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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

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1

Briefly describe the organization's mission

The mission of The Miriam Hospital(TMh) is to inspire one another to improve the health and spirit of the lives we touch

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 \$ 337,208,694 including grants of \$ 600,308) (Revenue \$ 418,352,859)

Patient Care TMh offers expertise in cardiology, oncology, orthopedics, men's health, and minimally invasive surgery and is home to the state's first Joint Commission- certified Stroke Center and robotic surgery program Services and programs provided by TMh include general medicine, general surgery, emergency medicine, cardiovascular care, orthopedics, nuclear cardiology, radiology, laboratory, renal dialysis, urology, gastroenterology, endocrinology, gynecology, nephrology, neurology, ophthalmology, trauma care, computerized tomography, and magnetic resonance imaging (MRI) The Hospital is nationally known for its HIV/AIDS and behavioral and preventive medicine research, including weight control, physical activity, and smoking cessation (Continued on Schedule O)

4b

(Code) (Expenses \$ 29,120,167 including grants of \$) (Revenue \$ 25,416,167)

Research Since 1969, the level of research has increased from seven projects totaling \$127,000 involving nine investigators to 339 projects totaling \$29.1 million involving 78 investigators and 157 employees The following represents significant areas of research being conducted at the Hospital: cancer treatment and prevention, epidemiological research, clinical trials in AIDS and HIV infection (including vaccine development), coronary heart disease, nutrition, exercise, weight control, and lifestyle risk factors affecting health TMh provided \$3.7 million in support of research activities in fiscal year 2013 (Continued on Schedule O)

4c

(Code) (Expenses \$ 23,285,874 including grants of \$) (Revenue \$ 2,830,817)

Medical Education TMh provides the setting for and substantially supports medical education in various clinical training and nursing programs TMh is designated as a major teaching affiliate of The Warren Alpert Medical School of Brown University The total cost of direct medical education provided by the Hospital exceeded the reimbursement received from third-party payors by \$20.5 million in fiscal year 2013 (Continued on Schedule O)

4d

Other program services (Describe in Schedule O)
























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

4e

Total program service expenses

389,614,735

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	234	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	3,013	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8822?		No
d	If "Yes," indicate the number of Forms 8822 filed during the year.	0	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		No
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?		No
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?		No
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		No
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.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	28	
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
1b	Enter the number of voting members included in line 1a, above, who are independent	21	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 Mary A Wakefield 593 Eddy Street Providence, RI (401) 444-7093

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

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 compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

[illegible]

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,881,050	7,394,576	1,760,625

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: 249

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
University Surgical Associates 2 Dudley Street Providence RI02905	Medical Services	2,348,870
University Medicine Foundation 593 Eddy Street Providence RI02903	Medical Services	9,735,251
Sodexo Inc 25 Royal Little Drive Providence RI02904	Dietary/Cafe Service	1,274,930
Quest Diagnostics 12436 Collections Center Drive Chicago IL 60693	Laboratory Services	1,491,005
Brown University 75 Waterman Street Providence RI 02912	Medical Services	2,106,025

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►33

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	5,102,285			
	e	Government grants (contributions)	1e	31,725			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	152,182			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		5,286,192			
Program Service Revenue			Business Code				
	2a	Temp Restricted (SPFs)	900099	537,755	537,755		
	b	Patient Service Rev	900099	402,981,592	402,981,592		
	c	Laboratory	621500	1,109,929		1,109,929	
	d	Direct Rev from Research	900099	27,306,572	27,306,572		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		431,935,848			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		3,576,137		3,576,137	
	4	Income from investment of tax-exempt bond proceeds . . .		2,116		2,116	
	5	Royalties		0			
	6a	(i) Real					
		(ii) Personal					
		789,182					
	b	Less rental expenses		515,686			
	c	Rental income or (loss)		273,496			
	d	Net rental income or (loss)		273,496		7,383	266,113
	7a	(i) Securities					
		(ii) Other					
		716,470,301					
	b	Less cost or other basis and sales expenses		713,324,252			
	c	Gain or (loss)		3,146,049			
	d	Net gain or (loss)		3,146,049			3,146,049
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
	a						
	b	Less direct expenses					
	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					
	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						
c	Net income or (loss) from sales of inventory . . .		0				
Miscellaneous Revenue		Business Code					
11a	Joint Program Revenue	900099	5,235,463	5,235,463			
b	Indirect Rev from Grants	900099	5,565,560	5,565,560			
c	Cafeteria Revenue	722210	1,213,530	1,213,530			
d	All other revenue		2,708,768	2,649,442	59,326		
e	Total. Add lines 11a-11d		14,723,321				
12	Total revenue. See Instructions		458,943,159	445,489,914	1,176,638	6,990,415	

