,493,817)	233,086,132
Net assets, end of year	\$ 239,567,909	\$ 6,598,613	\$ 1,585,789	\$ (8,184,403)	\$ 239,567,908

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