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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**, and ending 06/30, **20 13**

B Check if applicable:
- [X] Address change
- [X] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
302-01 EL CAMINO REAL

City, town or post office, state, and ZIP code
SIERRA VISTA, AZ 85635

D Employer identification number
86-0186064

E Telephone number
(520) 417-3099

G Gross receipts $ 85,754,415.

F Name and address of principal officer MARGARET HEPBURN, CEO
SAME AS C ABOVE

H(a) Is this a group return for affiliates? [ ] Yes [X] 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: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ N/A

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation 1963 **M** State of legal domicile AZ

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SIERRA VISTA REGIONAL HEALTH CENTER (THRU 4/30/13):
WILL BE COMMITTED TO CUSTOMER-FOCUSED QUALITY HEALTH CARE THROUGH
EXCELLENCE IN PRACTICE, SERVICE, AND LEADERSHIP. SEE SCHEDULE O.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	13.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12.
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	847.
6	Total number of volunteers (estimate if necessary)	6	123.
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

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	260,882.	2,069,879.
9	Program service revenue (Part VIII, line 2g)	90,184,151.	69,701,962.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,421,889.	-13,346,039.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,206,981.	666,297.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	94,073,903.	59,092,099.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	34,282.
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)	44,763,624.	36,237,247.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	45,597,806.	40,880,590.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	90,361,430.	77,152,119.
19	Revenue less expenses Subtract line 18 from line 12	3,712,473.	-18,060,020.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	115,335,896.	138,380,799.
21	Total liabilities (Part X, line 26)	37,431,476.	77,316,824.
22	Net assets or fund balances Subtract line 21 from line 20	77,904,420.	61,063,975.

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

▶ Joanna K. Michelich — Signature of officer — Date 05-15-2014

▶ Joanna K. Michelich, Ph.D., Vice-Chair, Board of Directors — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
BRENDA D. GRIESEMER	Brenda Griesemer	5/13/14		P00264669

Firm's name ▶ ERNST & YOUNG U.S. LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 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 [X] No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2012)

JSA
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Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:
SIERRA VISTA REGIONAL HEALTH CENTER (THRU 4/30/13): WILL BE COMMITTED TO CUSTOMER-FOCUSED QUALITY HEALTH CARE THROUGH EXCELLENCE IN PRACTICE, SERVICE, AND LEADERSHIP. SEE SCHEDULE O.

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 $ 51,629,705 including grants of $ 0) (Revenue $ 70,290,364.)
SEE SCHEDULE O

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 ▶ 51,629,705.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 110		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .	2a 847		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . . 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 13			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 12			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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: ▶ STEVEN CALABRESE, CPA 300 EL CAMINO REAL SIERRA VISTA, AZ 85635 520-417-3099

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, and 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) RONALD WAGNER TRUSTEE/CHAIR	4.00 0	X		X				720.	0	0
(2) JOANNA MICHELICH TRUSTEE/VICE CHAIR	4.00 0	X		X				720.	0	0
(3) BRUCE DOCKTER TRUSTEE/TREASURER AS OF 5/2013	4.00 0	X		X				2,270.	0	0
(4) LANNY E. KOPE TRUSTEE	4.00 0	X						1,650.	0	0
(5) RUTH BRITTON TRUSTEE	4.00 0	X						0	0	0
(6) JUDY GIGNAC TRUSTEE	4.00 0	X						0	0	0
(7) SUSAN WARNE TRUSTEE	4.00 0	X						720.	0	0
(8) ALAN OSUMI TRUSTEE	4.00 0	X						68,640.	0	0
(9) ELIZABETH PATTEN TRUSTEE (AS OF 5/2013)	4.00 0	X						450.	0	0
(10) ANDREA DUNLAP TRUSTEE	4.00 0	X						720.	0	0
(11) DIANE MCDANIEL TRUSTEE	4.00 0	X						0	0	0
(12) MICHAEL GROVES TRUSTEE	4.00 0	X						0	0	0
(13) WILLIAM MILLER TRUSTEE/SECRETARY AS OF 5/2013	4.00	X						0	0	0
(14) DAVID KNAPP TRUSTEE (THRU 4/30/13)	4.00 0	X						0	0	0

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			
(15) RON SCOTT	4.00									
TRUSTEE (THRU 4/30/2013)	0	X						0	0	0
(16) JAYAY MADDUR, MD (EX OFFICIO)	40.00									
CHIEF OF STAFF (THRU 4/30/13)	0			X				25,045.	0	0
(17) MARGARET HEPBURN	40.00									
CEO	0			X				589,864.	0	58,589.
(18) BRUCE NORTON	40.00									
SR. VP FINANCE (THRU 4/30/13)	0			X				274,228.	0	54,696.
(19) MARIE WURTH	40.00									
VICE PRESIDENT (THRU 4/30/13)	0				X			255,862.	0	21,189.
(20) REBECCA MCCALMONT	40.00									
VICE PRESIDENT (THRU 4/30/13)	0				X			178,913.	0	44,925.
(21) TODD HENDERSON	40.00									
ADMIN DIRECTOR (THRU 4/30/13)	0					X		145,616.	0	11,844.
(22) STEVEN CALABRESE	40.00									
CONTROLLER (THRU 4/30/13)	0					X		123,939.	0	26,862.
(23) ANDREA WHITE	40.00									
CLINICAL EDUCATOR THRU 4/30/13	0					X		117,744.	0	27,333.
(24) SHARON AVELLAR-GASPARDO	40.00									
ADMIN DIRECTOR (THRU 4/30/13)	0					X		117,463.	0	27,241.
(25) MARK GRABOWSKA	40.00									
ADMIN DIRECTOR (THRU 4/30/13)	0					X		114,720.	0	26,435.
1b Sub-total ▶								75,890.	0	0
c Total from continuation sheets to Part VII, Section A ▶								1,943,394.	0	299,114.
d Total (add lines 1b and 1c) ▶								2,019,284.	0	299,114.

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 ▶ 25

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

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
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 45

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	2,069,879			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		2,069,879.			
Program Service Revenue			**Business Code**				
	2a	NET PATIENT SERVICE (MEDICARE/MEDICAID)	446199	35,722,225	35,722,225.		
	b	NET PATIENT SERVICE (OTHER)	446199	33,414,753	33,414,753		
	c	MOB/RENTAL	531120	77,895			77,895
	d	CAFETERIA	722210	319,043	319,043		
	e	RADIOLOGY PPO FEE	541900	32,944.	32,944		
	f	All other program service revenue		135,102.	135,102		
	g	**Total.** Add lines 2a-2f		69,701,962.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,316,277.			1,316,277
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	12,000,000				
	b	Less cost or other basis and sales expenses	26,662,316				
	c	Gain or (loss)	-14,662,316				
	d	Net gain or (loss)		-14,662,316			-14,662,316.
	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	MEANINGFUL USE - EHR	900099	439,364	439,364.		
	b	MANAGEMENT FEE SAMC	541610	226,933.	226,933		
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a-11d		666,297			
	12	**Total revenue** See instructions		59,092,099	70,290,364		-13,268,144

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	34,282.	34,282.		
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	1,165,918.		1,165,918.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	27,982,034.	20,469,280.	7,512,754.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	475,710.	327,257.	148,453.	
9 Other employee benefits	4,387,245.	2,646,168.	1,741,077.	
10 Payroll taxes	2,226,340.	1,494,602.	731,738.	
11 Fees for services (non-employees)				
a Management	0			
b Legal	831,585.		831,585.	
c Accounting	109,619.		109,619.	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	10,665,492.	7,439,916.	3,225,576.	
12 Advertising and promotion	342,566.		342,566.	
13 Office expenses	12,243,560.	10,989,614.	1,253,946.	
14 Information technology	2,689,150.	1,666,163.	1,022,987.	
15 Royalties	0			
16 Occupancy	1,154,905.	736,650.	418,255.	
17 Travel	99,416.	31,545.	67,871.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	395,922.	54,698.	341,224.	
20 Interest	1,390,204.	1,112,163.	278,041.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	4,644,173.	2,740,062.	1,904,111.	
23 Insurance	1,030,148.		1,030,148.	
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 LOSS-BOND DEFEASANCE	2,484,909.		2,484,909.	
b BAD DEBT	71,019.	71,019.		
c EQUIPMENT REPAIRS/MAINTENANC	2,238,021.	1,634,105.	603,916.	
d OTHER EXPENSES	489,901.	182,181.	307,720.	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	77,152,119.	51,629,705.	25,522,414.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		14,891,010.	1	15,881,179.
	2	Savings and temporary cash investments		0	2	70,001,246.
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		8,783,078.	4	0
	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		0	7	0
	8	Inventories for sale or use		1,991,099.	8	0
	9	Prepaid expenses and deferred charges		4,218,753.	9	202,586.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 44,170,673.			
	b	Less: accumulated depreciation	10b 22,073,995.	37,142,334.	10c	22,096,678.
	11	Investments - publicly traded securities		46,207,199.	11	29,723,835.
	12	Investments - other securities. See Part IV, line 11		0	12	0
	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		2,102,423.	15	475,275.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		115,335,896.	16	138,380,799.
Liabilities	17	Accounts payable and accrued expenses		4,666,366.	17	1,546,862.
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	70,000,000.
	20	Tax-exempt bond liabilities		24,322,261.	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		119,597.	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		8,323,252.	25	5,769,962.
	26	**Total liabilities.** Add lines 17 through 25		37,431,476.	26	77,316,824.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		77,860,577.	27	61,063,975.
	28	Temporarily restricted net assets		43,843.	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		77,904,420.	33	61,063,975.
	34	Total liabilities and net assets/fund balances		115,335,896.	34	138,380,799.

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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	59,092,099.
2	Total expenses (must equal Part IX, column (A), line 25)	2	77,152,119.
3	Revenue less expenses Subtract line 2 from line 1	3	-18,060,020.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	77,904,420.
5	Net unrealized gains (losses) on investments	5	1,219,575.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	61,063,975.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization	**Employer identification number**
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA	86-0186064

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
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 section 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 from 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 section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

PUBLIC CHARITY STATUS CHANGE

EFFECTIVE 5/1/2013 THIS ENTITY NO LONGER OPERATES A HOSPITAL AS DESCRIBED

IN IRC SECTION 170(B)(1)(A)(III). AS OF 5/1/2013 THIS ENTITY WILL

QUALIFY UNDER 509(A)(2).

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA	86-0186064

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures . . . . . ▶ $
3 Volunteer hours . . . . . .

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

1 Enter the amount of any excise tax incurred by the organization under section 4955. . . . . ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No
4a Was a correction made? . . . . . ☐ Yes ☐ No
b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $
3 Total exempt function expenditures. Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b . . . . . ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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.		

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?	☐ Yes	☐ No

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

TQ6333 1546

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		9,753.
j Total Add lines 1c through 1i			9,753.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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.

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B

LINE 1I - THIS AMOUNT REPRESENTS THE PORTION OF HOSPITAL ASSOCIATION DUES

THAT HAVE BEEN ALLOCATED TO LOBBYING ACTIVITIES.

Part IV **Supplemental Information** *(continued)*

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number
86-0186064

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g , recreation or education)
☐ 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,824,928.		1,824,928.
b Buildings		40,128,625.	20,838,494.	19,290,131.
c Leasehold improvements				
d Equipment		780,176.	369,170.	411,006.
e Other		1,436,944.	866,331.	570,613.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				22,096,678.

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

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶		

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

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶		

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

1.	(a) Description of liability	(b) Book value
(1)	Federal income taxes	
(2)	THIRD PARTY LIABILITIES	5,769,962.
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶		5,769,962.

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

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

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

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

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

Part XIII Supplemental Information

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

Part XIII Supplemental Information *(continued)*

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
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number
86-0186064

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
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. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	X	
3b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [X] Other 800.0000 %	X	
3c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?		X
6b	If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,834,303.		1,834,303.	2.15
b Medicaid (from Worksheet 3, column a)			10,318,975.	8,311,868.	2,007,107.	2.35
c Costs of other means-tested government programs (from Worksheet 3, column b)			22,668.		22,668.	.03
d **Total** Financial Assistance and Means-Tested Government Programs			12,175,946.	8,311,868.	3,864,078.	4.53
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			148,760.		148,760.	.17
f Health professions education (from Worksheet 5)			1,710,728.	693,603.	1,017,125.	1.19
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			49,120.	285.	48,835.	.06
j **Total** Other Benefits			1,908,608.	693,888.	1,214,720.	1.42
k **Total.** Add lines 7d and 7j			14,084,554.	9,005,756.	5,078,798.	5.95

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			15,700.		15,700.	.02
4 Environmental improvements						
5 Leadership development and training for community members			13,759.		13,759.	.02
6 Coalition building						
7 Community health improvement advocacy			26,851.		26,851.	.03
8 Workforce development			23,254.		23,254.	.03
9 Other						
10 Total			79,564.		79,564.	.10

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		X
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 1,834,302.		
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	12,971,539.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	21,225,342.	
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-8,253,803.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other			

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 SIERRA VISTA REGIONAL HEALTH CENTER 300 EL CAMINO REAL SIERRA VISTA AZ 85635 THRU 4/30/13	X	X		X			X			
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group SIERRA VISTA REGIONAL HEALTH CENTER

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[ ] Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 1 2			
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		X
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		X
5	Did the hospital facility make its CHNA report widely available to the public?	5	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	[ ] Hospital facility's website			
b	[X] Available upon request from the hospital facility			
c	[ ] Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):			
a	[X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	[X] Execution of the implementation strategy			
c	[X] Participation in the development of a community-wide plan			
d	[X] Participation in the execution of a community-wide plan			
e	[X] Inclusion of a community benefit section in operational plans			
f	[X] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	[X] Prioritization of health needs in its community			
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	[ ] Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	X	
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		X
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 SIERRA VISTA REGIONAL HEALTH CENTER

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care. 200 %			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	11	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 800 %			
	If "No," explain in Part VI the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	12	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	[X] Income level			
b	[ ] Asset level			
c	[ ] Medical indigency			
d	[X] Insurance status			
e	[X] Uninsured discount			
f	[X] Medicaid/Medicare			
g	[ ] State regulation			
h	[ ] Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[ ] The policy was posted on the hospital facility's website			
b	[ ] The policy was attached to billing invoices			
c	[ ] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	[ ] The policy was posted in the hospital facility's admissions offices			
e	[ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f	[X] The policy was available on request			
g	[ ] Other (describe in Part VI)			

Billing and Collections

15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Part VI)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17	X	
	If "Yes," check all actions in which the hospital facility or a third party engaged:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)* SIERRA VISTA REGIONAL HEALTH CENTER

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 [X] Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d [X] Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e [ ] Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	X	
	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	[X] Other (describe in Part VI)			

Changes 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	[X] Other (describe in Part VI)			
21	During the tax year, did the hospital facility charge any of its 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?	20		X
	If "Yes," explain in Part VI.			
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	21		X
	If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

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

	Name and address	Type of Facility (describe)
1	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA AZ 85635	LAB/INFUSION/HOSPICE
2	SIERRA VISTA REGIONAL HEALTH CENTER 151 COLONIA DE SALUD SIERRA VISTA AZ 85635	OUT PATIENT SURGERY CENTER
3	SIERRA VISTA REGIONAL HEALTH CENTER 151 COLONIA DE SALUD SIERRA VISTA AZ 85635	IMAGING CENTER
4	SIERRA VISTA REGIONAL HEALTH CENTER 2151 S HWY 92 SIERRA VISTA AZ 85635	REHABILITATION SERVICES
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22

SCHEDULE H, PART I, LINE 3C

1. PHILOSOPHY: IN KEEPING WITH SIERRA VISTA REGIONAL HEALTH CENTERS VISION TO BE A LEADER IN IMPROVING THE COMMUNITY'S HEALTH CARE STATUS, IT IS CONSIDERED NOT ONLY NECESSARY BUT ALSO APPROPRIATE TO MAKE ADJUSTMENT TO PATIENT CARE CHARGES UNDER CERTAIN CIRCUMSTANCES. IT IS NOT THE INTENT OF THIS POLICY TO RESTRICT THIS PRACTICE, BUT TO ESTABLISH CLEAR GUIDELINES BY WHICH TO ACCOMPLISH THE TASK.

2. DEFINITIONS: BECAUSE ADJUSTMENTS CAN OCCUR FOR SEVERAL REASONS, IT IS NECESSARY TO DEFINE CERTAIN TYPES OF ADJUSTMENTS.

A. UNCOMPENSATED CARE: UNCOMPENSATED CARE/CHARITY CARE IS DEFINED AS SERVICES PROVIDED TO PATIENTS WHO ARE UNABLE TO PAY BASED ON INCOME LEVEL, FINANCIAL ANALYSIS, DEMOGRAPHIC INDICATORS AND/OR FURTHER HEALTHCARE NEEDS BASED ON DIAGNOSIS OR CATASTROPHIC CIRCUMSTANCES.

B. SELF - PAY DISCOUNT: A PAYMENT ADJUSTMENT MAY OCCUR WHEN THE PATIENT

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

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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, 20d, 21, and 22.

AGREES TO MAKE IMMEDIATE OR PROMPT PAYMENT IN RETURN FOR A REDUCTION IN

THE AMOUNT DUE.

C. PROCESS: ALL ADJUSTMENTS OF PATIENT CARE CHARGES REQUESTED SHALL BE

APPROVED BY PERSONS DESIGNATED AS FOLLOWS:

- $25,000 + CFO

- $5,000 TO $24,999 DIRECTOR OF REVENUE MANAGEMENT

- $101 TO $4,999 ASSISTANT MANAGER OF A/R

- $1.00 TO $100 A/R STAFF

- SELF PAY DISCOUNTS: A SELF PAY DISCOUNT OF 50% WILL BE APPLIED AT THE

TIME OF BILLING.

- SELF PAY PACKAGE PRICING: SELF PAY PACKAGE PRICING IS NOT ELIGIBLE FOR

THE 50% DISCOUNT AS THESE CHARGES ARE ALREADY DISCOUNTED IN THE PACKAGE

PRICING METHODOLOGY.