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.	541,308	541,308		
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.	9,000	9,000		
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	345,390	345,390		
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.	155,964,221	150,505,742	5,458,479	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	6,239,368	6,019,740	219,628	
9	Other employee benefits.	24,173,737	23,453,649	720,088	
10	Payroll taxes.	11,231,820	10,839,426	392,394	
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	0			
c	Accounting.	0			
d	Lobbying.	3,353	3,353		
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	465,207		465,207	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	21,557,984	21,471,914	86,070	
12	Advertising and promotion.	192,466	187,355	5,111	
13	Office expenses.	87,666,489	87,350,107	316,382	
14	Information technology.	0			
15	Royalties.	0			
16	Occupancy.	10,197,243	9,429,276	767,967	
17	Travel.	748,451	727,424	21,027	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	516,235	450,104	66,131	
20	Interest.	3,435,770		3,435,770	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	11,941,632		11,941,632	
23	Insurance.	2,912,868	2,912,868		
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	All Other Expenses	13,368,225	13,075,957	292,268	
b	License Fee	18,044,585	18,044,585		
c	Provision for bad debts	27,557,181	27,557,181		
d	Purch Svcs & Equip Cont	47,117,733	16,681,223	30,436,510	
e	All other expenses	9,133	9,133		
25	Total functional expenses. Add lines 1 through 24e.	444,239,399	389,614,735	54,624,664	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	0
	2	Savings and temporary cash investments		14,068,133	2	14,008,834
	3	Pledges and grants receivable, net		1,514,332	3	1,122,854
	4	Accounts receivable, net		41,439,931	4	46,235,752
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			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			6	0
	7	Notes and loans receivable, net		318,703	7	179,793
	8	Inventories for sale or use		5,968,500	8	4,850,604
	9	Prepaid expenses and deferred charges		3,427,774	9	1,670,024
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a348,448,295			
	b	Less accumulated depreciation	10b173,519,177	158,860,039	10c	174,929,118
	11	Investments—publicly traded securities		73,630,205	11	76,419,159
	12	Investments—other securities See Part IV, line 11		35,075,511	12	37,994,435
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		66,302,722	15	81,887,962
	16	Total assets. Add lines 1 through 15 (must equal line 34)		400,605,850	16	439,298,535
Liabilities	17	Accounts payable and accrued expenses		30,020,939	17	35,888,519
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		63,953,017	20	61,833,734
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	11,700,000
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		44,252,887	25	36,486,954
	26	Total liabilities. Add lines 17 through 25		138,226,843	26	145,909,207
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		223,650,887	27	248,255,042
	28	Temporarily restricted net assets		25,771,614	28	27,475,203
	29	Permanently restricted net assets		12,956,506	29	17,659,083
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		262,379,007	33	293,389,328
	34	Total liabilities and net assets/fund balances		400,605,850	34	439,298,535

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	458,943,159
2	Total expenses (must equal Part IX, column (A), line 25)	2	444,239,399
3	Revenue less expenses Subtract line 2 from line 1	3	14,703,760
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	262,379,007
5	Net unrealized gains (losses) on investments	5	73,316
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	16,233,245
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	293,389,328

Part XII Financial Statements and Reporting

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

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

(A) Name and Title	(B) Average	(C) Position (do not check	(D) Reportable
-----------------------	----------------	-------------------------------	-------------------

(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			
Brian J Zink MD Trustee	1 00 3 00	X						0	1,000	0
Jane Williams Trustee	0 00 0 00	X						0	0	0
Shivan Subramaniam Trustee	60 3 40	X						0	0	0
Hon Bruce Selya Trustee	1 50 7 50	X						0	0	0
Fred J Schiffman MD Trustee	0 00 0 00	X						0	0	0
Lawrence Sadwin Trustee	1 00 7 00	X						0	0	0
Lloyd Robertson Trustee	1 00 20 00	X						0	0	0
James A Procaccianti Trustee	0 00 0 00	X						0	0	0
Michael J Perik Trustee	0 00 0 00	X						0	0	0
Steven Pare Trustee	2 00 10 50	X						0	0	0
Stephen P Massed Trustee	50 16 00	X						0	0	0
David A Marcoux MD Trustee	0 00 0 00	X						0	0	0
Alan H Litwin Chair- 10/12	4 00 16 00	X		X				0	0	0
Bertram M Lederer V Chair- 10/12	4 00 10 00	X		X				0	0	0
Scott B Laurans Chairman	75 10 75	X		X				0	0	0
Marie J Langlois Trustee	1 00 2 00	X						0	0	0
Mary Jo Kaplan Secr - 10/12	0 00 0 00	X		X				0	0	0
Dayle Hunt Joseph Trustee	1 00 5 00	X						0	0	0
Pamela Harrop MD Trustee	25 3 75	X						0	0	0
Michael L Hanna Treas - 10/12	0 00 0 00	X		X				0	0	0
David Gorelick MD Trustee	50 2 50	X						0	0	0
Jason Fowler Trustee	0 00 0 00	X						0	0	0
Edward D Feldstein Trustee	30 6 70	X						0	0	0
Jonathan D Fain Trustee	1 00 6 00	X						0	0	0
Jonathan L Elion MD Trustee	0 00 0 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Michael Ehrlich MD Trustee	2 00 11 00	X						0	96,726	0
Denelope H Dennehy MD Trustee	0 00 0 00	X						0	202,523	20,491
Ellen Collis Trustee	0 00 6 50	X						0	0	0
Peter Capodilupo Trustee	80 8 20	X						0	0	0
David A Brown Trustee	25 7 25	X						0	0	0
Roger N Begin CFP Trustee	0 00 0 00	X						0	0	0
Manuel Barrows Trustee	30 1 70	X						0	0	0
Timothy J Babineau MD Trustee	3 00 37 00	X						0	1,486,727	205,277
Lawrence Aubin Vice Chair	1 00 14 00	X		X				0	0	0
Dr M Therese Antone Trustee	1 00 5 50	X						0	0	0
Thomas Anders MD Trustee	1 00 6 50	X						0	0	0
Mary A Wakefield Treasurer	6 00 34 00			X				0	798,078	297,927
Arthur J Sampson President	30 00 10 00			X				0	546,786	90,041
Kenneth A Arnold Secretary	6 00 34 00			X				0	3,554,467	29,606
Liana P Ducharme Chief Nursing Officer	40 00 0 00				X			274,415	0	65,464
Michael P Carey PhD Physician	40 00 0 00					X		323,732	0	37,636
Robert W Corwin MD Senior VP & CMO	40 00 0 00					X		355,133	0	21,356
Ilvia Degli Esposti MD Physician	40 00 0 00					X		348,557	0	35,609
Douglas C Gniffith MD Physician	40 00 0 00					X		297,500	0	38,940
Deena R Wing Psychologist	40 00 0 00					X		281,713	0	23,458
Kathleen Hittner MD President & CEO	40 00 0 00						X	0	708,269	894,820

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
The Minam Hospital

Employer identification number
05-0258905

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15		
16 Public support percentage from 2011 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶			

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

Facts And Circumstances Test

Explanation

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 the organization The Miram Hospital	Employer identification number 05-0258905
------------------------------------------------	--------------------------------------------------

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

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

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns														
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?			
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
	c Media advertisements?			
	d Mailings to members, legislators, or the public?			
	e Publications, or published or broadcast statements?			
	f Grants to other organizations for lobbying purposes?			
	g Direct contact with legislators, their staffs, government officials, or a legislative body?			
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
	i Other activities?	Yes		3,353
	j Total. Add lines 1c through 1i.			3,353
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912.			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912.			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Part II-B, Line 1i - Other Activities Description	The Miriam Hospital pays membership fees to the Hospital Association of Rhode Island (HARI), a portion of which is allocated to HARI's lobbying efforts.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization The Miriam Hospital	Employer identification number 05-0258905
-------------------------------------------------	--------------------------------------------------