D. PLEASE NOTE ON SELF PAY AFTER INSURANCE, THERE IS NO DISCOUNT ON

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.

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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 hospitals 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, 20d, 21, and 22.

DEDUCTIBLES OR CO-PAYS AS THIS IS PART OF THE CONTRACTUAL RELATIONSHIP

BETWEEN THE PAYER AND THE SUBSCRIBER. ONLY COINSURANCE BALANCES ARE

ELIGIBLE FOR DISCOUNTS.

E. A COINSURANCE DISCOUNT OF 30% WILL BE APPLIED AT THE TIME OF BILLING.

F. UNCOMPENSATED CARE - CHARITY CARE POLICY REQUEST FOR CHARITY CARE

(FINANCIAL ASSISTANCE): FINANCIAL ASSISTANCE REQUEST MAY BE MADE BY THE

PATIENT, OUTSIDE HEALTH CARE PROVIDERS, COMMUNITY OR RELIGIOUS GROUPS,

SOCIAL SERVICES, FAMILY MEMBERS, AND SVRHC PERSONNEL. THE FINANCIAL

COUNSELOR WILL KEEP ON FILE (AND FOR REFERENCE) AN ANNUAL "POVERTY

GUIDELINES" AS PUBLISHED BY THE FEDERAL REGISTRY.

1. ELIGIBILITY CONSIDERATIONS FOR FINANCIAL ASSISTANCE:

- FINANCIAL ASSISTANCE IS SECONDARY TO ALL OTHER FINANCIAL RESOURCES

AVAILABLE TO THE PATIENT INCLUDING INSURANCE, GOVERNMENT PROGRAMS, THIRD

PARTY LIABILITY, AND PERSONAL ASSISTS.

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22.

- FULL FINANCIAL ASSISTANCE WILL BE PROVIDED TO A PATIENT/GUARANTOR WITH

A GROSS FAMILY INCOME 100% OF THE FEDERAL POVERTY GUIDELINES. DEPENDENT

UPON THE ELIGIBILITY CRITERIA FOR THE AHCCCS PROGRAMS

- MOST PROGRAMS AHCCCS ELIGIBILITY 100% FPL (FEDERAL POVERTY LEVEL)

- A PATIENT/GUARANTOR WILL BE GIVEN PARTIAL FINANCIAL ASSISTANCE BASED ON

HIS OR HER INCOME LEVEL UP TO 800% OF THE POVERTY GUIDELINES.

- COSMETIC AND OTHER SERVICES THAT ARE NOT MEDICALLY NECESSARY ARE NOT

ELIGIBLE FOR FINANCIAL ASSISTANCE

- OTHER CATASTROPHIC CIRCUMSTANCES MAY BE CONSIDERED IN THE CHARITY

DECISION.

- AHCCCS ELIGIBILITY WITHIN 60 DAYS OF SERVICE WILL BE PROOF OF

INDIGENCE

- MEDICAL INDIGENCE -EVALUATE ADDITIONAL CIRCUMSTANCE

- MEDICAL BILLS (COMBINED) GREATER THAN 1 YEAR TIMES ANNUAL INCOME

- CATASTROPHIC EVENT/DIAGNOSIS

- ASSET AVAILABILITY

- PATIENTS/GUARANTORS WILL BE ASKED TO COMPLETE AN APPLICATION FOR

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.

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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 hospitals 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

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ASSISTANCE AND PROVIDE PROOF OF INCOME SUCH AS EMPLOYER PAYMENTS STUBS,

BANK STATEMENTS AND/OR TAX RETURN.

2. DETERMINATION:

- PATIENTS/GUARANTORS WILL BE NOTIFIED OF FINANCIAL ASSISTANCE

DETERMINATION BY PHONE OR IN WRITING.

- PATIENTS/GUARANTORS MAY APPEAL A FINANCIAL ASSISTANCE DETERMINATION BY

PROVIDING ADDITIONAL INFORMATION SUCH AS INCOME VERIFICATION OR AN

EXPLANATION OF EXTENUATING CIRCUMSTANCES TO THE FINANCIAL COUNSELOR FOR

REVIEW.

- SVRHC'S DECISION TO PROVIDE FINANCIAL ASSISTANCE IN NO WAY AFFECTS THE

PATIENTS/GUARANTOR FINANCIAL OBLIGATION TO THEIR PHYSICIAN OR OTHER

HEALTH CARE PROVIDERS.

SCHEDULE H, PART I, LINE 6A

THE ORGANIZATION HAD A COMMUNITY BENEFIT REPORT PREPARED IN APRIL OF 2012

BY HMS ASSOCIATES.

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.

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SCHEDULE H, PART I, LINE 7

COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE IS PRIMARILY THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H. OTHER COSTS COME FROM OUR FY2013 COST REPORT.

SCHEDULE H, PART II

COMMUNITY BUILDING ACTIVITIES

SIERRA VISTA REGIONAL HEALTH CENTER'S MISSION REFLECTS THE PHILOSOPHY THAT WE WILL PROVIDE HEALTHCARE EDUCATION, RESOURCES, AND PROGRAMS TO CITIZENS WITHIN THE COMMUNITY IN ADDITION TO THOSE WHO ARE UNDERINSURED AND UNINSURED. THIS TYPE OF COMMUNITY BENEFIT INCLUDES THE COST OF TRADITIONAL CHARITY CARE, UNPAID PORTIONS OF AHCCCS, AND SUPPLIES OR STAFF TIME VOLUNTEERED ON BEHALF OF THE COMMUNITY.

THROUGH OUR WELLNESS DEPOT IN THE MALL AT SIERRA VISTA, OUR COMMUNITY BENEFIT COORDINATOR HAS IMPLEMENTED AND HOSTED APPROXIMATELY 142

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.

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DIFFERENT HEALTH AND WELLNESS RELATED PROGRAMS AND EVENTS FOR THE PUBLIC.

THE OVERWHELMING RESPONSE TO THESE OFTEN FREE EDUCATIONAL SYMPOSIUMS HAS BEEN NOTHING BUT POSITIVE. IN SOME CASES, WE'VE EVEN SAVED LIVES BY RECOGNIZING HIGH BLOOD PRESSURE, SYMPTOMS OF HEART DISEASE, AND TEACHING THE POSITIVE EFFECTS OF A PLANT BASED DIET. WE KNOW THAT OUR WELLNESS DEPOT HAS A VERY POSITIVE IMPACT WITHIN THE COMMUNITY BECAUSE WE HEAR TIME AND AGAIN HOW THANKFUL THE COMMUNITY IS FOR PROVIDING OUTREACH TO THOSE WHO MAY NOT HAVE REGULAR ACCESS TO HEALTHCARE. THROUGH THE DEPOT, WE'VE TOUCHED ABOUT 37,000 LIVES WITHIN THE LAST THREE YEARS WHICH IS AN INCREDIBLE NUMBER OF PEOPLE WE ARE REACHING.

SIERRA VISTA REGIONAL HEALTH CENTER ALSO COMMITS SIGNIFICANT TIME AND RESOURCES TO ENDEAVORS AND CRITICAL SERVICES WHICH MEET OTHERWISE UNFILLED COMMUNITY NEEDS. MANY OF THESE ACTIVITIES ARE SPONSORED WITH THE KNOWLEDGE THAT THEY WILL NOT BE FINANCIALLY VIABLE. THE DEVELOPMENT AND VALUE OF THESE PROGRAMS IS BASED ON A COMMUNITY HEALTH CARE ASSESSMENT PERFORMED BY AN INDEPENDENT COMPANY.

Part VI Supplemental Information

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ONGOING COMMUNITY OUTREACH PROGRAMS:

ADULT HEARING LOSS SUPPORT GROUP

ADVANCED DIRECTIVES

ALZHEIMER EDUCATIONAL CLASSES

ANIMAL THERAPY

ARTHRITIS PROGRAMS

ARTHRITIS SELF-HELP CLASSES

BETTER BREATHERS CLUB

BLOOD PRESSURE CHECKS

BODY MASS INDEX

BREASTFEEDING SUPPORT

CARDIAC & PULMONARY REHABILITATION

CHAIR ZUMBA

CHOLESTEROL EDUCATION: KNOW WHAT YOUR NUMBERS MEAN

Part VI Supplemental Information

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COMPRESSION ONLY CPR

CONGESTIVE HEART FAILURE CLASSES

DIABETES EDUCATION

ESSENTIAL OILS EDUCATION

FLU PRECAUTION PROGRAMS

FLU VACCINE CLINICS

FOOD DRIVES

HEALTHY LIFESTYLE CHOICES

HELP WITH MEDICARE

HOSPICE BEREAVEMENT GROUP

SCHOOL & KIDS SPORTS TEAMS 1ST AID KITS

KIDNEY SMART

KIGONG

LIVING WILLS

MALL WALKERS PROGRAM

MATH & SCIENCE EXPERIENCE AT COCHISE COLLEGE

MUSIC THERAPY

Part VI Supplemental Information

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NUTRITION CLASSES FOR CHILDREN

OSTOMY GROUP

PARISH NURSE PROGRAM

PET AND MUSIC THERAPY FOR PATIENTS

PERINATAL GRIEF SUPPORT

POSTPARTUM DEPRESSION INFORMATION PRENATAL CLASSES

PULMONARY REHABILITATION

PULSE OXYGEN TESTS

SHINGLES AWARENESS

TAI CHI

SENIOR NUTRITION CLASS SERIES

SPEAKERS BUREAU

STROKE/BRAIN INJURY SUPPORT GROUP

SUN SAFETY

TELECARE HOME BOUND

VICAP SPACE AND SUPPLIES

VIRTUAL TOUR KITS FOR ALL SCHOOLS

Part VI Supplemental Information

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WEIGHT MANAGEMENT PROGRAM

WELLNESS DEPOT

ZUMBA GOLD FOR SENIORS

SPECIAL COMMUNITY OUTREACH PROGRAMS:

A BUYERS GUIDE TO HOME HEALTHCARE

A MATTER OF BALANCE

ATRIAL FIBRILLATION

BAT EDUCATION

BRAIN INJURY

BREAST CANCER AWARENESS

CHRONIC DISEASE MANAGEMENT

CHRONIC SINUSITIS SUFFERS

COLORECTAL CANCER AWARENESS

DIGITAL MAMMOGRAPHY EDUCATION

DOMESTIC VIOLENCE INFORMATION

BUCKETLIST: END OF LIFE DECISIONS

Part VI Supplemental Information

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EPILEPSY 101

FALL INTO STEP

GLUTEN FREE DIET

HEALTH FAIRS

HEALTHY LIFESTYLE CHOICES

HEART HEALTH

HEART SAVING CT SCANNING EDUCATION

HPV: WHAT EVERY WOMAN SHOULD KNOW

IMMUNIZATION INFORMATION

LIVING VEGAN/MEATLESS MONDAY

MAMMOGRAPHY EDUCATION

MEDICAL IDENTITY THEFT

MEDITATION: MIND & BODY

MEDITERRANEAN COOKING

MENTAL HEALTH

MRSA AWARENESS

MRSA FOR PARENTS

Part VI Supplemental Information

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MULTIPLE SCLEROSIS EDUCATION

OSTEOPOROSIS EDUCATIONS

PEACEFUL DYING: HOSPICE MONTH

PROPER FITTING FOOTWEAR FOR SUMMER

PREVENTION, STABILIZATION & REVERSAL OF CAD THROUGH A PLANT BASED DIET

RADICAL SELF CARE FOR THE MODERN WOMAN

REVERSAL OF DIABETES

STRENGTH TRAINING FOR THE OLDER ADULT

STRESS ON YOUR HEART

STRESS MANAGEMENT

STRESS RELIEF FOR THE HOLIDAYS

SUGAR BLUES

SURVIVAL STRATEGIES FOR THE HOLIDAYS

SURVIVING THE HOLIDAYS WITH HUMOR

THE GLUTEN CONNECTION

THE "GUT" CONNECTION

VENOMOUS REPTILES EDUCATION

Part VI Supplemental Information

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WHITE POISONS

WOMEN & HEART DISEASE

WOMEN & A PLANT BASED DIET

EDUCATION

SIERRA VISTA REGIONAL HEALTH CENTER, THE LARGEST NONPROFIT MEDICAL CENTER

IN SOUTHEASTERN ARIZONA, OFFERS EXTENSIVE GRADUATE MEDICAL EDUCATION AND

A RESOURCE MENTOR PROGRAM FOR NURSES, PHYSICIANS, AND OTHER HEALTHCARE

PROFESSIONALS.

EDUCATIONAL OFFERINGS INCLUDE:

- SVRHC IS HOME TO THE ONLY COUNTY-WIDE INTERNAL MEDICINE & FAMILY

RESIDENCY PROGRAMS

- SVRHC PROVIDES TRAINING AT THE HOSPITAL TO NURSES FROM COCHISE COLLEGE

- SVRHC HOSTS NURSING, REHABILITATION, PHARMACY, LABORATORY, DIAGNOSTIC

IMAGING STUDENTS

- SVRHC PROVIDES HOUSING AND MEALS TO MEDICAL STUDENTS AND RESIDENTS

Part VI Supplemental Information

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- THE SUMMER VOLUNTEEN PROGRAM PROVIDES REAL WORLD JOB EXPERIENCE AND

MENTORING FOR STUDENTS INTERESTED IN PURSUING HEALTHCARE CAREERS

COMMUNITY EVENTS

THE HOSPITAL SPONSORS ORGANIZATIONS AND EVENTS IN THE COMMUNITY WHICH

PROMOTE HEALTHY LIFE STYLES AND/OR DISEASE PREVENTION/INFORMATION. SOME

OF THESE INCLUDE:

AMERICAN CANCER SOCIETY

AMERICAN RED CROSS BLOOD DRIVE

VISTABILITY FAIR

FORGACH HOUSE (BATTERED WOMEN/CHILDREN)

GOOD NEIGHBOR ALLIANCE (MEN'S SHELTER)

UNITED WAY

MARCH OF DIMES

JUST KIDS, INC (CLOTHING PROGRAM) SIERRA VISTA OPEN

HIGH SCHOOL SCHOLARSHIPS COLLEGE SCHOLARSHIPS

SENIOR EXPO

Part VI Supplemental Information

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FT. HUACHUCA HEALTH DAY (2/YR)

CHAMBER BACK TO SCHOOL EVENT

CHAMBER BUSINESS EXPO

CHAMBER HEALTH DAY

SCHOOL CAREER DAYS

MOUNTAIN EMPIRE ROTARY SACA

AMERICAN RED CROSS

FIREFIGHTER'S TOY DRIVE

VICAP

SIERRA VISTA AND TOMBSTONE - PROJECT GRADUATION (DRUG/ALCOHOL FREE

EVENING FOR GRADUATING SENIORS)

CARONDELET HEALTH FOUNDATION

ARTHRITIS FOUNDATION

COMFORT ZONE (FREE BLOOD PRESSURE CHECKS)

MINISTRY FAIR (FREE BLOOD PRESSURE CHECKS)

LOWE'S HEALTH & SAFETY FAIR

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FEEDBACK

SIERRA VISTA REGIONAL HEALTH CENTER PROVIDES MANY OPPORTUNITIES FOR

COMMUNITY MEMBERS TO PROVIDE US FEEDBACK ON THE PROGRAMS AND SERVICES

DELIVERED BY THE HOSPITAL. THESE PROGRAMS INCLUDE:

SVRHC AUXILIARY

SVRHC FOUNDATION

FACILITY TOURS

FOCUS GROUPS

VOLUNTEER SERVICES

COMMUNITY BREAKFASTS

PRESS GANEY SURVEYS

SUGGESTION BOXES

LOCAL PHYSICIAN OFFICES

COMMUNITY ASSESSMENTS WEB SITE

CLERGY BREAKFASTS

ANNUAL REPORT

PASTORAL BREAKFASTS

Part VI Supplemental Information

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FACEBOOK

HEALTH BEAT COMMUNICATION

STATISTICS

1.	COMMUNITY SPEAKERS	3,542
2.	ATTENDANCE AT SPEAKING ENGAGEMENTS	5,120
3.	SUPPORT GROUPS/CLASSES	2,100
4.	COMMUNITY FEEDBACK OVER	3,500
5.	WEB SITE HITS	3.7 MILLION
6.	WELLNESS DEPOT ANNUAL RENTAL SPACE	$ 49,076
7.	COMMUNITY BENEFIT STAFF AND BENEFIT COST	$ 84,246
8.	ANNUAL VISITORS TO DEPOT	13,000
10.	DIRECT MAIL OF HEALTH BEAT	52,000
	12 TIMES PER YEAR	
11.	AMBULANCE SUPPLIES	$ 16,532
12.	VICAP SPACE & UTILITIES	$ 4,060
13.	SCHOLARSHIP COST	$ 22,500
	HIGH SCHOOL AND COLLEGE	

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SCHEDULE H, PART III, LINE 2

THE BAD DEBT EXPENSE (AT COST) WAS CALCULATED USING THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H. THE BAD DEBT EXPENSE IS RECORDED ON THE FINANCIALS AT GROSS CHARGES. EVERY EFFORT IS MADE TO IDENTIFY CHARITY PATIENTS AT THE POINT OF SERVICE SO NONE OF THE PATIENTS WRITTEN OFF TO BAD DEBT SHOULD HAVE BEEN ELIGIBLE FOR CHARITY CARE. IT IS POSSIBLE THAT SOME PATIENTS REFUSED TO COMPLETE THE CHARITY APPLICATION SO THAT NEED COULD NOT BE DETERMINED.

SCHEDULE H, PART III, LINE 8

MEDICARE ALLOWABLE COSTS WERE CALCULATED USING THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H. EXPENSE FOR HEALTH PROFESSIONAL EDUCATION WAS THEN EXCLUDED FROM RESULTING COST. THE ENTIRE SHORTFALL CALCULATED SHOULD BE ATTRIBUTABLE TO COMMUNITY BENEFIT, SINCE THERE ARE NO OTHER HOSPITALS IN THE AREA THAT COULD PROVIDE CARE FOR THESE PATIENTS.