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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

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

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

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

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

	Amount
1c	
1d	
1e	
1f	
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	111,167,306	97,696,217	96,830,355	73,337,707	77,300,591
b Contributions	33,540,223	35,666,188	25,953,487	40,371,010	22,261,170
c Net investment earnings, gains, and losses	6,309,324	10,411,008	678,572	8,097,713	-882,788
d Grants or scholarships					
e Other expenditures for facilities and programs	33,581,357	32,606,107	25,766,197	24,976,075	25,341,266
f Administrative expenses					
g End of year balance	117,435,496	111,167,306	97,696,217	96,830,355	73,337,707

- 2

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

a

Board designated or quasi-endowment ▶ 85 200 %

b

Permanent endowment ▶

c

Temporarily restricted endowment ▶ 14 800 %

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

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 | | 4,288,981 | | 4,288,981 |
| b Buildings | | 207,236,243 | 80,844,784 | 126,391,459 |
| c Leasehold improvements | | | | |
| d Equipment | | 124,154,669 | 92,674,393 | 31,480,276 |
| e Other | | 12,768,402 | | 12,768,402 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶ | | | | 174,929,118 |
- Schedule D (Form 990) 2012

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	447,743,018
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	73,316		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	16,233,245		
e	Add lines 2a through 2d			2e	16,306,561
3	Subtract line 2e from line 1			3	431,436,457
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	465,207		
b	Other (Describe in Part XIII)	4b	27,041,495		
c	Add lines 4a and 4b			4c	27,506,702
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)			5	458,943,159
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements			1	416,732,697
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	416,732,697
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	465,207		
b	Other (Describe in Part XIII)	4b	27,041,495		
c	Add lines 4a and 4b			4c	27,506,702
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)			5	444,239,399

Part XIII Supplemental Information		
Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.		
Identifier	Return Reference	Explanation
Part XII, Line 4b	Part XII, Line 4b Other revenue amounts included on 990 but not included in F/S	Debt-financed rental expenses \$-13275 Non debt-financed rental expenses \$-502411 Provision for bad debts \$27557181
Part XI, Line 4b	Part XI, Line 4b Other revenue amounts included on 990 but not included in F/S	Debt-financed rental expenses \$-13275 Non debt-financed rental expenses \$-502411 Provision for bad debts \$27557181
Part XI, Line 2d	Part XI, Line 2d Other revenue amounts included in F/S but not included on form 990	Change in funded status of pension \$10194800 Increase in net assets of TMHF \$6038445
Part X	Part X FIN48 Footnote	TMH, as a not-for-profit corporation, is recognized under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes. TMH recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Changes in measurement are reflected in the period in which the change in judgment occurs. TMH did not recognize the effect of any income tax positions during the fiscal year ended September 30, 2013.
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	The Miriam Hospital's (TMH) unrestricted endowment consists of designated assets set aside by TMH's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. The largest temporarily restricted funds held by TMH are used to support (1) the Women's Medicine Collaborative, a comprehensive, multidisciplinary center dedicated to meeting the health care needs of women, (2) purchase of an upgraded surgical robot, (3) the advancement of patient care, research, and education related to cardiology, (4) the treatment and prevention of cancer, including the Cancer Patient Navigator Program, which assists cancer patients through the entire course of their care, (5) replacement of TMH's hybrid catheterization laboratory, (6) TMH's capital equipment and operating needs in providing services to patients, and (7) the Surgery Department's educational and investigational functions.

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
The Miriam Hospital

Employer identification number
05-0258905

Part I

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

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Middle East	0	0	Grant Recipient in Region	Research	9,000
Europe	0	0	Program Services	Research	434
Sub-Saharan Africa	0	0	Program Services	Research	307,332
South Asia	0	0	Program Services	Research	4,929
East Asia & the Pacific	0	0	Program Services	Research	230
3a Sub-total					321,925
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					321,925

Part II

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

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			Middle East	Philanthropy	9,000	Check			FMV