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

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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, 20d, 21, and 22.

SCHEDULE H, PART III, LINE 9B

BAD DEBT REVIEW

- HEALTH CARE OUT SOURCING NETWORK (HON) WILL PROVIDE A LISTING WEEKLY OF ACCOUNTS FOR POSSIBLE APPROVAL FOR BAD DEBT PROCESSING.

- ALL ACCOUNTS WILL HAVE BEEN IN SELF PAY COLLECTIONS FOR 120 DAYS PRIOR TO ASSIGNMENT.

- ALL ACCOUNTS WILL BE SCREENED TO ENSURE THAT THE CO-PAY AND OR DEDUCTIBLE AMOUNT IS CORRECT.

- ALL ACCOUNTS WILL BE SCREENED PRIOR TO BAD DEBT PLACEMENT FOR POSSIBLE PAYMENTS, OTHER THIRD PARTY INSURANCE. AND OR OTHER AGENCY.

- A LISTING OF ANY ACCOUNTS TO BE PULLED FROM COLLECTIONS WILL BE PROVIDED BACK TO HON FOR FATHER WORK UP.

SCHEDULE H, PART V, LINE 19D

PURPOSE

THE EMERGENCY MEDICAL TREATMENT AND LABOR ACT (EMTALA) IMPOSES REQUIREMENTS ON HOSPITALS THAT PARTICIPATE IN THE MEDICARE PROGRAM. THESE

Part VI Supplemental Information

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OBLIGATIONS INCLUDE A REQUIREMENT THAT A HOSPITAL WITH A DEDICATED

EMERGENCY DEPARTMENT (DED) PROVIDE A MEDICAL SCREENING EXAMINATION TO

PERSONS REQUESTING OR REQUIRING SUCH SERVICES, A REQUIREMENT THAT

HOSPITALS PROVIDE STABILIZING TREATMENT OR APPROPRIATE TRANSFER TO

PERSONS WITH EMERGENCY MEDICAL CONDITIONS, A REQUIREMENT THAT HOSPITALS

WITH SPECIALIZED CAPABILITIES ACCEPT CERTAIN TRANSFERS, AND VARIOUS

NOTICE, RECORDKEEPING, REPORTING, AND ON-CALL PHYSICIAN REQUIREMENTS. THE

PURPOSE OF EMTALA IS TO PREVENT HOSPITALS FROM "DUMPING" PERSONS WHO ARE

UNABLE TO PAY FOR THEIR TREATMENT, EITHER BY REFUSING TO PROVIDE

EMERGENCY MEDICAL SERVICES OR BY INAPPROPRIATELY TRANSFERRING OR

DISCHARGING THESE PERSONS FOR FINANCIAL REASONS. ALL HOSPITALS WITH A DED

MUST COMPLY WITH ALL OF THE EMTALA REQUIREMENTS.

POLICY

A. MEDICAL SCREENING EXAMINATION (MSE)

1. SVRHC PROVIDES EMERGENCY SERVICES AND MUST PROVIDE A MEDICAL SCREENING

EXAMINATION TO ANYONE WHO COMES TO SVRHC OR THE SVRHC'S DEDICATED

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.

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EMERGENCY DEPARTMENT AND REQUESTS (OR ON WHOSE BEHALF A REQUEST IS MADE)

SUCH AN EXAMINATION OR TREATMENT. THE REQUEST MAY BE EXPRESSED OR

IMPLIED. THIS INCLUDES PATIENTS WHO PRESENT TO THE SVRHC'S DED OR A

PERSON WHO MAY HAVE FAILED TO ACTUALLY ENTER THE DED BUT IS ON SVRHC

CAMPUS. IN THE ABSENCE OF A REQUEST FOR EXAM OR TREATMENT, A REQUEST WILL

BE CONSIDERED TO EXIST IF A PRUDENT LAYPERSON OBSERVER WOULD BELIEVE,

BASED ON THE PERSON'S APPEARANCE OR BEHAVIOR, THAT THE PERSON NEEDS

EMERGENCY TREATMENT OR EXAM.

A. THE PURPOSE OF THE MEDICAL SCREENING EXAMINATION IS TO DETERMINE

WHETHER OR NOT THE PERSON HAS AN EMERGENCY MEDICAL CONDITION. AN

EMERGENCY MEDICAL CONDITION IS:

(1) A MEDICAL CONDITION MANIFESTING ITSELF BY ACUTE SYMPTOMS OF

SUFFICIENT SEVERITY (INCLUDING SEVERE PAIN, PSYCHIATRIC DISTURBANCES,

AND/OR SYMPTOMS OF SUBSTANCE ABUSE) SUCH THAT THE ABSENCE OF IMMEDIATE

MEDICAL ATTENTION COULD REASONABLY BE EXPECTED TO RESULT IN THE

Part VI Supplemental Information

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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

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FOLLOWING:

(A) PLACING THE HEALTH OF THE PERSON (OR, WITH RESPECT TO A PREGNANT WOMAN, THE HEALTH OF THE WOMAN OR HER UNBORN CHILD) IN SERIOUS JEOPARDY;

(B) SERIOUS IMPAIRMENT TO BODILY FUNCTIONS; OR

(C) SERIOUS DYSFUNCTION OF ANY BODILY ORGAN OR PART; OR

WITH RESPECT TO A PREGNANT WOMAN WHO IS HAVING CONTRACTIONS:

(D) THERE IS INADEQUATE TIME TO EFFECT A SAFE TRANSFER TO ANOTHER HOSPITAL BEFORE DELIVERY; OR

(E) A TRANSFER POSING A THREAT TO THE HEALTH OR SAFETY OF THE WOMAN OR THE UNBORN CHILD.

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.

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THE MEDICAL SCREENING EXAMINATION AND THE DETERMINATION OF WHETHER THE PERSON HAS AN EMERGENCY MEDICAL CONDITION MUST BE PROVIDED BY QUALIFIED MEDICAL PERSONNEL DESIGNATED BY SVRHC IN ITS BYLAWS, RULES AND REGULATIONS, OR OTHER POLICIES OR PROCEDURES APPROVED BY SVRHC'S GOVERNING BOARD. QUALIFIED MEDICAL PERSONNEL TYPICALLY INCLUDE PHYSICIANS, PHYSICIAN ASSISTANTS, NURSE PRACTITIONERS, MIDWIVES, AND NURSES AND OTHER NON-PHYSICIAN PERSONNEL WITH SPECIALIZED COMPETENCIES CONSISTENT WITH THEIR SCOPE OF PRACTICE.

B. SVRHC MAY NOT DELAY MSES OR STABILIZING TREATMENT TO INQUIRE ABOUT PATIENT'S INSURANCE STATUS.

C. REFER TO EMTALA GUIDELINES FOR SPECIAL CONDITIONS REGARDING LAW ENFORCEMENT REQUESTS, PREGNANT WOMEN, AND BEHAVIORAL HEALTH PATIENTS.

B. NECESSARY STABILIZING TREATMENT

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.

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1. IF SVRHC'S QUALIFIED MEDICAL PERSON HAS DETERMINED THAT THE PERSON HAS AN EMERGENCY MEDICAL CONDITION, SVRHC MUST PROVIDE FURTHER MEDICAL EXAMINATION AND TREATMENT NECESSARY TO STABILIZE THE EMERGENCY MEDICAL CONDITION, OR TRANSFER THE PERSON SUBJECT TO THE TRANSFER REQUIREMENTS.

A. A PERSON WITH AN EMERGENCY MEDICAL CONDITION IS STABILIZED WHEN NO MEDICAL DETERIORATION OF THE CONDITION IS LIKELY, WITHIN REASONABLE MEDICAL PROBABILITY, TO RESULT FROM OR OCCUR DURING THE TRANSFER OF THE PERSON FROM A FACILITY OR, WITH RESPECT TO A WOMAN HAVING CONTRACTIONS WHO HAS AN EMERGENCY MEDICAL CONDITION, THE WOMAN HAS DELIVERED THE CHILD AND THE PLACENTA. TO BE CONSIDERED STABILIZED, CMS HAS STATED THAT THE EMERGENCY MEDICAL CONDITION MUST BE "RESOLVED," BUT THE UNDERLYING MEDICAL CONDITION MAY STILL PERSIST.

C. TRANSFER

Part VI Supplemental Information

Complete this part to provide the following information.

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1. THE PERSON OR PERSON'S LEGAL REPRESENTATIVE MAKES A WRITTEN REQUEST FOR TRANSFER AFTER HAVING BEEN INFORMED OF SVRHC'S OBLIGATION TO PROVIDE AN EXAMINATION AND STABILIZING TREATMENT, AND HAS BEEN INFORMED OF THE RISKS OF TRANSFER (THE WRITTEN REQUEST FORM MUST STATE THE REASONS FOR THE PERSON'S REQUEST; OR

A. PHYSICIAN CERTIFIES IN WRITING THAT THE BENEFITS REASONABLY EXPECTED FROM TREATMENT AT ANOTHER FACILITY OUTWEIGH THE INCREASED RISKS TO THE PERSON (OR A PREGNANT WOMAN'S UNBORN CHILD) FROM THE TRANSFER AND THE PERSON OR HIS OR HER REPRESENTATIVE CONSENTS IN WRITING TO THE TRANSFER. IF A PHYSICIAN IS NOT PRESENT IN THE EMERGENCY DEPARTMENT AT THE TIME OF THE TRANSFER, THE QUALIFIED MEDICAL PERSON MAY SIGN THE CERTIFICATION IF A PHYSICIAN CONSULTING WITH THE QUALIFIED MEDICAL PERSON HAS MADE THE DETERMINATION THAT THE BENEFITS OF THE TRANSFER OUTWEIGH THE RISKS, AND THE PHYSICIAN LATER COUNTERSIGNS THE CERTIFICATION.

D. DUTY TO REPORT QUESTIONABLE TRANSFERS

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.

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1. SVRHC IS REQUIRED TO REPORT TO CMS OR THE STATE SURVEY AGENCY ANY TIME IT HAS REASON TO BELIEVE THAT IT MAY HAVE RECEIVED A TRANSFER FROM ANOTHER HOSPITAL IN VIOLATION OF EMTALA. REPORTS MAY BE VERBAL OR IN WRITING AND SHOULD INCLUDE THE FOLLOWING INFORMATION:

A. PATIENT NAME;

B. DATE AND TIME OF SERVICE;

C. DESCRIPTION OF THE INCIDENT; AND

D. NAMES OF ANY WITNESSES, IF APPLICABLE.

E. EMTALA SIGNAGE

1. SVRHC MUST CONSPICUOUSLY POST SIGNS IN THEIR EMERGENCY DEPARTMENT(S) AND OTHER PLACES LIKELY TO BE NOTICED BY ALL PERSONS WAITING FOR EMERGENCY EXAMINATION AND TREATMENT (E.G., THE ENTRANCE, ADMITTING AREA, WAITING ROOMS, AND TREATMENT AREAS) THAT EXPLAINS THE RIGHTS OF PERSONS TO EMERGENCY EXAMINATION AND TREATMENT FOR EMERGENCY MEDICAL CONDITIONS

Part VI Supplemental Information

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UNDER EMTALA.

F. CENTRAL LOG

1. SVRHC MUST MAINTAIN A CENTRAL LOG THAT LISTS EACH WHO COMES TO SVRHC'S EMERGENCY DEPARTMENT(S) SEEKING ASSISTANCE FOR A MEDICAL CONDITION. THE CENTRAL LOG MUST CONTAIN THE FOLLOWING INFORMATION:

A. THE NAME OF THE PERSON WHO CAME TO THE DED SEEKING EXAMINATION OR TREATMENT FOR A MEDICAL CONDITION; AND

B. THE PERSON'S DISPOSITION; SPECIFICALLY WHETHER:

(1) THE PERSON REFUSED TREATMENT;

(2) SVRHC REFUSED TO EXAMINE OR TREAT THE PERSON (WHICH WOULD LIKELY CONSTITUTE AND EMTALA VIOLATION;

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(3) THE PERSON WAS TRANSFERRED;

(4) THE PERSON WAS ADMITTED AND TREATED;

(5) THE PERSON WAS STABILIZED AND TRANSFERRED; OR

(6) THE PERSON WAS DISCHARGED.

G. ON-CALL PHYSICIAN LIST

1. SVRHC MUST MAINTAIN A LIST OF PHYSICIANS ON-CALL TO PROVIDE STABILIZING TREATMENT TO PERSONS WITH EMERGENCY MEDICAL CONDITIONS. THE EMTALA REGULATIONS REQUIRE SVRHC TO MAINTAIN ITS ON-CALL LIST IN ACCORDANCE WITH THE RESOURCES AVAILABLE TO SVRHC, INCLUDING THE AVAILABILITY OF ON-CALL PHYSICIANS.

Part VI Supplemental Information

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2. ON-CALL PHYSICIAN REQUIREMENTS

A. THE DESIGNATED ON-CALL PHYSICIAN MAY RESPOND TO THE CALL TELEPHONICALLY OR IN PERSON, DEPENDING ON THE NEEDS OF THE PATIENT AS DETERMINED BY THE PHYSICIAN OR QUALIFIED MEDICAL PERSON ATTENDING THE PATIENT. THE EMTALA INTERPRETIVE GUIDELINES STATE THAT THE PERSON WHO ATTENDS TO THE PATIENT DETERMINES WHETHER THE PRESENCE OF THE ON-CALL PHYSICIAN IF REQUIRED. IF THE PHYSICIAN OR QUALIFIED MEDICAL PERSON REQUIRES THE ON-CALL PHYSICIAN'S PRESENCE, THEN THE ON-CALL PHYSICIAN MUST COME TO THE HOSPITAL.

B. IF THE ON-CALL PHYSICIAN IS UNABLE IS UNABLE TO RESPOND TO THE CALL DUE TO CIRCUMSTANCES BEYOND HIS OR HER CONTROL (E.G., IN SURGERY AT ANOTHER HOSPITAL), THE ON-CALL PHYSICIAN SHOULD NOTIFY THE PERSON ATTENDING TO THE PATIENT THAT THE PHYSICIAN IS UNABLE TO RESPOND AND THE REASONS WHY. THE PHYSICIAN SHOULD EITHER PERSONALLY DOCUMENT, OR ENSURE THAT THE ATTENDING PHYSICIAN OR QUALIFIED MEDICAL PERSON DOCUMENTS, THE

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22.

REASONS THAT THE PHYSICIAN COULD NOT RESPOND TO CALL IN THE MEDICAL RECORD. CMS DOES NOT VIEW "A FULL OFFICE" AS A VALID REASON FOR REFUSING TO RESPOND TO CALL.

C. IF THE ON-CALL PHYSICIAN CONTENDS THAT HE OR SHE IS NOT QUALIFIED TO TREAT A PATIENT, THEN THE EMERGENCY DEPARTMENT PHYSICIAN OR QUALIFIED MEDICAL PERSON MAY STILL REQUEST THE PHYSICIAN'S PRESENCE IN THE EMERGENCY DEPARTMENT, EVEN IF THE ON-CALL PHYSICIAN WILL ONLY BE ABLE TO HELP MANAGE THE PATIENT'S TRANSFER.

D. THE ON-CALL PHYSICIAN MAY DELEGATE HIS OR HER EVALUATION AND STABILIZATION DUTIES TO A NURSE PRACTITIONER OR PHYSICIAN ASSISTANT UNDER THE PHYSICIAN'S SUPERVISION, BUT ONLY IF:

(1) THE ON-CALL PHYSICIAN MAKES A DETERMINATION ON A CASE-BY-CASE BASIS THAT THE NON-PHYSICIAN PRACTITIONER IS CAPABLE OF PROVIDING THE NECESSARY CARE, CONSISTENT WITH THE PATIENT'S NEEDS;

Part VI Supplemental Information

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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

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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, 20d, 21, and 22.

(2) THE PATIENT'S CARE NEEDS ARE WITHIN THE SCOPE OF THE NON-PHYSICIAN PRACTITIONER'S PRACTICE, IN ACCORDANCE WITH STATE LAW; AND

(3) SVRHC'S POLICIES AND PROCEDURES PERMIT THIS PRACTICE.

IF THE TREATING PHYSICIAN DISAGREES WITH THE ON-CALL PHYSICIAN'S DECISION TO DELEGATE THE PATIENT'S CARE TO A NON-PHYSICIAN PRACTITIONER AND REQUESTS THE PRESENCE OF THE ON-CALL PHYSICIAN, THEN THE ON-CALL PHYSICIAN MUST COME TO SVRHC AS REQUESTED.

E. IF A PHYSICIAN ORDERS THE TRANSFER OF AN EMERGENCY PATIENT TO ANOTHER HOSPITAL, THE PHYSICIAN MUST WEIGH THE RISKS AND BENEFITS OF THE TRANSFER AND COMPLETE (OR, IF OFF PREMISES, INSTRUCT THE EMERGENCY PHYSICIAN OR OTHER QUALIFIED MEDICAL PERSON TO COMPLETE) SVRHC'S EMTALA TRANSFER CERTIFICATION FORM. THIS DOCUMENT MUST CONTAIN THE RISKS AND BENEFITS THAT THE PHYSICIAN CONSIDERED BEFORE TRANSFERRING THE PATIENT AND BE SIGNED BY THE PHYSICIAN WHO ORDERED THE TRANSFER. IF THE HOSPITAL DOES NOT HAVE A TRANSFER CERTIFICATION FORM, THE CERTIFICATION MAY BE DOCUMENTED ELSEWHERE IN THE PATIENT'S MEDICAL RECORD.

Part VI Supplemental Information

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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.

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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, 20d, 21, and 22.

F. ON-CALL OR ATTENDING PHYSICIANS MAY NOT TRANSFER PATIENTS FROM ONE HOSPITAL TO ANOTHER FOR PHYSICIAN CONVENIENCE. THE PATIENT MAY BE TRANSFERRED ONLY IF THE PATIENT REQUESTED THE TRANSFER OR THE PHYSICIAN WEIGHED THE RELATIVE RISKS AND BENEFITS AND DETERMINED THAT THE TRANSFER WOULD BE IN THE PATIENT'S BEST INTERESTS.