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

1
- 3 Enter total number of other organizations or entities ▶

Part III

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐ Yes

☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☐ Yes

☒ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes

☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes

☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☒ Yes

☐ No

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

Schedule F (Form 990) 2012

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2012

Open to Public Inspection

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

Name of the organization
The Minam Hospital

Employer identification number
05-0258905

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			17,606,538	2,724,652	14,881,886	3 570 %
b Medicaid (from Worksheet 3, column a)			38,708,935	31,118,115	7,590,820	1 820 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			56,315,473	33,842,767	22,472,706	5 390 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			327,592	47,031	280,561	0 070 %
f Health professions education (from Worksheet 5)			23,285,874	2,830,817	20,455,057	4 910 %
g Subsidized health services (from Worksheet 6)			12,801,881	5,489,217	7,312,664	1 750 %
h Research (from Worksheet 7)			29,120,167	25,416,167	3,704,000	0 890 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			193,732		193,732	0 050 %
j Total Other Benefits			65,729,246	33,783,232	31,946,014	7 670 %
k Total. Add lines 7d and 7j			122,044,719	67,625,999	54,418,720	13 060 %

Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

Yes

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

6,288,549

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

1,250,938

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

86,750,779

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

87,508,836

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-758,057

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.
☐ Cost accounting system ☐ Cost to charge ratio ☒ Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

9b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
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	The Miriam Hospital 164 Summit Avenue Providence, RI 02906	X	X		X		X	X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

The Miriam Hospital

Name of hospital facility or facility reporting group

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

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input checked="" type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	No
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0000% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input checked="" type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	Yes
a	<input type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input checked="" type="checkbox"/> Other similar actions (describe in Part VI)		

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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

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

Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year?
17

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
	Part VI - States Where Community Benefit Report Filed	RI
	Part VI - Affiliated Health Care System Roles and Promotion	Lifespan's mission is to deliver health with care through highly personalized medical expertise provided with kindness and empathy Lifespan is an academically based healthcare system at the forefront of medical care, continually engaging in research that will lead to medical breakthroughs Lifespan affiliates provide comprehensive inpatient and outpatient medical, surgical, and psychiatric services for adults and children Lifespan and its affiliates employ more than 13,500 people The Lifespan system has aproximately 2,400 physicians on the medical staffs of its affiliated hospitals, operates 1,155 licensed beds in four hospital complexes, and in 2013 generated approximately \$1.7 billion in total operating revenue By each of these measures, Lifespan is Rhode Island's largest health system, serving a population of over 1.5 million Three of its hospital members, Rhode Island Hospital (RIH), The Miriam Hospital (TMH), and Bradley Hospital (EPBH), are teaching affiliates of The Warren Alpert Medical School of Brown University, with 77 percent of the residents and fellows in this program based at RIH, TMH, and EPBH Lifespan is a Rhode Island nonprofit corporation that is community-based and community-governed As a nonprofit organization, Lifespan is run by a voluntary Board of Directors who are community representatives Lifespan and all of its nonprofit hospital affiliates have received written notification from the Internal Revenue Service that they have been recognized as being organized and operated as entities described in Internal Revenue Code (IRC) Section 501(c)(3) and are generally exempt from income taxes under IRC Section 501(a) As of September 30, 2013, Lifespan Corporation employed approximately 750 full-time and part-time personnel, most of whom are located in Providence, RI Lifespan Corporation provides support services to its affiliates, such as information services, telecommunications, risk management, legal, communications and public affairs, fundraising, facility development, strategic planning, internal audit/compliance, human resources, finance, payor contracting, and investment management, for which each affiliate is charged a fee equivalent to the costs incurred by Lifespan in providing these services Corporate Authority and RoleLifespan Corporation has no members and is governed by its Board of Directors The Board has responsibility for planning, directing, and establishing policies intended to assure the development and delivery of quality health services, professional education, and biomedical research on an integrated, cost-effective basis The Board's powers include the power to set accounting policies for its affiliates, develop, negotiate, and approve all managed care agreements, develop affiliations with other institutions for educational and research purposes, and approve human resource plans, executive compensation, and benefits for system affiliates The bylaws of TMH confer certain reserved powers on Lifespan to provide it with the means of effective oversight, coordination, and support of the system Powers reserved to Lifespan as sole member include to elect and remove trustees, to approve the election of and to remove certain officers, to approve the amendment of the Articles of Incorporation and Bylaws and other Charter documents, to approve strategic plans, to approve investment policies and any capital or operating budgets or material non-budgeted expenditures, and to authorize incurrence or guaranty of material indebtedness For a complete listing of affiliated members of Lifespan's integrated healthcare delivery system, please refer to Schedule R

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	<p>The Hospital is governed by a Board of Trustees, which is composed of leaders of the local community elected by Lifespan Corporation. The Hospital's purpose is to at all times be operated exclusively as a tax-exempt charitable hospital and, as such, shall dispense medical and surgical aid and care to the sick and disabled of any race, creed, or color in keeping with Jewish ethical aspirations, shall act in a fashion designed to further, improve, and advance the science or art of health care delivery, patient care, and the knowledge, practice, and teaching of medicine and nursing, and assist in the advancement of medical research and investigation and in the improvement of medical teaching facilities and methods. The Hospital works collaboratively with physicians, our employees, other health care organizations, and the community to create a measurably healthier community through the provision of high quality, cost-effective, customer-focused health care services in an environment that promotes patient safety. The Hospital monitors the healthcare needs of its service area to ensure alignment of its resources with its mission. The Hospital measures the results of the programs and services it provides based on the value added to the community as well as the financial health of each program and its impact on the Hospital. The Hospital is organized and operated for the benefit of the community it serves.</p>
	Part VI - Community Building Activities	<p>The Hospital substantially subsidizes various health services including the following programs: oncology, tuberculosis, and certain other specialty services. The Hospital also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions.</p>

Identifier	ReturnReference	Explanation
	Part VI - Community Information	<p>The Miriam Hospital, located in Providence, Rhode Island, is a 247-bed nonprofit general acute care teaching hospital with university affiliation providing a comprehensive range of diagnostic and therapeutic services (excluding obstetrics) for the acute care of patients principally from Rhode Island and southeastern Massachusetts. As a complement to its role in service and education, the Hospital actively supports research. The Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and participates as a provider primarily in Medicare, Blue Cross, and Medicaid programs. The Hospital is also a member of Voluntary Hospitals of America, Inc. (VHA). In 1969, the Hospital and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with The Warren Alpert Medical School of Brown University (Brown). The Hospital is designated as a major teaching affiliate of Brown. The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically. With respect to nursing education, the Hospital has developed formal and informal educational affiliations with a number of accredited New England colleges and universities. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training. The Hospital conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in National Institutes of Health programs.</p>
	Part VI - Patient Education of Eligibility for Assistance	<p>The Miriam Hospital has multilingual signage in the Hospital's main lobby and waiting areas which provides information on financial aid contacts. The Registration Department meets with patients at the outset of care to discuss eligibility for assistance. The Registration staff provides interested patients with a "Welcome" booklet which includes information on patient rights and responsibilities. The signage and booklets contain a telephone number which connects patients with Registration staff who can answer any additional questions that may arise after the patient has left the Hospital. Assistance eligibility is also summarized on the Hospital's website.</p>

Identifier	ReturnReference	Explanation
	Part VI - Needs Assessment	<p>Lifespan's Office of Strategic Planning and Analysis performs population-based studies for the Hospital regarding the need for inpatient medical and surgical services for both adults and children and a wide range of outpatient services including primary care office visits, specialty care, emergency services, imaging, ambulatory surgery, and specific high technology services such as radiation therapy and bone marrow transplantation. A population-based study examines the growth and changes in the population, the resources in the community, and the changing prevalence of diseases. In addition to this approach, Lifespan Strategic Planning also examines experience with wait times, the level of staffing, and the changing standards of care. All of this information is used to assess the demand for additional services to provide access to high quality care. In addition to population approaches to assessing and estimating need, all specialties and services monitor demand at the service-specific level by considering changing patterns of care and methods of treatment for the specific medical problem, wait times for visits/queues, and community resources. The service leadership then goes through a review process to add staff, expanded hours, and/or new sub-components to round out core services on an as-needed basis. At times, expansion requires more space, equipment, and staff, but often accommodation of community demand is achieved through expanded hours. Facilities are added as needed to accommodate these expansions, but most often minor renovations of existing locations with better, more modern layouts and equipment allow for greater patient access. The RI State Certificate of Need program requires a focused study of need for all projects over \$5.25 million, which is an important part of the program development process across Lifespan. Based on a broad understanding of community health needs, the Hospital provides a wide range of services to both its primary and secondary service areas. Lifespan and its hospital affiliates monitor health trends in Rhode Island in an effort to identify areas of unmet demands regarding clinical services. For example, in 2006, the Hospital was the first in the region to use a new technology to remove clots quickly, mitigating the debilitating effects of stroke. Over the past three years, the Hospital has expanded its groundbreaking robotic surgery program. The Hospital is also home to the state's first Joint Commission-Certified Stroke Center.</p>
Number of Hospital Facility - 1	Part V, Line 20d - Other Billing Determination of Individuals Without Insurance	<p>Uninsured patients receive an automatic 50% Community Benefit discount on Hospital charges. Under Section 501(r)(5), the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care are the amounts generally billed to individuals who have insurance covering such care. In no case was there a situation where an uninsured patient paid more than amounts charged through Medicare or negotiated commercial insurance rates.</p>