H. PHYSICIANS

1. EMTALA APPLIES TO EMERGENCY DEPARTMENT PHYSICIANS AND ATTENDING PHYSICIANS WHO PROVIDE SERVICES TO PERSONS COVERED BY EMTALA. EMTALA ALSO APPLIES TO ANY ON-CALL PHYSICIANS ASSIGNED TO PROVIDE COVERAGE TO EMERGENCY DEPARTMENT PATIENTS. PHYSICIANS SUBJECT TO EMTALA MUST COMPLY WITH THE EMTALA CERTIFICATION, TRANSFER, AND DOCUMENTATION REQUIREMENTS.

I. FOLLOW-UP CARE

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.

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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, 20d, 21, and 22.

1. ONCE THE PERSON HAS BEEN STABILIZED, EMTALA NO LONGER APPLIES. IN THESE SITUATIONS, SVRHC AND PHYSICIAN HAVE NO FURTHER FOLLOW-UP CARE OBLIGATION UNDER EMTALA. SVRHC MUST, HOWEVER, COMPLY WITH ANY APPLICABLE MEDICARE CONDITIONS OF PARTICIPATION.

J. REFUSALS TO CONSENT TO STABILIZING TREATMENT

1. IF A PERSON REFUSES TO CONSENT TO FURTHER EXAMINATION AND MEDICAL TREATMENT OR LEAVES SVRHC AGAINST MEDICAL ADVICE, THEN SVRHC SHOULD:

A. DOCUMENT THAT IT OFFERED THE PERSON FURTHER MEDICAL EXAMINATION AND TREATMENT PRIOR TO THE REFUSAL;

B. DOCUMENT THAT IT INFORMED THE PERSON OF THE RISKS AND BENEFITS OF THE EXAMINATION OR TREATMENT OFFERED;

C. DOCUMENT THE EXAMINATION OR TREATMENT REFUSED;

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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.

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D. DOCUMENT THE REASONS FOR THE PERSON'S REFUSAL; AND

E. TAKE ALL REASONABLE STEPS TO OBTAIN THE PERSON'S WRITTEN INFORMED REFUSAL AND DOCUMENT THESE EFFORTS IF THE PERSON WILL NOT SIGN THE REFUSAL OR LEAVES BEFORE RECEIVING TREATMENT.

2. IF THE PHYSICIAN DETERMINES THAT THE PERSON IS NOT COMPETENT TO REFUSE MEDICAL TREATMENT, THE PHYSICIAN SHOULD DOCUMENT THIS FACT AND SVRHC PERSONNEL SHOULD MAKE A REASONABLE EFFORT TO OBTAIN THE NECESSARY CONSENT BY LOCATING THE PERSON'S SURROGATE DECISION MAKERS, HEALTH CARE DIRECTIVES, AND TAKING OTHER SUCH ACTIONS AS MAY BE PERMITTED OR REQUIRED BY LAW.

3. IF A PERSON APPEARS TO BE A DANGER TO SELF OR OTHERS, PERSISTENTLY OR ACUTELY DISABLED, OR GRAVELY DISABLED AS THE RESULT OF A BEHAVIORAL HEALTH DISORDER AND WILL NOT CONSENT TO EXAMINATION AND TREATMENT, THE

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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.

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HOSPITAL OR PHYSICIAN SHOULD REQUEST A COURT-ORDERED EVALUATION IN

ACCORDANCE WITH STATE LAW.

K. DUTY TO ACCEPT TRANSFERS

1. A MEDICARE-PARTICIPATING HOSPITAL IS REQUIRED TO ACCEPT THE TRANSFER

OF AN UNSTABLE EMERGENT PERSON FROM A HOSPITAL WITHIN THE BOUNDARIES OF

THE UNITED STATES (INCLUDING U.S. TERRITORIES) THAT LACKS THE CAPABILITY

TO STABILIZE THE PERSON'S EMERGENCY MEDICAL CONDITION, PROVIDED THAT THE

RECEIVING HOSPITAL HAS THE "SPECIALIZED CAPABILITIES OR FACILITIES" AND

CAPACITY TO PROVIDE STABILIZING TREATMENT TO THE PERSON.

2. A HOSPITAL WITH SPECIALIZED CAPABILITIES INCLUDES ANY HOSPITAL WITH

CAPABILITIES GREATER THAN THE TRANSFERRING HOSPITAL AT THE TIME OF THE

PERSON'S TRANSFER.

3. ON-CALL PHYSICIAN SERVICES ARE "SPECIALIZED CAPABILITIES." THUS, IF A

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TRANSFERRING HOSPITAL DOES NOT HAVE AN ON-CALL PHYSICIAN AVAILABLE TO PROVIDE THE NECESSARY STABILIZING CARE TO A PERSON WITH AN EMERGENCY MEDICAL CONDITION AND THE RECEIVING HOSPITAL DOES HAVE THE NECESSARY ON-CALL PHYSICIAN, THEN THE RECEIVING HOSPITAL HAS "SPECIALIZED CAPABILITIES" AND MAY NOT REFUSE THE PERSON'S TRANSFER, ABSENT A LACK OF HOSPITAL CAPACITY.

4. THE ONLY EXCEPTION TO THIS "DUTY TO ACCEPT" REQUIREMENT IS WHEN THE RECEIVING HOSPITAL LACKS THE CAPACITY TO ACCEPT THE PERSON'S TRANSFER.

L. CAPACITY

1. IF A TRANSFERRING HOSPITAL HAS THE CAPABILITIES TO PROVIDE SERVICES TO A PERSON, BUT LACKS THE CAPACITY, THEN IT GENERALLY WILL BE EXPECTED TO PROVIDE STABILIZING SERVICES TO THE PERSON DIRECTLY, AND NOT TRANSFER THE PERSON TO ANOTHER HOSPITAL.

Part VI Supplemental Information

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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.

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2. SVRHC EXPERIENCES "OVERCAPACITY" WHENEVER PATIENT VOLUME EXCEEDS SVRHC'S LICENSED OR NORMAL CAPACITY IN ONE OR MORE UNITS. HOSPITALS TYPICALLY HAVE EXPERIENCE ADJUSTING TO ROUTINE OVERCAPACITY AND ARE GENERALLY CAPABLE OF COMPLYING WITH EMTALA IN THESE SITUATIONS. ACCORDINGLY, SVRHC SHOULD ATTEMPT TO COMPLY WITH EMTALA, TO THE BEST OF ITS ABILITY, IN OVERCAPACITY SITUATIONS.

M. TRANSFER CONSIDERATIONS

1. THE TRANSFERRING HOSPITAL OR TRANSFERRING PHYSICIAN DECIDES WHICH RECEIVING HOSPITAL TO CALL, BASED ON THE TRANSFERRING PHYSICIAN'S DETERMINATION AND CERTIFICATION THAT THE BENEFITS OF THE TRANSFER OUTWEIGH THE RISKS.

2. THE TRANSFERRING PHYSICIAN DETERMINES THE APPROPRIATE MEANS OF TRANSPORT.

Part VI Supplemental Information

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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.

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3. THE TRANSFERRING HOSPITAL MUST PROVIDE AN APPROPRIATE MEDICAL SCREENING EXAMINATION AND STABILIZE THE PERSON'S EMERGENCY MEDICAL CONDITION WITHIN ITS CAPABILITIES PRIOR TO TRANSFER.

4. THE RECEIVING HOSPITAL AND ON-CALL PHYSICIAN MUST ACCEPT THE TRANSFER REGARDLESS OF THE PERSON'S INSURANCE STATUS, THE HOSPITAL'S MANAGED CARE PLAN CONTRACTS, OR THE PERSON'S ABILITY TO PAY FOR SERVICES RENDERED BY THE RECEIVING HOSPITAL OR PHYSICIAN.

5. ONCE THE RECEIVING HOSPITAL HAS INDICATED ITS WILLINGNESS TO ACCEPT THE PERSON, THE RECEIVING HOSPITAL MAY MAKE REASONABLE INQUIRIES WITH RESPECT TO WHETHER THE TRANSFERRING HOSPITAL HAS CONSIDERED OTHER TRANSFER OPTIONS (E.G., CLOSER HOSPITALS, HOSPITALS CONTRACTED WITH THE PERSON'S MANAGED CARE PLAN, HOSPITALS CLOSER TO THE PERSON'S RESIDENCE OR FAMILY).

6. THERE IS NO REQUIREMENT FOR PHYSICIAN-TO-PHYSICIAN COMMUNICATION IN

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ORDER TO EFFECT A TRANSFER, HOWEVER, THIS COMMUNICATION IS ENCOURAGED.

N. EMTALA COMPLIANCE IN NATIONAL EMERGENCY, DISASTER, AND OVERCAPACITY SITUATIONS

1. WHEN THE FEDERAL GOVERNMENT HAS DECLARED A NATIONAL EMERGENCY, AND A HOSPITAL IS LOCATED IN THAT NATIONAL EMERGENCY AREA, A HOSPITAL WITH A DED THAT DIRECTS OR RELOCATES A PERSON TO ANOTHER LOCATION FOR THE MEDICAL SCREENING EXAMINATION, IN ACCORDANCE WITH A STATE EMERGENCY PREPAREDNESS PLAN, A PUBLIC HEALTH EMERGENCY THAT INVOLVES A PANDEMIC DISEASE, OR A STATE PANDEMIC PREPAREDNESS PLAN, WILL NOT BE SANCTIONED UNDER EMTALA.

2. THERE IS CURRENTLY NO EXEMPTION FOR PUBLIC HEALTH OR OTHER EMERGENCIES DECLARED BY STATE OR LOCAL GOVERNMENTS. ACCORDINGLY, SVRHC IS EXPECTED TO COMPLY WITH THE EMTALA REQUIREMENTS IN THESE SITUATIONS.

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5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22

3. SVRHC IS EXPECTED TO PROMPTLY ASSUME CONTROL OF PERSONS WHO ARRIVE AT SVRHC VIA AMBULANCE. SVRHC MAY NOT "PARK" THESE PERSONS WITH AMBULANCE PERSONNEL OR REFUSE TO RELEASE AMBULANCE EQUIPMENT OR PERSONNEL, EVEN IN OVERCAPACITY SITUATIONS. INDEED, DELAYING THE DEPARTURE OF AMBULANCES FROM SVRHC COULD ADVERSELY IMPACT THE COMMUNITY'S EMERGENCY RESPONSE SYSTEM. PERSONNEL OR REFUSE TO RELEASE AMBULANCE EQUIPMENT OR PERSONNEL, EVEN IN OVERCAPACITY SITUATIONS. INDEED, DELAYING THE DEPARTURE OF AMBULANCES FROM SVRHC COULD ADVERSELY IMPACT THE COMMUNITY'S EMERGENCY RESPONSE SYSTEM.

SCHEDULE H, PART V, LINE 20D

DETERMINATION OF MAXIMUM CHARGES FOR FAP-ELIGIBLE INDIVIDUAL SELF-PAY PATIENTS ARE TYPICALLY DISCOUNTED 50%. THEY CAN QUALIFY FOR ADDITIONAL DISCOUNTS BASED ON THEIR INCOME. THIS IS DONE ON A CASE BY CASE BASIS.

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

A COMMUNITY HEALTH ASSESSMENT WAS PERFORMED BY HMS ASSOCIATES, A NATIONAL COMPANY FOR SIERRA VISTA REGIONAL HEALTH CENTER IN JULY, 2007 AND APRIL 2012. THE COMPANY CONDUCTED THE SURVEY UTILIZING THREE TYPES OF INFORMATION: A. STATISTICS ON DEATHS, BIRTHS, SERVICE USE B. COMMUNITY SURVEYS C. OPINIONS OF KEY ORGANIZATIONS. THE ASSESSMENT COVERED ALL OF THE HOSPITAL'S SERVICE AREAS WITHIN THE COUNTY AND KEY EFFORTS INCLUDED DURING THE ANALYSIS WERE: GATHERING DATA, ASSIGNING DATA TO HEALTHY PEOPLE PROGRAM CATEGORIES, COMPARING DATA TO BENCHMARKS, ANALYZING DATA AND SELECTING PRIORITIES, AND SUMMARIZING FINDINGS. THE ASSESSMENT WAS THE FOUNDATION FOR SVRHC'S COMMUNITY BENEFIT PLAN WHICH INCLUDES ACTIVITIES AND PROGRAMS TO IMPROVE THE COMMUNITY HEALTH OF OUR CITIZENS.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22

SCHEDULE H, PART VI, LINE 3

SIERRA VISTA REGIONAL HEALTH CENTER INFORMS AND EDUCATES OUR PATIENTS AND COMMUNITY MEMBERS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE, AND LOCAL GOVERNMENT PROGRAMS AND UNDER THE HOSPITAL'S CHARITY CARE POLICY IN THE FOLLOWING WAYS:

A. INFORMATION ON ELIGIBILITY ASSISTANCE IS PROVIDED ON THE WEBSITE, AT THE HOSPITAL'S WELLNESS DEPOT, AND IN PAMPHLETS.

B. EACH PATIENT IS VISITED BY AN ELIGIBILITY SPECIALIST TO DISCUSS ONE-ON-ONE ELIGIBILITY ASSISTANCE.

C. THERE ARE POSTED SIGNS WITHIN THE HOSPITAL NOTIFYING PATIENTS/COMMUNITY MEMBERS ON ASSISTANCE.

D. FOR PATIENTS UNABLE TO INTERACT WITH AN ELIGIBILITY SPECIALIST AT THE TIME OF ARRIVAL THROUGH THE EMERGENCY ROOM, THE DEMOGRAPHICS AND INFORMATION SHEET IS VIEWED BY THE SPECIALIST AND CONTACT IS MADE WITH EACH ONE TO DISCUSS ELIGIBILITY.

E. THERE IS A STATEMENT ON EACH BILL SENT TO ALL PATIENTS ABOUT

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22.

ELIGIBILITY ASSISTANCE.

COMMUNITY INFORMATION

SCHEDULE H, PART VI, LINE 4

THE HOSPITAL UTILIZED THE DEMOGRAPHIC INFORMATION PROVIDED BY THE ASSESSMENT ON THE POPULATIONS OF THE CITIES WITHIN COCHISE COUNTY AND INFUSED THESE FINDINGS INTO OUR PLAN. WE LOOKED AT THE POPULATION SIZE AND DENSITY, DISTRIBUTION, AND VITAL STATISTICS OF EACH CITY COUPLED WITH THE HEALTH NEED FINDINGS TO ESTABLISH EDUCATION AND PROGRAMS FOR THE POPULACE. SOME OF THE DEMOGRAPHIC INFLUENCES UNIQUE TO OUR SERVICE AREA INCLUDE THE FOLLOWING:

A. DUE TO ANTICIPATED POPULATION GROWTH, THE NEED FOR SERVICES WILL GROW BY 50% OVER THE NEXT 20 YEARS

B. THE POPULACE OF 50+ YEARS IS PROJECTED TO GROW BY 54% OVER THE NEXT 20 YEARS

C. RETIREE GROWTH IS ALSO PROJECTED TO GROW BY 18% OVER THE NEXT 20

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22.

YEARS

D. POPULATIONS DENSITY VARIES (FROM 500 TO 65,000) DUE TO MOST OF OUR SERVICE AREA BEING RURAL

E. ALL OF OUR SERVICE AREA HAS CULTURAL SENSITIVITY CHARACTERISTICS

F. THE POPULACE HAS SPECIAL POPULATIONS WITHIN OF GROUP HOMES, ARMED FORCES, CIVILIAN VETERANS (TWO AGE GROUPS - 18 TO 64 AND OVER 64)

G. DEMOGRAPHICS SHOW HIGH HEALTH RISK BEHAVIOR LEVELS, POOR HEALTH STATUS, AND CONSIDERABLE CONCERN BY COMMUNITY LEADERS AND KEY HEALTH CARE PROVIDERS WITHIN THE COUNTY

H. ACCESS TO CARE WAS A MAJOR CONCERN IDENTIFIED FOR THE COUNTY

I. THE COUNTY RELIES ON THE EMERGENCY ROOM FOR CARE MORE THAN ANY OTHER COUNTY IN THE STATE

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, LINE 5

SEE NARRATIVE FOR SCHEDULE H, PART II.

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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, 20d, 21, and 22.

AFFILATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, LINE 6

THE HOSPITAL WAS NOT PART OF AN AFFILIATED HEALTH SYSTEM.

STATE FILING OF COMMUNITY BENEFIT REPORT

SCHEDULE H, PART VI, LINE 7

THERE ARE NO STATES IN WHICH THE ORGANIZATION FILES A COMMUNITY BENEFIT REPORT.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number
86-0186064

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? . . . . . [X] Yes [ ] No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) PERIMETER BICYCLING ASSOCIATION OF AMERICA 2509 E BROADWAY TUCSON, AZ 85716	86-0830696	501(C)(3)	7,500				SPONSORSHIP
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

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" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

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.

PROCEDURES FOR MONITORING FUNDS

PART I, LINE 2

FOR GRANTS AND ASSISTANCE PROVIDED TO OTHER EXEMPT ORGANIZATIONS, THE FOUNDATION RELIES ON THE GOVERNANCE PRACTICES OF THOSE ORGANIZATIONS TO USE THE FUNDS IN ACCORDANCE WITH THE INTENDED PURPOSE.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number
86-0186064

Part I Questions Regarding Compensation

			Yes	No
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.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
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	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	MARGARET HEPBURN CEO	(i)	385,902.	104,541.	99,421.	34,968.	23,621.	648,453.	92,221.
		(ii)	0	0	0	0	0	0	0
2	BRUCE NORTON SR VP FINANCE (THRU 4/30/13)	(i)	227,800.	42,624.	3,804.	31,112.	23,584.	328,924.	0
		(ii)	0	0	0	0	0	0	0
3	MARIE WURTH VICE PRESIDENT (THRU 4/30/13)	(i)	24,195.	0	231,667.	0	21,189.	277,051.	24,195.
		(ii)	0	0	0	0	0	0	0
4	REBECCA MCCALMONT VICE PRESIDENT (THRU 4/30/13)	(i)	149,156.	27,819.	1,938.	23,375.	21,550.	223,838.	0
		(ii)	0	0	0	0	0	0	0
5	TODD HENDERSON ADMIN DIRECTOR (THRU 4/30/13)	(i)	107,896.	37,423.	297.	0	11,844.	157,460.	0
		(ii)	0	0	0	0	0	0	0
6	STEVEN CALABRESE CONTROLLER (THRU 4/30/13)	(i)	113,193.	10,583.	163.	9,162.	17,700.	150,801.	0
		(ii)	0	0	0	0	0	0	0
7		(i)							
		(ii)							
8		(i)							
		(ii)							
9		(i)							
		(ii)							
10		(i)							
		(ii)							
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

JSA
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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.

SEVERANCE OR CHANGE OF CONTROL PAYMENTS

SCHEDULE J, PART I, LINE 4A

MARIE WURTH RECEIVED SEVERANCE PAYMENTS IN THE AMOUNT OF $149,781 FOR CALENDAR YEAR 2012.

MARGARET HEPBURN, BRUCE NORTON AND REBECCA MCCALMONT RECEIVED BONUSES ON 4/30/13 UPON THE COMPLETION OF THE TRANSACTION WITH REGIONAL CARE HEALTH PARTNERS. THESE BONUSES WILL BE REFLECTED ON NEXT YEAR'S TAX RETURN AS 2013 COMPENSATION IF REQUIRED BASED ON THRESHOLDS FOR REPORTING.

BONUS PROGRAM

SCHEDULE J, PART I, LINE 7

THE EXECUTIVE TEAM, WHICH CONSISTS OF THE CEO, CFO, VICE PRESIDENTS, DIRECTORS, AND MANAGERS, ARE ELIGIBLE FOR PARTICIPATION IN THE BONUS PROGRAM. THE AMOUNT OF BONUS IS DETERMINED BY A BONUS MATRIX, ONE OF THE COMPONENTS OF WHICH IS AN EARNINGS TRIGGER. NONE OF THE BONUS MATRIX IS DISCRETIONARY OR NON-FIXED; THEREFORE, THIS QUESTION IS ANSWERED NO.

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

OTHER REPORTABLE COMPENSATION

SCHEDULE J, PART II

CERTAIN EMPLOYEES RECEIVED DISTRIBUTIONS FROM THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN DURING CALENDAR YEAR 2012 AS FOLLOWS:

MARGARET HEPBURN	$92,221
MARY WURTH	$24,195

THESE AMOUNTS WERE INCLUDED IN TAXABLE WAGES AND ARE REPORTED IN SCHEDULE J, PART II, COLUMN B(III) AND ALSO IN COLUMN F SINCE THESE AMOUNTS HAVE PREVIOUSLY BEEN REPORTED AS DEFERRED COMPENSATION ON A PRIOR FORM 990.

SCHEDULE N
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Liquidation, Termination, Dissolution, or Significant Disposition of Assets

▶ Complete if the organization answered "Yes" to Form 990, Part IV, lines 31 or 32; or Form 990-EZ, line 36.

▶ Attach certified copies of any articles of dissolution, resolutions, or plans.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number
86-0186064

Part I **Liquidation, Termination, or Dissolution.** Complete this part if the organization answered "Yes" to Form 990, Part IV, line 31, or Form 990-EZ, line 36. Part I can be duplicated if additional space is needed.

1 (a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC section of recipient(s) (if tax-exempt) or type of entity

		Yes	No
2	Did or will any officer, director, trustee, or key employee of the organization		
a	Become a director or trustee of a successor or transferee organization?	2a	
b	Become an employee of, or independent contractor for, a successor or transferee organization?	2b	
c	Become a direct or indirect owner of a successor or transferee organization?	2c	
d	Receive, or become entitled to, compensation or other similar payments as a result of the organization's liquidation, termination, or dissolution?	2d	

e If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III ▶

Part I Liquidation, Termination, or Dissolution *(continued)*

			Yes	No
	Note. If the organization distributed all of its assets during the tax year, then Form 990, Part X, column (B), line 16 (Total assets), and line 26 (Total liabilities), should equal -0-			
3	Did the organization distribute its assets in accordance with its governing instrument(s)? If "No," describe in Part III	3		
4a	Is the organization required to notify the attorney general or other appropriate state official of its intent to dissolve, liquidate, or terminate?	4a		
b	If "Yes," did the organization provide such notice?	4b		
5	Did the organization discharge or pay all of its liabilities in accordance with state laws?	5		
6a	Did the organization have any tax-exempt bonds outstanding during the year?	6a		
b	Did the organization discharge or defease all of its tax-exempt bond liabilities during the tax year in accordance with the Internal Revenue Code and state laws?	6b		
c	If "Yes" to line 6b, describe in Part III how the organization defeased or otherwise settled these liabilities If "No," explain in Part III			

Part II Sale, Exchange, Disposition, or Other Transfer of More Than 25% of the Organization's Assets. Complete this part if the organization answered "Yes" to Form 990, Part IV, line 32, or Form 990-EZ, line 36. Part II can be duplicated if additional space is needed.

1 (a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC section of recipient(s) (if tax-exempt) or type of entity
HOSPITAL EQUIPMENT	04/30/2013	18,242,385	ACCOUNT BALANCE	90-0942222	REGIONAL CARE HOSPITAL PARTNERS 103 CONTINENTAL PLACE #200	C CORP

			Yes	No
2	Did or will any officer, director, trustee, or key employee of the organization			
a	Become a director or trustee of a successor or transferee organization?	2a	X	
b	Become an employee of, or independent contractor for, a successor or transferee organization?	2b	X	
c	Become a direct or indirect owner of a successor or transferee organization?	2c		X
d	Receive, or become entitled to, compensation or other similar payments as a result of the organization's significant disposition of assets?	2d	X	
e	If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III ▶			

Part III **Supplemental Information.** Complete to provide the information required by Part I, lines 2e and 6c, and Part II, line 2e. Also complete this part to provide any additional information.

SCHEDULE N PART II

LINE 2A

ALL ACTIVE TRUSTEES BECAME TRUSTEES OF THE TRANSFEREE ORGANIZATION.

SCHEDULE N, PART II

LINE 2B

MARGARET HEPBURN AND BRUCE NORTON BECAME EMPLOYEES OF THE TRANSFEREE ORGANIZATION.

SCHEDULE N, PART II

LINE 2D

MARGARET HEPBURN AND BRUCE NORTON RECEIVED PAYOUTS OF ACCRUED PTO DUE TO THEIR HIRE BY THE NEW COMPANY.

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.	2012 Open to Public Inspection

Name of the organization	Employer identification number
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA	86-0186064

VOLUNTEER SERVICES

FORM 990, PART I, LINE 6

VOLUNTEERS IMPACT EVERY DEPARTMENT AND ARE A SOURCE OF COMFORT TO PATIENTS AND FAMILY MEMBERS. THE QUALITY OF CARE THAT SVRHC PROVIDES IS NOT JUST A RESULT OF THE OUTSTANDING STAFF AND PHYSICIANS, BUT ALSO A DIRECT IMPACT FROM THE FRIENDLINESS AND CHEERY ATTITUDES EACH VOLUNTEER GIVES TO THE HOSPITAL. VOLUNTEERS SACRIFICE THEIR TIME AND ENERGY AS AMBASSADORS FOR SVRHC AND ARE TRUE GEMS IN THE COMMUNITY.

WE UTILIZE VOLUNTEERS IN MOST OF THE DEPARTMENTS HERE AT THE HOSPITAL. THESE AREAS INCLUDE CLINICAL DEPARTMENTS SUCH AS MATERNAL CHILD, MED. SURGICAL, ICU/TELE, EMERGENCY DEPARTMENTS AND REHABILITATION SERVICES. OUR VOLUNTEERS WORK CLOSELY WITH OUR NURSING STAFF AND TECHNICIANS TO LEND ASSISTANCE WHENEVER NEEDED. THEY HELP GREET PATIENTS AND FAMILY MEMBERS, ANSWER PHONES, STOCK SMALL SUPPLIES, CREATE PACKETS, HELP WITH CHARTS AND TAKE ITEMS TO PATIENTS' ROOMS SUCH AS FLOWERS OR MAIL.

OUR NON-CLINICAL DEPARTMENTS INCLUDE MEDICAL RECORDS, CLIENT SERVICES, HUMAN RESOURCES, PATIENT ACCOUNTS AND NUTRITION & FOOD SERVICES. OUR VOLUNTEERS HELP OUT IN THESE AREAS BY MAKING COPIES, DATA ENTRY, PUTTING TOGETHER PACKETS, ANSWERING PHONES, COVERING THE OFFICE FOR MEETINGS, MAKING FILES AND DOING FOOD PREPARATION.

TRAINING IS REQUIRED WHICH PROVIDES VOLUNTEERS THE NECESSARY TRAINING AND

TOOLS TO ASSIST THESE SPECIAL CLIENTS IN THEIR DAILY LIVES. WE ARE REQUIRED TO HAVE A CERTAIN PERCENTAGE OF VOLUNTEER HOURS TO STAFF HOURS TO MAINTAIN OUR STATUS AND MEET MEDICARE GUIDELINES.

MISSION

FORM 990 PART I, LINE 1 AND PART III, LINE 1

AS OF MAY 1, 2013 THIS ENTITY NO LONGER OPERATED A HOSPITAL. THE PHILANTHROPIC PURPOSE OF THIS ENTITY AS OF MAY 1, 2013 IS TO PROMOTE POPULATION HEALTH AND COMMUNITY WELLNESS THROUGHOUT SOUTHEAST ARIZONA.

CHANGES TO PROGRAM SERVICES

FORM 990, PART III, LINE 3

THE HEALTHCARE FACILITY ASSETS WERE LEASED TO REGIONAL CARE HEALTH PARTNERS DURING THE YEAR. THIS NEW ENTITY BEGAN OPERATING THE HOSPITAL FACILITY ON MAY 1, 2013. THE PROGRAM SERVICE ACCOMPLISHMENTS REPORTED ON LINE 4 RELATE TO THE TIME PERIOD THROUGH APRIL 30, 2013 DURING WHICH TIME THE FILING ORGANIZATION CONDUCTED THE HOSPITAL ACTIVITIES. THE FILING ORGANIZATION IS IN THE PROCESS OF DEVELOPING ITS CHARITABLE PROGRAMS IN SUPPORT OF ITS RESTATED PHILANTHROPIC PURPOSE AS OF MAY 1, 2013.

EXEMPT PURPOSE ACHIEVEMENTS

FORM 990, PART III, LINE 4A

SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) OPERATED AN 84 BED SHORT-TERM PRIMARY CARE FACILITY IN RURAL ARIZONA THROUGH APRIL 30, 2013. AS OF MAY 1, 2013 THE HOSPITAL IS BEING OEPRATED BY REGIONALCARE HEALTH PARTNERS AND CONTINUES TO BE KNOWN AS SVRHC. SVRHC PROVIDES A FULL RANGE OF

INPATIENT, OUTPATIENT, DIAGNOSTIC AND REHABILITATION SERVICES. SERVICES PROVIDED FOR YEAR ENDED JUNE 30, 2013 INCLUDED 13,191 INPATIENT PATIENT DAYS, 98,023 OUTPATIENT REGISTRATIONS AND 26,500 EMERGENCY ROOM VISITS.

IN SUPPORT OF ITS MISSION AND PHILOSOPHY, THE HOSPITAL PROVIDES CARE TO ALL PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES. THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE AND ACCORDINGLY THEY ARE NOT RECORDED AS REVENUE. CHARITY CARE SERVICES TOTALED APPROXIMATELY $1,834,000 WHEN MEASURED AT THE HOSPITAL'S ESTABLISHED RATES.

THE HOSPITAL PROVIDES CARE TO PATIENTS WHO HAVE ENTERED THE COMMUNITY ILLEGALLY. THE CHARGES FOR THESE PATIENTS ARE PARTIALLY REIMBURSED UNDER SECTION 1011 OF THE MEDICARE PRESCRIPTION DRUG IMPROVEMENT AND MODERNIZATION ACT OF 2003.

PUBLIC PROGRAMS SUCH AS AHCCCS AND MEDICARE PROVIDE FOR THE POOR, INDIGENT AND ELDERLY. PUBLIC PROGRAMS DO NOT ALWAYS COVER THE COSTS OF PROVIDING THESE SERVICES; THE UNREIMBURSED COSTS OF THE MEDICARE PROGRAM WERE APPROXIMATELY $8,253,000.

BENEFITS PROVIDED TO THE COMMUNITY INCLUDE THE COST OF PROVIDING SERVICES TO OTHER POPULATIONS WHO MAY QUALIFY AS POOR BUT MAY NEED SPECIAL SERVICES AND SUPPORT. THIS TYPE OF COMMUNITY BENEFIT INCLUDES THE COST OF

PROGRAMS FOR SENIOR CITIZENS SUCH AS HEALTH PROMOTION AND EDUCATION, HEALTH CLINICS AND SCREENINGS, AND IT ALSO INCLUDES COSTS INCURRED BY THE HOSPITAL FOR TRAINING HEALTH PROFESSIONALS SUCH AS MEDICAL RESIDENTS AND NURSING STUDENTS IN ALLIED HEALTH PROFESSIONALS.

THE HOSPITAL ALSO COMMITS SIGNIFICANT TIME AND RESOURCES TO ENDEAVORS AND CRITICAL SERVICES WHICH MEET OTHERWISE UNFILLED COMMUNITY NEEDS. MANY OF THESE ACTIVITIES ARE SPONSORED WITH THE KNOWLEDGE THAT THEY WILL NOT BE FINANCIALLY VIABLE. THE DEVELOPMENT OF THESE PROGRAMS IS BASED UPON A COMMUNITY ASSESSMENT PERFORMED BY AN INDEPENDENT COMPANY. SUCH ENDEAVORS INCLUDE LOCAL CHARITIES, NOT-FOR-PROFIT ORGANIZATIONS, YOUTH GROUPS AND OTHER PATIENT SUPPORT GROUPS SUCH AS BUT NOT INCLUSIVE OF: HEALTH SCREENINGS AND ASSESSMENTS, CANCER AND OTHER SUPPORT GROUPS, FREE TRANSPORTATION, MEALS AND MEDICATIONS FOR TRANSIENT PATIENTS WHEN NEEDED, THE AMERICAN HEART ASSOCIATION, MARCH OF DIMES, CANCER SOCIETY, AMERICAN RED CROSS, PRENATAL CLASSES, SENIOR OLYMPICS, HEALTH FAIRS, BLOOD PRESSURE CHECKS, HEALTH CAREER SCHOLARSHIPS FOR HIGH SCHOOL AND COLLEGE STUDENTS, BOY SCOUTS OF AMERICA, LITTLE LEAGUE AND PARTICIPATION IN REGULAR BLOOD DRIVES.

AUDITED FINANCIAL STATEMENTS

FORM 990, PART IV, LINE 20B

THE FINANCIAL STATEMENTS OF THIS ENTITY WERE NOT AUDITED FOR THE YEAR ENDED JUNE 30, 2013 BECAUSE IT CEASED OPERATIONS AS A HOSPITAL ENTITY EFFECTIVE MAY 1, 2013. THEREFORE, THE JUNE 30, 2012 AUDITED FINANCIAL STATEMENTS ARE BEING ATTACHED TO THIS FORM 990 AS THE MOST RECENT

Name of the organization: THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number:

STATEMENTS AVAILABLE.

EXECUTIVE COMMITTEE

FORM 990, PART VI, LINE 1A

THE EXECUTIVE COMMITTEE OF THE BOARD IS AUTHORIZED TO ACT FOR THE BOARD BETWEEN REGULAR MEETINGS TO HANDLE EMERGENCY SITUATIONS WHICH ARE TIME SENSITIVE. A MAJORITY OF THE MEMBERS OF THE EXECUTIVE COMMITTEE IS REQUIRED TO TRANSACT BUSINESS. MINUTES OF ALL MEETINGS OF THE EXECUTIVE COMMITTEE ARE PROVIDED TO THE BOARD AT THE NEXT REGULAR MEETING TO BE REVIEWED AND RATIFIED BY THE FULL BOARD.

SIGNIFICANT CHANGES TO GOVERNING DOCUMENTS

FORM 990, PART VI, LINE 4

ON APRIL 10, 2013 THE BYLAWS OF THE ORGANIZATION WERE AMENDED AND RESTATED TO REFLECT THIS ENTITY NO LONGER CONDUCTING HOSPITAL ACTIVITIES.

ON APRIL 30, 2013 THE ARTICLES OF INCORPORATION WERE AMENDED TO REFLECT THE NAME CHANGE TO SIERRA VISTA REGIONAL LEGACY FOUNDATION, INC. AND THE CHANGE IN ITS PHILANTHROPIC PURPOSE TO "PROMOTE POPULATION HEALTH AND COMMUNITY WELLNESS THROUGHOUT SOUTHEAST ARIZONA".

ON JANUARY 22, 2014 THE NAME OF THIS ENTITY WAS CHANGED TO THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA.

PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990

FORM 990, PART VI, LINE 11B

THE 990 IS PREPARED BY THE CONTROLLER CAREFULLY CONSIDERING THE

Name of the organization: THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number:

ORGANIZATION'S ENTRIES ON THE RETURN. THOSE QUESTIONS CONCERNING COMPENSATION HAVE BEEN REVIEWED WITH THE VICE PRESIDENT OF HUMAN RESOURCES AND ALL COMPENSATION HAS BEEN SUPPLIED BY THE HUMAN RESOURCES DEPARTMENT. THE ENTIRE RETURN HAS BEEN REVIEWED FOR CORRECTNESS WITH THE CFO. ONCE COMPLETED THE RETURN WAS THEN REVIEWED BY E&Y TAX DEPARTMENT. BEFORE THE FINAL RETURN IS FILED, THE COMPLETED 990 IS REVIEWED WITH THE FINANCE COMMITTEE OF THE BOARD HIGHLIGHTING THE AREAS OF CONCERN TO A GOVERNING BODY. A COMPLETED COPY IS MADE AVAILABLE FOR ALL TRUSTEES TO REVIEW PRIOR TO FILING. ANSWERS ARE PROVIDED TO ANY QUESTIONS OR CONCERNS.

PROCESS TO MONITOR TRANSACTIONS FOR CONFLICT OF INTEREST

FORM 990, PART VI, LINE 12C

THE ORGANIZATION HAS A CONFLICT OF INTEREST POLICY. THE FOLLOWING PROCEDURES ARE EMPLOYED.

ALL OFFICERS, LEADERS OR IDENTIFIED OTHERS SHALL COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE AND SUBMIT IT TO THE HOSPITAL ANNUALLY.

THE TERM "CONFLICT OF INTEREST" MEANS THAT CIRCUMSTANCES WHERE THE BEST INTERESTS OF SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) CONFLICT WITH EITHER THE ECONOMIC, PROFESSIONAL, POLITICAL OR PERSONAL INTERESTS OF ONE OR MORE OFFICERS, LEADERS OR IDENTIFIED OTHERS OF SVRHC.

THE RELATIONSHIP BETWEEN SVRHC AND ITS OFFICERS, LEADERS AND IDENTIFIED OTHERS IS ONE WHICH IS COMPLEX AND CHANGING. THERE ARE CIRCUMSTANCES

WHICH MAY EXIST WHICH MAY INTERTWINE THE INTERESTS OF SVRHC AND ITS OFFICERS, LEADERS AND IDENTIFIED OTHERS. IN ORDER TO RECOGNIZE AND EFFECTIVELY DEAL WITH CIRCUMSTANCES OF THIS NATURE THE FOLLOWING POLICY HAS BEEN ADOPTED.

ANY AND ALL CONFLICTS OF INTEREST SHALL BE DISCLOSED TO THE HOSPITAL EITHER AT THE TIME OF HIRE, INCEPTION OF RELATIONSHIP, AND/OR AT THE TIME OF AN INITIAL AGREEMENT/CONTRACT OR AT ANY TIME A CONFLICT OF INTEREST OCCURS.

A CONFLICT OF INTEREST QUESTIONNAIRE IS SUBMITTED TO THE HOSPITAL. FAILURE TO COMPLETE AND SUBMIT A QUESTIONNAIRE WILL RESULT IN THE OFFICER LEADER OR IDENTIFIED OTHER BEING REMOVED FROM THEIR RELATIONSHIP WITH THE HOSPITAL. WHILE THIS IS AN ANNUAL REQUIREMENT, IT IS NOT MEANT TO TAKE THE PLACE OF IMMEDIATE AND APPROPRIATE DISCLOSURE OF A CONFLICT OF INTEREST BY AN OFFICER, LEADER OR IDENTIFIED OTHER TO THE HOSPITAL WHEN CIRCUMSTANCES OCCUR.

ANY POTENTIAL CONFLICT OF INTEREST SHALL BE DISCLOSED TO THE HOSPITAL. THE POTENTIAL CONFLICT WILL BE REVIEWED EITHER BY THE CEO/PRESIDENT OR HIS/HER DESIGNEE(S) OR BY THE BOARD OF TRUSTEES' CHAIRPERSON OR HIS/HER DESIGNEE(S) DEPENDING ON THE NATURE OF THE POTENTIAL CONFLICT. A DECISION PERTAINING TO THE CONFLICT OF INTEREST AND THE OFFICER'S, LEADER'S AND IDENTIFIED OTHER'S ABILITY TO CONTINUE IN HIS/HER POSITION AND/OR RELATIONSHIP WILL BE DETERMINED AND SHARED WITH THE OFFICER, LEADER OR

IDENTIFIED OTHER.

PROCEDURES USED TO DETERMINE COMPENSATION

FORM 990, PART VI, LINES 15A AND 15B

IT IS THE POLICY OF SIERRA VISTA REGIONAL HEALTH CENTER THAT AN EXECUTIVE'S BASE SALARY WILL BE MAINTAINED AT OR ABOVE THE 50TH PERCENTILE AND THAT ANNUALLY THE BOARD OF TRUSTEES WILL DEVELOP A COMPENSATION PLAN UTILIZING A THIRD PARTY CONSULTANT AND CURRENT MARKET DATA.

IT IS THE POLICY OF SIERRA VISTA REGIONAL HEALTH CENTER THAT EXECUTIVES WILL BE PAID AN INCENTIVE BONUS BASED UPON AN ANNUAL PLAN COMPRISED OF FINANCIAL AND NON-FINANCIAL METRICS APPROVED BY THE BOARD OF TRUSTEES, THE PLAN WILL BE APPROPRIATELY ALIGNED WITH THE PROBABILITY OF ACHIEVEMENT.

PROCEDURE:

* ENGAGE AN INDEPENDENT COMPANY TO CONDUCT A COMPENSATION VALUATION STUDY OF COMPENSATION ARRANGEMENTS IN TAX- EXEMPT ORGANIZATIONS UNDER THE INTERMEDIATE SANCTIONS LEGISLATION.

* THE INDEPENDENT COMPANY WILL PROVIDE THE SVRHC BOARD OF TRUSTEES' EXECUTIVE COMPENSATION COMMITTEE COMPETITIVE MARKET DATA TO INCLUDE: A CONFIRMATION OF THE SCOPE, DATA CUTS AND SURVEY SOURCES WITH THE HUMAN RESOURCE TEAM. PROVIDE MARKET COMPARABILITY DATA IN ORDER TO REVIEW THE COMPETITIVENESS OF SVRHC'S PROGRAM. RESEARCH MARKET PRACTICES FOR BOTH SHORT AND LONG TERM PLANS TO DETERMINE ALIGNMENT. REVIEW EXECUTIVE

BENEFIT AND PERQUISITE PREVALENCE DATA.

* THE INDEPENDENT COMPANY WILL SELECT RELEVANT DATA AND ADJUST THE DATA TO ACCURATELY REFLECT THE SIZE AND SCOPE OF SVRHC'S ROLES AND MEDIAN REVENUE SIZE.

* THE INDEPENDENT COMPANY WILL UTILIZE THE SAME METHODOLOGY TO CONDUCT A REVIEW OF INCENTIVE BONUS PLANS FOR THE EXECUTIVE STAFF.

* THE INDEPENDENT COMPANY WILL CONSIDER THE FOLLOWING WHEN REVIEWING A PARTICULAR INDIVIDUAL'S COMPENSATION: PRIOR SKILLS AND EXPERIENCE OF INCUMBENTS IN THE ROLE; THE MIX OF COMPENSATION ELEMENTS AND OTHER REWARD COMPONENTS; THE HOSPITAL'S PERFORMANCE VERSUS COMPARABLE PEER PERFORMANCE; AND THE ABILITY OF THE HOSPITAL TO PAY AT COMPETITIVE LEVELS.

* THE INDEPENDENT COMPANY WILL MAKE RECOMMENDATIONS FOR COMPENSATION AND BONUS PERCENTAGES FOR THE EXECUTIVE STAFF TO THE SVRHC BOARD OF TRUSTEES EXECUTIVE COMPENSATION COMMITTEE.

* THE COMMITTEE WILL REVIEW THE RECOMMENDATIONS AND FORWARD THEM TO THE ENTIRE SVRHC BOARD OF TRUSTEES FOR APPROVAL.

AVAILABILITY OF CERTAIN DOCUMENTS TO GENERAL PUBLIC

FORM 990, PART VI, LINE 19

THE HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

Name of the organization: THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number:

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
CERNER CORP PO BOX 412702 KANSAS CITY, MO 64141	SOFTWARE MAINTENANCE	3,556,341.
CARDINAL HEALTH PHARMACY SERVICES 21377 NETWORK PLACE CHICAGO, IL 60673	PHARMACY MANAGEMENT	3,357,059.
ARAMARK CORPORATION 12483 COLLECTION CENTER DRIVE CHICAGO, IL 60693	BIO MED MANAGEMENT	3,075,344.
COGENT HEALTHCARE MANAGEMENT PO BOX 645037 CINCINNATI, OH 45264	HOSPITALIST	1,700,980.
MIDWESTERN UNIVERSITY 19555 NORTH 59TH AVENUE GLENDALE, AZ 85308	RESIDENTS	1,381,265.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA

Employer identification number
86-0186064

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
(1) SVRHC PROPERTIES LLC 27-3350867 300 EL CAMINO REAL SIERRA VISTA, AZ 85635	MOB	AZ	77,895.	0	N/A
(2) SVRHC OFFICE COMPLEX LLC 45-5165711 300 EL CAMINO REAL SIERRA VISTA, AZ 85635	ASSOCIATION	AZ	148,630.	0	N/A
(3) SVRHC OFFICE COMPLEX II, LLC 300 EL CAMINO REAL SIERRA VISTA, AZ 85635	INACTIVE	AZ	0	0	N/A
(4) SVRHC URGENT CARE, LLC 86-0186064 300 EL CAMINO REAL SIERRA VISTA, AZ 85635	INACTIVE	AZ	0	0	N/A
(5) SVRHC MEDICAL GROUP LLC (THRU 5/1/13) 45-5495321 300 EL CAMINO REAL SIERRA VISTA, AZ 85635	MEDICAL GROUP	AZ	-2,696,507.	0	N/A
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) SVRHC FOUNDATION (DISSOLVED 6/30/13) 86-0729397 300 EL CAMINO REAL SIERRA VISTA, AZ 85625	FUNDRAISING	AZ	501(C)(3)	11D	N/A	X	
(2) SIERRA VISTA COMMUNITY HOSPITAL AUX, INC 86-0431251 300 EL CAMINO REAL SIERRA VISTA, AZ 85625	FUNDRAISING	AZ	501(C)(3)	9	N/A	X	
(3)							
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2012

JSA

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TQ6333 1546

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? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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	(i) No
(1) ARIZONA FAMILY CARE ASSOCIATES 6 SOUTH 2ND ST SIERRA VISTA, AZ 85635	PHYSICIANS GROUP	AZ	N/A	C CORP	-33,161	338,092	61 1100	X	
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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

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

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)	SVRHC FOUNDATION	C	273,541.	ACCRUAL
(2)	SVRHC FOUNDATION	S	1,796,338.	FMV
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

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

AZ CORPORATION COMMISSION
FILED

JAN 8 8 2014

AZ Corp. Commission
04529555

FILE NO 0016294S-1

ARTICLES OF AMENDMENT
OF
SIERRA VISTA REGIONAL LEGACY FOUNDATION,
an Arizona nonprofit corporation
(Pursuant to A.R.S. §10-11006)

1. The Articles of Incorporation of Sierra Vista Regional Legacy Foundation (the "Corporation") were originally filed with the Arizona Corporation Commission on July 12, 1963 (the "Original Articles")

2. The Original Articles were amended several times (the Original Articles, as amended, the "Articles").

3 The most recent filing of the Corporation with the Arizona Corporation Commission was assigned File Number 0082945-4.

4. On December 2, 2013, by document assigned File Number N-1839129-4, the Corporation caused the name "The Legacy Foundation of Southeast Arizona" to be reserved with the Arizona Corporation Commission.

5. Attached hereto as Exhibit A is a copy of the amendment to the Articles, of the Corporation (the "Amendment") which was duly approved and adopted by the Board of Directors of the Corporation on the 5th day of December, 2013 amending the Articles to change the name of the Corporation to "The Legacy Foundation of Southeast Arizona". There are no members of the Corporation; therefore, no approval of members is required.

DATED this 10th day of January, 2014.

SIERRA VISTA REGIONAL LEGACY FOUNDATION,
an Arizona nonprofit corporation

By: Ron Wagner
Ron Wagner
Chair, Board of Directors

EXHIBIT A:

AMENDMENT TO ARTICLES OF INCORPORATION
OF
SIERRA VISTA REGIONAL LEGACY FOUNDATION,
an Arizona nonprofit corporation

By action of the Board of Directors of the Sierra Vista Regional Legacy Foundation, an Arizona non-profit corporation, at a duly called and held meeting effective immediately ARTICLE ONE of the Articles of Incorporation of Sierra Vista Regional Legacy Foundation, an Arizona corporation, is hereby amended to state:

The name of the corporation is: The Legacy Foundation of Southeast Arizona (the "Corporation")

In all other respects, the Articles of Incorporation of the Corporation are ratified and confirmed.

DATED this 5th day of December, 2013.

THE LEGACY FOUNDATION OF SOUTHEAST ARIZONA,
an Arizona nonprofit corporation

By: Ron Wagner
Ron Wagner
Chair, Board of Directors

AZ Corp. Commission
04185620

AZ CORPORATION COMMISSION
FILED

APR 9 2013

FILE NO. -0000-2945-1

ARTICLES OF AMENDMENT
OF
SIERRA VISTA REGIONAL HEALTH CENTER, INC.,
an Arizona nonprofit corporation
(to be known as Sierra Vista Regional Legacy Foundation, Inc.,
an Arizona nonprofit corporation)

(Pursuant to A.R.S. §10-11007)

1. The name of the corporation is: Sierra Vista Regional Legacy Foundation, Inc. (the "Corporation").

2. The Articles of Incorporation of the Corporation were originally filed in the office of the Arizona Corporation Commission on July 12, 1983 (the "Original Articles"). The Original Articles were amended several times thereafter (the Original Articles, as amended, the "Articles").

3. Attached hereto as Exhibit A is a copy of the Articles, fully restated to include all amendments to the Articles through the date of filing this document (the "Restatement").

4. There are no members of the Corporation; therefore, no approval of members is required.

5. The Restatement was duly approved and adopted by the Board of Trustees of the Corporation on the 10th day of April, 2013.

DATED this 9th day of April, 2013.

SIERRA VISTA REGIONAL LEGACY FOUNDATION, INC.
an Arizona nonprofit corporation

By: Bruce Dodder
Bruce Dodder
Chair, Board of Trustees

EXHIBIT A:

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SIERRA VISTA REGIONAL LEGACY FOUNDATION,
an Arizona nonprofit corporation

ARTICLE ONE. NAME

The name of the corporation is. Sierra Vista Regional Legacy Foundation (the "Corporation")

ARTICLE TWO. PURPOSE

The Corporation is organized, and shall be operated, as a nonprofit corporation under the laws of the State of Arizona, exclusively for such charitable, scientific and educational purposes as will qualify it as an exempt organization under Section 501(c)(3) of the United States Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law; the "Code"), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under the Code.

ARTICLE THREE. CHARACTER OF AFFAIRS

The general nature of the business of the Corporation shall be to promote population health and community wellness throughout Southeast Arizona. In connection with the Corporation's business, the Corporation may: (i) acquire by gift or otherwise, purchase, receive, contract for, accept outright or in trust, and hold, own, invest, manage, lease, sell or otherwise convey or dispose of, real or personal property; (ii) mortgage, pledge, hypothecate or otherwise encumber its real or personal property; (iii) lend money, borrow money and issue promissory notes or bonds, or any other papers or writings evidencing its indebtedness; (iv) act in fiduciary capacity as trustee and establish or administer trusts for or in furtherance of the purposes and objectives of the Corporation; and (v) have and exercise all other powers, and do all acts and things permitted by law that may be deemed necessary, convenient, advisable or desirable, in accomplishing or carrying out, or in connection with, its general purposes.

ARTICLE FOUR. EARNINGS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Two.

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ARTICLE FIVE. PROHIBITED TRANSACTIONS/ACTIVITIES

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not engage in any transaction or carry on any other activities not permitted to be carried on: (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code; or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE SIX. DISSOLUTION

Upon the dissolution of the Corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all remaining assets exclusively for the purposes of the Corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code as the Board of Trustees shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE SEVEN. MEMBERSHIP

The Corporation shall not have members.

ARTICLE EIGHT. BOARD OF TRUSTEES

The number of persons to serve on the Board of Trustees of the Corporation (each, a "Trustee" and collectively, the "Trustees") shall be fixed by the Bylaws of the Corporation (the "Bylaws"); provided, however, that a minimum of one (1) Trustee is required by law. The names and addresses of the persons who are currently serving as the Trustees until their terms expire and their successors are elected and qualified by the Board of Trustees are as follows:

Bruce Dockter
PO Box 508
Sierra Vista, AZ 85636

Ronald Wagner
3726 Elder Court
Sierra Vista, AZ 85650

Joanna Michalich, PhD
4312 S Cherokee Ave
Sierra Vista, AZ 85650

Chief William (Bill) Miller
PO Box 957
Sierra Vista, AZ 85636

Lanny A. Kope, EdD
2785 Glengarry Way
Sierra Vista, AZ 85650

Alan Osumi, MD
PO Box 578
Hereford, AZ 85615

Susan A. Warne, JD
PO Box 771
Hereford, AZ 85615

Elizabeth Patten
2775 St. Andrews Dr
Sierra Vista, AZ 85650

Andrea Dunlap
2823 Sun Crest
Sierra Vista, AZ 85650

ARTICLE NINE. KNOWN PLACE OF BUSINESS

The known place of business of the Corporation shall be:

302-01 El Camino Real
Sierra Vista, Arizona 85635

ARTICLE TEN. STATUTORY AGENT

The name and address of the Statutory Agent of the Corporation shall be:

Andrew O. Norell, Esq.
c/o Campbell, Yost, Clare & Norell, P.C.
3450 E. Sunrise Drive, Suite 150
Tucson, AZ 85718

ARTICLE ELEVEN. DURATION

The existence of the Corporation commenced with the issuance of the Certificate of Incorporation by the Arizona Corporation Commission on July 19, 1983. The duration of the corporate existence of the Corporation shall be perpetual until dissolution.

ARTICLE TWELVE. PERSONAL LIABILITY

The personal liability of the Trustees for monetary damages for breach of fiduciary duty as a Trustee is limited or eliminated to the fullest extent permitted by applicable law. No Trustee shall be personally liable for the debts or obligations of the Corporation of any nature whatsoever, nor shall any of the property of the Trustees be

subject to the payment of the debts or obligations of the Corporation.

ARTICLE THIRTEEN. INDEMNIFICATION

The power of indemnification under the Arizona Revised Statutes shall not be denied for limited by the Bylaws of the Corporation.

ARTICLE FOURTEEN. DISCRIMINATION

The Corporation will not practice or permit discrimination on the basis of sex, age, race, national origin, religion, physical handicap or disability.

ARTICLE FIFTEEN. AMENDMENT

These Articles of Incorporation may be amended only by the Board of Trustees of the Corporation in accordance with the Bylaws.

DATED this 29th day of April, 2013.

SIERRA VISTA REGIONAL HEALTH CENTER, INC.,
an Arizona nonprofit corporation

By: _____
Bruce Dockter
Chair, Board of Trustees

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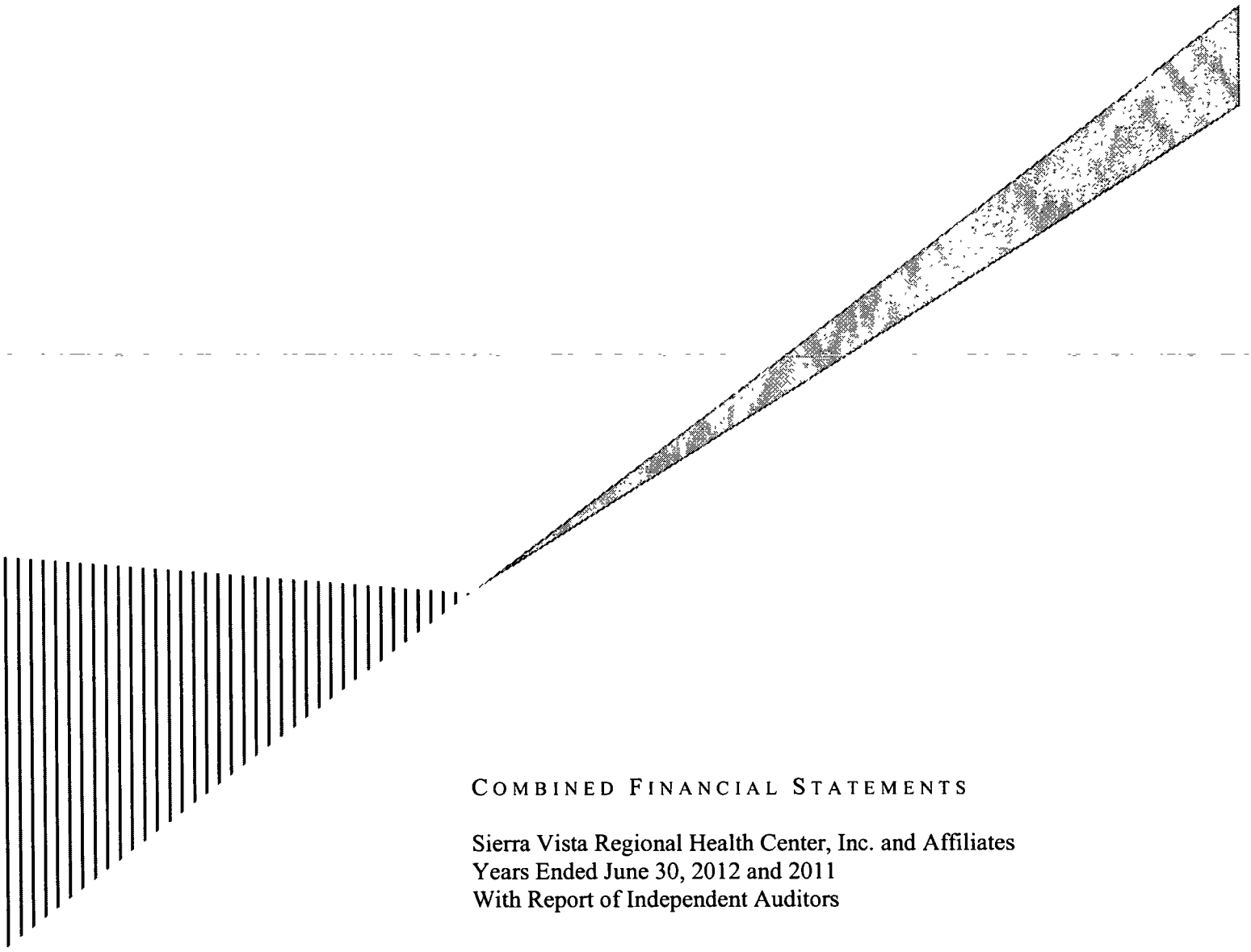


COMBINED FINANCIAL STATEMENTS

Sierra Vista Regional Health Center, Inc. and Affiliates
Years Ended June 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

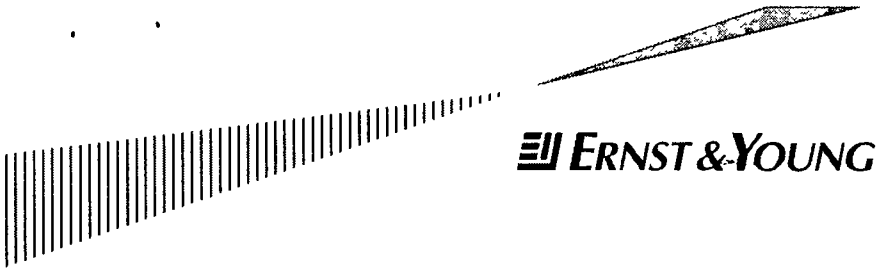
ERNST & YOUNG

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Financial Statements

Years Ended June 30, 2012 and 2011

Contents



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Report of Independent Auditors

Board of Trustees
Sierra Vista Regional Health Center, Inc.

We have audited the accompanying combined balance sheets of Sierra Vista Regional Health Center, Inc. and Affiliates (the Company) as of June 30, 2012 and 2011, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Sierra Vista Regional Health Center, Inc. and Affiliates at June 30, 2012 and 2011, and the combined 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 11, 2012

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Balance Sheets

	June 30 2012	June 30 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 6,460,264	$ 12,040,116
Short-term investments	7,746,456	4,536,652
Patient accounts receivable, net of allowance for doubtful accounts of $2,565,000 and $2,822,000 at June 30, 2012 and 2011, respectively	8,783,078	8,593,614
AHCCCS SAVE program receivable	602,664	764,737
Inventories	1,991,098	2,390,380
Current portion of assets whose use is limited	760,717	728,504
Prepaid expenses and other	4,218,753	1,994,828
Total current assets	30,563,030	31,048,831
Assets whose use is limited, net of current portion	3,272,557	3,184,383
Investments	43,131,707	44,894,204
Property and equipment, net	37,142,334	34,802,744
Deferred financing costs, net	474,796	540,195
Interests in affiliates	114,148	82,535
Other assets	1,735,945	1,171,655
Total assets	$ 116,434,517	$ 115,724,547
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 4,666,366	$ 4,205,335
Accrued compensation	3,872,081	3,810,337
Estimated third-party settlements	2,644,857	3,158,422
Current portion of long-term debt	1,176,451	1,147,979
Total current liabilities	12,359,755	12,322,073
Long-term debt, net of current portion	21,765,405	24,429,675
Professional and general liabilities and other	2,631,446	3,238,695
Total liabilities	36,756,606	39,990,443
Net assets:		
Unrestricted	79,488,033	75,531,382
Temporarily restricted	189,878	202,722
Total net assets	79,677,911	75,734,104
Total liabilities and net assets	$ 116,434,517	$ 115,724,547

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Operations

	Year Ended June 30	
	2012	**2011**
Revenues:		
Patient service revenue	**$ 93,958,878**	$ 96,183,264
Provision for doubtful accounts	**(4,685,260)**	(4,192,925)
Net patient service revenue	**89,273,618**	91,990,339
Other operating revenue	**3,363,479**	1,187,023
Total revenues	**92,637,097**	93,177,362
Expenses:		
Salaries and wages	**36,147,541**	35,734,756
Employee benefits	**8,616,084**	8,095,803
Supplies, services, and other	**32,614,719**	33,448,412
Provision for note receivable	**1,182,056**	–
Professional fees	**4,869,044**	2,781,107
Interest	**1,753,009**	1,830,633
Depreciation and amortization	**5,415,621**	6,200,886
Net loss on disposal of equipment	**185,558**	23,920
Total expenses	**90,783,632**	88,115,517
Operating income	**1,853,465**	5,061,845
Other income:		
Investment income	**1,652,049**	1,413,524
Net unrealized gains on investments	**44,854**	2,379,275
Other nonoperating revenue	**370,239**	157,584
Total other income	**2,067,142**	3,950,383
Excess of revenues over expenses	**$ 3,920,607**	$ 9,012,228

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Changes in Net Assets

	Year Ended June 30	
	2012	**2011**
Unrestricted net assets:		
Excess of revenues over expenses	**$ 3,920,607**	$ 9,012,228
Net assets released from restrictions used for purchase of property and equipment	**36,044**	17,893
Increase in unrestricted net assets	**3,956,651**	9,030,121
Temporarily restricted net assets:		
Grants and contributions	**23,200**	52,047
Net assets released from restrictions used for purchase of property and equipment	**(36,044)**	(17,893)
(Decrease) increase in temporarily restricted net assets	**(12,844)**	34,154
Increase in net assets	**3,943,807**	9,064,275
Net assets, beginning of year	**75,734,104**	66,669,829
Net assets, end of year	**$ 79,677,911**	$ 75,734,104

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Cash Flows

	Year Ended June 30	
	2012	**2011**
Operating activities		
Increase in net assets	**$ 3,943,807**	$ 9,064,275
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	**5,415,621**	6,200,886
Provision for doubtful accounts	**4,685,260**	4,192,925
Provision for note receivable	**1,182,056**	–
Net loss on disposal of equipment	**185,558**	23,920
Amortization of bond discount	**12,181**	12,181
Net unrealized gains on investments	**(44,854)**	(2,379,275)
Changes in operating assets and liabilities:		
Patient accounts receivable	**(4,874,724)**	(4,948,585)
Inventories	**399,282**	(290,603)
Prepaid expenses and other receivables	**(3,243,908)**	1,374,760
Assets limited as to use, net	**(120,387)**	(27,468)
Investments, net	**(2,902,453)**	(8,528,812)
Other assets	**(564,290)**	(636,748)
Accounts payable and accrued expenses	**461,031**	(934,526)
Accrued compensation	**61,744**	(53,085)
Estimated third-party payor settlements	**(513,565)**	1,525,544
Net cash provided by operating activities	**4,082,359**	4,595,389
Investing activities		
Purchases of property and equipment, net	**(7,940,769)**	(4,695,431)
Proceeds from sales of property and equipment	**–**	541,583
(Increase) decrease in interests in affiliates	**(31,613)**	52,702
Net cash used in investing activities	**(7,972,382)**	(4,101,146)
Financing activities		
Payments on long-term debt	**(1,147,979)**	(1,388,748)
Decrease in other financing activities	**65,399**	65,399
Decrease in other liabilities	**(607,249)**	(156,276)
Net cash used in financing activities	**(1,689,829)**	(1,479,625)
Net decrease in cash	**(5,579,852)**	(985,382)
Cash and cash equivalents, beginning of year	**12,040,116**	13,025,498
Cash and cash equivalents, end of year	**$ 6,460,264**	$ 12,040,116
Supplemental disclosures of cash flow information		
Cash paid for interest	**$ 1,675,406**	$ 1,755,443

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements

June 30, 2012

1. Organization

Sierra Vista Regional Health Center, Inc. (the Hospital) is an Arizona not-for-profit corporation exempt from income taxes. The Hospital is an 81-bed acute care hospital that provides a full range of inpatient and outpatient services in Sierra Vista, Arizona, and Cochise County. Services range from the inpatient units of medical/surgical, intensive care, progressive care, telemetry, obstetrics, and neonatal intensive care to an emergency room that serves as a base station for many emergency medical service providers. Other outpatient services include diagnostic, rehabilitation, surgical, hospice, infusion, imaging center, outpatient surgery center, and clinics. The existence of the full continuum of services allows the Hospital to function seamlessly and without interruption to patient care.

Combination

The Hospital's affiliates include the Sierra Vista Community Hospital Foundation (the Foundation), the Sierra Vista Community Hospital Auxiliary (the Auxiliary), Arizona Family Care Associates, Inc. (AFCA) and SVRHC Office Complex LLC (the Office Complex). The accounts and transactions of the Foundation and the Office Complex are combined with that of the Hospital. The Hospital does not control the Auxiliary so it records its interest in the net assets of the Auxiliary with offsetting changes in net assets. AFCA is accounted for under the equity method of accounting.

The accompanying combined financial statements include the accounts of the Hospital and all combined affiliates after elimination of intercompany accounts and transactions.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of 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 changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and money market funds with original maturities of three months or less when acquired.

2. Summary of Significant Accounting Policies (continued)

Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are local residents who are insured under third-party payor agreements. The following table summarizes the percentage of gross accounts receivable from all payors as of June 30:

	2012	2011
Medicare	**31%**	27%
Arizona Health Care Cost Containment System (AHCCCS)	**16**	24
Other commercial third party	**46**	42
Self-pay and other	**7**	7
	100%	100%

Net patient accounts receivable have been adjusted to the estimated amounts expected to be collected. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital 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 Hospital 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 (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Hospital 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.

2. Summary of Significant Accounting Policies (continued)

Inventories

Inventories, consisting of medical devices, and medical supplies, are stated at the lower of cost (first-in, first-out method) or market.

Investments

Investments with original maturities greater than three months but less than one year are classified as short-term investments. Common stocks and investments with maturities greater than one year are classified as long-term investments.

Investments are carried at fair value based on quoted market values. Investment income or loss (including realized or unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method, and is provided over the following estimated useful lives for each class of depreciable asset:

	Years
Buildings and improvements	15-30
Land improvements	15-25
Equipment	3-10

Deferred Financing Costs

Certain costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the life of the related debt using the straight-line method, which approximates the effective-interest method.

2. Summary of Significant Accounting Policies (continued)

Restricted Net Assets

The Hospital reports contributions of cash and other assets as temporarily or permanently restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of operations and changes in net assets as released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions. Donor restrictions have been imposed restricting usage of assets primarily for property and equipment and other purposes.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. 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 accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of discounted rates, as provided by its policy. On the basis of historical experience, a portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), is recognized from these major payor sources as follows:

	Year Ended June 30	
	2012	**2011**
Patient service revenue (net of contractual allowances and discounts):		
Third-party payors	**$ 93,154,773**	$ 95,730,753
Self-pay	**804,105**	452,511
Total	**$ 93,958,878**	$ 96,183,264

2. Summary of Significant Accounting Policies (continued)

Other Operating Revenue

Other operating revenue consists primarily of cafeteria sales, donations, radiology professional fees, and electronic health record incentive payments.

Electronic Health Records Incentive Payments

Starting in 2011, the Medicare and Medicaid programs are providing incentive payments to eligible hospitals and professionals if meaningful-use certified electronic health record (EHR) technology is adopted. The incentive payments are recognized when management is reasonably assured that the Hospital has complied with the conditions set forth by Medicare and Medicaid. Approximately $2 million in incentive payments were recognized in other operating revenue for the year ended June 30, 2012, relating to Medicare and Medicaid incentive programs. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Hospital's compliance with meaningful use criteria is subject to audit by the federal government.

Excess of Revenues Over Expenses

The combined statements of operations include a measurement for excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Physician Income Guarantees

The Hospital enters into agreements with nonemployed physicians that include minimum net collection guarantees. These guarantees arise out of a community need to recruit physicians in certain specialties to the areas surrounding the Hospital and provide a guaranteed level of income to the physicians for the first year of practice. The guarantee provides a buffer between the physicians' actual collections on patient billings in this initial period and an agreed-upon income level based on the specialty. The physicians are expected to practice in the area for a total period of three to four years. The contract-based asset is amortized as a component of professional fees, in the accompanying combined statements of operations, over the period of the physician contract. Over the period subsequent to the guarantee period, amounts paid to the physicians

2. Summary of Significant Accounting Policies (continued)

during the guarantee period are ratably forgiven, resulting in income to the physicians in the years of forgiveness. At June 30, 2012, the maximum potential amount of future payments under the income guarantees was $687,000. The estimated amount of the liability for the Hospital's obligation under these guarantees is approximately $687,000 and $856,000 at June 30, 2012 and 2011, respectively.

Recent Accounting Pronouncements

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which clarifies that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The Hospital adopted ASU 2010-24 in 2012, but did not recognize a cumulative effect adjustment to beginning net assets as of July 1, 2011, because the increase to liabilities as a result of adopting the amended guidance was equal to the increase in insurance recoveries available. Accordingly, the Hospital has included professional and general liabilities and anticipated insurance recoveries of approximately $825,000 in professional and general liabilities and other and other assets in the combined balance sheet at June 30, 2012.

In August 2010, the FASB issued ASU 2010-23, *Measuring Charity Care for Disclosure,* which requires health care entities to use cost as the measurement basis for charity care disclosures and defines cost as the direct and indirect costs of providing charity care. This standard also requires disclosure of the method used to identify or determine such cost. The Hospital adopted the amended disclosure requirements in 2012.

In July 2011, the FASB issued ASU 2011-07, *Presentation and Disclosure of Patient Service Revenue, provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities,* which requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered, even though a patient's ability to pay is not assessed, to reclassify the provision for doubtful accounts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). The standard also requires enhanced disclosures of policies for recognizing patient service revenue and assessing provisions for doubtful accounts. The Hospital adopted the accounting standard in 2012 and applied its presentation and disclosure requirement retrospectively. Accordingly, the provision for doubtful accounts of $4,192,925 as of June 30, 2011 was reclassified from operating expenses to a deduction from patient service revenue on the combined statement of operations.

2. Summary of Significant Accounting Policies (continued)

In May, 2011, ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs,* was released, which further amends fair value measurements. The accounting standard requires additional disclosures relating to transfers of any financial instrument between Level 1 and Level 2 of the fair value hierarchy, disclosure of the fair value hierarchy for items that are not recorded at fair value in the combined financial statements but are required to disclose the fair value of the item, and disclosure of additional quantitative information about unobservable inputs used in fair value measurements of financial instruments categorized within Level 3 of the fair value hierarchy. The accounting standard is effective for the Hospital on July 1, 2012. Management does not expect the adoption of the accounting standard to have a material impact on the combined financial statements; however, additional disclosures of fair value measurements may be required.

Subsequent Events

The Hospital considers the accounting and disclosure of events or transactions that occur after the balance sheet date, but before the financial statements are issued. There are two types of subsequent events: recognized subsequent events, which provide additional evidence about conditions that existed at the balance sheet date, and nonrecognized subsequent events, which provide evidence about conditions that did not exist at the balance sheet date, but arose before the financial statements were issued. Recognized subsequent events are required to be recognized in the financial statements, and nonrecognized subsequent events are required to be disclosed. In the preparation of the accompanying combined financial statements, the Hospital has evaluated subsequent events through the date of issuance, September 11, 2012.

Reclassifications

Certain reclassifications were made to the 2011 combined financial statements to conform to the classifications used in 2012 related to classification of the provision for doubtful accounts in accordance with the adoption of ASU 2011-07. The reclassifications had no effect on the change in net assets or on net assets as previously reported.

3. Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients and third-party payors for services rendered. The Hospital has agreements with third-party payors that provide for payments to the Hospital 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. Outpatient services rendered are paid at prospectively determined rates using a set fee schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

AHCCCS

AHCCCS is Arizona's alternative to the Medicaid program and is designed to meet indigent health care needs. The Hospital receives both a percentage of charges adjusted each year for any rate increase and per diem rates depending on the AHCCCS plan payor and the nature of the services provided.

Other Third-Party Payors

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

The Hospital's Medicare, Medicaid, and managed care utilization percentages, based upon gross patient service revenue, are summarized as follows:

	Year Ended June 30	
	2012	**2011**
Medicare	**34.0%**	34.0%
AHCCCS	**16.0**	19.0
Other commercial third party	**47.0**	45.0
Self-pay and other	**3.0**	2.0
	100.0%	100.0%

3. Net Patient Service Revenue (continued)

The Hospital is required to meet certain financial reporting requirements to participate in the Medicare and AHCCCS programs. Federal regulations require the submission of annual cost reports covering medical cost and expenses associated with the services provided by the Hospital to program beneficiaries. Cost report settlements under reimbursement agreements with Medicare and AHCCCS are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined. There is a possibility that the recorded estimates could change by a material amount. As of June 30, 2012, the Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007.

During the years ended June 30, 2012, and 2011, approximately 50%, and 53%, respectively, of the Hospital's revenues related to patients participating in the Medicare and AHCCCS programs, collectively. The Hospital's management recognizes that revenues and receivables from government agencies are significant to the Hospital's operations, but it does not believe that there are significant credit risks associated with these government agencies. The Hospital's management does not believe that there are any other significant concentrations of revenues from any particular payor that would subject the Hospital to any significant credit risks in the collection of its accounts receivable.

4. Community Benefit and Charity Care

Traditional Charity Care

In support of its mission and philosophy, the Hospital provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The Hospital does not pursue collection of amounts determined to qualify as charity care. The costs of these services were approximately $1,431,000 in fiscal 2012 and $1,248,000 in fiscal 2011. These estimates were determined using a ratio of cost-to-gross charges calculated from the Hospital's most recent combined statement of operations and applying that ratio to the gross charges associated with providing charity care for the period.

4. Community Benefit and Charity Care (continued)

Care for Undocumented Patients

The Hospital provides care to patients who have entered the community illegally. The charges for these patients are partially reimbursed under Section 1011 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. The unreimbursed costs for serving these patients were approximately $1,000 in fiscal 2012 and $12,000 in fiscal 2011.

Unpaid Costs of Public Programs

Public programs such as AHCCCS provide for the poor and indigent. Public programs such as Medicare provide for the elderly. Public programs do not always cover the costs of providing these services. The unreimbursed costs of the AHCCCS program were approximately $2,735,000 in fiscal 2012 and $1,831,000 in fiscal 2011. The unreimbursed costs of the Medicare program were approximately $8,554,000 in fiscal 2012 and $8,186,000 in fiscal 2011.

Other Community Benefit Programs

Community benefit includes the cost of providing services to other populations who may not qualify as poor; but may need special services and support. This type of community benefit includes the cost of programs for senior citizens such as health promotion and education, health clinics, and screenings. It also includes costs incurred by the Hospital for training health professionals such as medical residents, nursing students, and students in allied health professionals.

The Hospital also commits significant time and resources to endeavors and critical services which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be financially viable. The development of these programs is based

4. Community Benefit and Charity Care (continued)

on a community health care assessment performed by an independent company. The current community outreach programs are:

Better Breathers Club
Blood Pressure Checks
Diabetes Support Group
Food Drives
Hospice Bereavement Group
Parish Nurse Program
Power of Pink Breast Cancer
Pulmonary Rehabilitation
Smart Teen Eating Program
Telecare Home Bound
Weight Management Program
Cholesterol Testing
VICAP space and supplies
Arthritis Programs
Water Safety
Flu Precaution Programs
Music Therapy
Advanced Directives
Immunization Information
Pulse Oxygen Tests
Arrhythmic Death Syndrome
Local Bat Safety & Education
Congestive Heart Failure Classes
Cardiac Rehabilitation
Diabetes Education
Health Fairs
Mall Walkers Program
Perinatal Grief Support
Postpartum Depression Information
Prenatal Classes
Speakers Bureau
Smoke Support Group
Virtual Tour Kits for all Schools
Wellness Depot
Old Medication Disposal
H1N1 Awareness
Chair Yoga
MRSA Awareness
Kids Sports Teams First Aid Kits
Sun Safety
Living Wills
Bone Marrow Collection
Body Mass Index
Southwest Insect/Snake Safety
Heart Safety

4. Community Benefit and Charity Care (continued)

The Hospital also sponsors events in the community through other health and welfare organizations which promote healthy life styles and/or disease prevention/information; these include:

- American Cancer Society
- Little League
- United Way (numerous programs)
- Just Kids (clothing program)
- Youth Soccer Club
- State of Arizona Kids Care
- American Red Cross Blood Drives
- Project Graduation (drug/alcohol free evening for graduating seniors)
- Perimeter Bicycling Association of America
- Forgach House (Battered Women/Children)
- Good Neighbor Alliance (Men's Shelter)
- March of Dimes
- Running Club
- Senior Olympics
- College Scholarships
- American Heart Association
- VICAP
- Alzheimer's Local Chapter

5. Investments and Assets Whose Use Is Limited

A summary of investments at June 30 follows:

	2012	2011
Certificates of deposit	**$ 19,749,020**	$ 20,804,869
U.S. government agency and treasury securities	**4,857,366**	4,365,606
Municipal bonds	**–**	1,485,039
Corporate bonds	**10,809,790**	8,314,968
Common stocks	**10,494,361**	10,497,596
Mutual funds	**3,958,263**	2,667,961
Closed-end funds	**291,774**	183,280
Mortgage-backed securities	**717,589**	1,111,537
	50,878,163	49,430,856
Less short-term investments	**7,746,456**	4,536,652
	$ 43,131,707	$ 44,894,204

5. Investments and Assets Whose Use Is Limited (continued)

Assets whose use is limited represents assets held by a trustee under indenture agreements. Assets whose use is limited are carried at fair value, based upon quoted market prices. The debt reserve fund consists of U.S. government agency and treasury securities. The other funds consist of money market funds. The composition at June 30 follows:

	2012	2011
Assets held by trustee under bond indenture:		
Bond reserve fund	**$ 3,272,557**	$ 3,184,383
Bond principal fund	**624,213**	586,382
Bond interest fund	**136,504**	142,122
	4,033,274	3,912,887
Less current portion	**760,717**	728,504
	$ 3,272,557	$ 3,184,383

In 1998, the Hospital entered into agreements with a broker whereby the Hospital sold the future income stream pertaining to the Series 1997 bond reserve fund and the Series 1997, 1996A, 1996B, and 1996C principal and interest funds of the respective bonds in exchange for fees totaling $750,000. The terms of the agreements include provisions for termination penalties in certain events. The Hospital recorded the proceeds received as an other long-term liability which is being amortized over the terms of the agreements under the interest method. The unamortized balance was approximately $202,000 and $239,000 at June 30, 2012 and 2011, respectively.

6. Fair Value Measurements

The Hospital 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 such as quoted prices in active markets. Financial assets in Level 1 generally include U.S. government agency and treasury securities, listed equities and bond mutual funds.

6. 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 or liabilities. Financial assets in this category generally include corporate bonds, municipal bonds, closed-end funds, and mortgage-backed 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 or liabilities.

(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).

6. Fair Value Measurements (continued)

The following table presents the fair value hierarchy for those financial assets measured at fair value on a recurring basis as of June 30, 2012:

	Balance at June 30 2012	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)
Short-term investments:					
Government securities	$ 882,041	$ 882,041	$ –	$ –	(a)
Corporate bonds	1,319,144	–	1,319,144	–	(a)
Total short-term investments (1)	$ 2,201,185	$ 882,041	$ 1,319,144	$ –	
Assets limited as to use:					
Government securities	$ 2,619,144	$ 2,619,144	$ –	$ –	(a)
Total assets limited as to use (2)	$ 2,619,144	$ 2,619,144	$ –	$ –	
Long-term investments:					
Government securities	$ 3,975,325	$ 3,975,325	$ –	$ –	(a)
Corporate bonds	9,490,646	–	9,490,646	–	(a)
Common stocks	10,494,361	10,494,361	–	–	(a)
Mutual funds – bonds	3,958,263	3,958,263	–	–	(a)
Closed-end funds	291,774	–	291,774	–	(a)
Mortgage-backed securities	717,590	–	717,590	–	(c)
Total long-term investments (1)	$ 28,927,959	$ 18,427,949	$ 10,500,010	$ –	

(1) Short-term and long-term investment categories do not include certificates of deposit of $5,545,271 and $14,203,748, respectively.

(2) Assets limited as to use category does not include cash and cash equivalents of $1,414,130.

6. Fair Value Measurements (continued)

The following table presents the fair value hierarchy for those financial assets measured at fair value on a recurring basis as of June 30, 2011:

	Balance at June 30 2011	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)
Short-term investments:					
Government securities	$ 588,573	$ 588,573	$ –	$ –	(a)
Municipal bonds	30,249	–	30,249	–	(a)
Corporate bonds	1,081,029	–	1,081,029	–	(a)
Total short-term investments	$ 1,699,851	$ 588,573	$ 1,111,278	$ –	
Assets limited as to use:					
Government securities	$ 1,963,826	$ 1,963,826	$ –	$ –	(a)
Total assets limited as to use	$ 1,963,826	$ 1,963,826	$ –	$ –	
Long-term investments:					
Government securities	$ 3,777,034	$ 3,777,034	$ –	$ –	(a)
SVRHC municipal bonds	1,454,790	–	1,454,790	–	(a)
Corporate bonds	7,233,939	–	7,233,939	–	(a)
Common stocks	10,497,596	10,497,596	–	–	(a)
Mutual funds – bonds	2,667,960	2,667,960	–	–	(a)
Closed-end funds	183,280	–	183,280	–	(a)
Mortgage-backed securities	1,111,537	–	1,111,537	–	(c)
Total long-term investments	$ 26,926,136	$ 16,942,590	$ 9,983,546	$ –	

(1) Short-term and long-term investment categories do not include certificates of deposit of $2,836,801 and $17,968,068, respectively.

(2) Assets limited as to use category does not include cash and cash equivalents of $1,949,061.

Fair Value Disclosures

The Hospital currently has no other financial instruments subject to fair value measurement on a recurring basis. Disclosures about fair value of financial instruments require disclosure of fair value information about those financial instruments, whether or not recognized in the balance sheets, but would be practicable to estimate that value. Management believes the carrying value

6. Fair Value Measurements (continued)

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 Hospital's long-term debt (including current portion) is approximately $25,635,000 and $24,919,000 at June 30, 2012 and 2011, respectively.

7. Property and Equipment

A summary of property and equipment at June 30 follows:

	2012	2011
Land and land improvements	**$ 3,264,873**	$ 2,832,263
Buildings, building improvements, and fixed equipment	**40,179,928**	37,379,904
Major and minor equipment	**47,584,625**	44,959,626
	91,029,426	85,171,793
Less accumulated depreciation	**55,986,949**	52,308,606
	35,042,477	32,863,187
Construction in progress (estimated cost of completion: 2012 – $2.6 million)	**2,099,857**	1,939,557
	$ 37,142,334	$ 34,802,744

The Hospital did not capitalize any interest costs for fiscal 2012 or fiscal 2011.

8. Long-Term Debt

A summary of long-term debt as of June 30 follows:

	2012	2011
Industrial Development Authority Hospital Refunding Bonds, Series 2003, term bonds in the original amount of $2,670,000 at 6.00% fixed interest rate, maturing in December 2021, secured by the Hospital's land, buildings, and equipment	**$ 1,170,000**	$ 2,670,000
Industrial Development Authority Hospital Revenue Bonds, Series 2001, term bonds in the original amount of $6,625,000 at 7.75% fixed interest rate, maturing in December 2030, secured by the Hospital's land, buildings, and equipment	**5,251,888**	5,421,631
Industrial Development Authority Hospital Revenue Refunding Bonds, Series 1999A, term bonds in the original amount of $8,320,000 at 6.2% fixed interest rate, maturing in December 2021, secured by the Hospital's land	**6,735,372**	6,973,448
Industrial Development Authority Hospital Revenue Bonds, Series 1997, term bonds in the original amount of $6,500,000 at 6.45% fixed interest rate, maturing in December 2017, secured by the Hospital's land, buildings, and equipment	**2,580,000**	2,925,000
Industrial Development Authority Hospital Revenue Refunding Bonds, Series 1996A, term bonds in the original amount of $9,010,100 at 6.75% fixed interest rate, maturing in December 2026, secured by the Hospital's land, buildings, and equipment	**7,085,000**	7,325,000
Capital lease for equipment, monthly payments of principal and interest through July 2014, interest ranging from 3.9% to 5.5%	**119,596**	262,575
	22,941,856	25,577,654
Less current portion	**1,176,451**	1,147,979
	$ 21,765,405	$ 24,429,675

8. Long-Term Debt (continued)

Future aggregate principal payments on long-term debt as of June 30, 2012, follow:

2013	$ 1,176,451
2014	1,158,145
2015	1,220,000
2016	1,380,000
2017	1,470,000
Thereafter	16,660,000
	23,064,596
Less unamortized discount	122,740
	$ 22,941,856

Pursuant to the terms of the bond indentures, the Hospital is required to maintain amounts on deposit with a trustee which may only be used to satisfy obligations as permitted by the trust agreements. Such deposits are included in assets whose use is limited in the accompanying combined balance sheets.

The Hospital is subject to certain financial covenants and management believes they are in compliance for the year ended June 30, 2012. In addition, the indenture places certain restrictions on the incurrence of additional indebtedness and the sale or acquisition of property.

In 2011, the Hospital purchased $1,500,000 of their 2003 revenue bonds for a purchase price of $1,463,250, which was then held in long-term investments. During 2012, the Hospital determined that is was more appropriate to account for the purchase as an extinguishment of debt. Accordingly, both the investment and the portion of debt have been eliminated from the 2012 financial statements. The impact of this transaction on the 2012 and 2011 financial statements is insignificant.

9. Lease Commitments

As of June 30, 2012, future minimum lease payments due under existing, noncancelable operating leases for buildings, equipment, and medical devices are as follows:

2013	$ 1,374,663
2014	623,213
2015	278,004
2016	246,973
2017	79,900
	$ 2,602,753

Rent expense under operating leases for the years ended June 30, 2012 and 2011, totaled approximately $412,000 and $478,000, respectively.

10. Professional and General Liability Coverage

The Hospital is insured for professional liabilities under a claims-made policy with no deductible per claim. An unlimited tail is in place for all claims prior to July 2006. The limit of liability is $11,000,000 per claim with a $20,000,000 aggregate limit. In addition, the Hospital has general and umbrella liability coverage on a claims-made basis with a $5,000,000 aggregate limit.

11. Employee Benefit Plan

The Hospital has a 403(b) employee benefit plan (the Plan). Under the terms of the Plan, the Hospital matches eligible participant contributions from 2.5% to 4.5% of gross pay based upon years of service as defined in the Plan agreement. Eligible participants must contribute at least 2.5% to receive the employer match. Participants are 100% vested in the value of their account attributable to their contributions and vest in the value of the account attributable to the employer's contributions over a five-year period. The Hospital's contributions to the Plan were approximately $605,000 and $619,000 for the years ended June 30, 2012 and 2011, respectively.

12. Commitment and Contingencies

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 necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, and

12. Commitment and Contingencies (continued)

reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Litigation

The Hospital is party to pending or threatened lawsuits arising out of, or incident to, its ordinary course of business for which it carries professional liability and other insurance coverages. In management's opinion, upon consultation with legal counsel, these matters will not have a material adverse effect on the Hospital's financial position.

13. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended June 30 were as follows:

	2012	2011
Health care services	**$ 64,311,125**	$ 62,945,306
General and administrative	**26,472,507**	25,170,211
	$ 90,783,632	$ 88,115,517

14. Subsequent Events

The Hospital has formed a limited liability corporation (the LLC) which will begin operations in September 2012. The Hospital plans to contribute $3,000,000 to the LLC in order to establish a physician practice. AFCA is ceasing operations and the LLC plans to hire most of their physicians and staff. The Hospital does not expect the closure of AFCA to materially impact the operations of the Hospital.

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