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 17e - Other Collection Actions by Facility or Third Party Engaged	The Hospital engages third parties to perform certain collection actions on its behalf. A pre-collect company is used for all self-pay accounts. Additionally, a collection agency is used if there is no payment activity on such accounts after 120 days. The collection process is explained in further detail in the response to Question 16e above.
Number of Hospital Facility - 1	Part V, Line 16e - Other Collection Actions Against a Patient	Once an account balance or a portion thereof is classified as self-pay, it is placed with the Hospital's pre-collect company until the balance is paid in full, a monthly payment plan is in place, or insurance information is provided for billing. After 120 days, if there is no payment activity, the account qualifies for bad debt and the pre-collect company returns the account to Patient Financial Services, which in turn forwards it to a collection agency. The collection agency sends 3 to 5 notices to the patient requesting payment. If there are no responses after the notices are sent, collection calls are made. If there is no response after 120 days, the account is reviewed for legal action in the appropriate court. If there are no assets to pursue, the collection agency deems the account uncollectible and returns it to Patient Financial Services for writeoff. Note: In accordance with Center for Medicare and Medicaid Services mandates, Medicare patient accounts are held 130 days from last payment, after which if there has been no activity, the account is referred to collection.

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 14g - Other Means Hospital Facility Publicized the Policy	An abbreviated version of the Hospital's financial assistance policy is posted in various admitting and outpatient areas of the Hospital. Additionally, registration personnel refer uninsured and/or low income patients to Patient Financial Counselors to discuss the policy and/or answer any questions they might have.
Number of Hospital Facility - 1	Part V, Line 5c - Description of Making Needs Assessment Widely Available	A copy of the Community Health Needs Assessment report issued for The Miriam Hospital as of September 30, 2013 can be obtained by visiting http://www.lifespan.org/Lifespan-Community-Health-Needs-Assessment-Reports.aspx

Identifier	ReturnReference	Explanation
Number of Hospital Faciltiy - 1	Part V, Line 4 - List O ther Hospital Facilities that Jointly Conducted Needs Assessment	Rhode Island HospitalEmma Pendleton Bradley HospitalNewport Hospital
Number of Hospital Faciltiy - 1	Part V, Line 3 - Account Input from Person Who Represent the Community	<p>The CHNA encompassed intensive data collection and analysis, as well as qualitative research in the forms of interviews with and surveys of more than 100 internal and external stakeholders, including hospital-based physicians, nurses, social workers, administrators, and other professionals, as well as community-based stakeholders representing constituencies served by The Miriam Hospital and Lifespans three other hospitals. The Miriam Hospitals leadership team shaped the CHNA by recommending institutional and community leaders for participation, offering observations about community need, and providing insight about existing and planned programs. Qualitative data collected during the CHNA consist of 1) interviews completed with both internal (i e hospital- and Lifespan-based), 2) nearly two dozen key informant interviews with community leaders, representing an array of constituencies, and 3) a Community Stakeholder Survey of 54 organizations statewide. Interviews with leaders of organizations encompassed a wide range of issues and populations including historically underserved communities, such as minority populations, children and youth, immigrant and refugee populations, and included leaders of organizations with specific interest in or expertise about key issues such as obesity, cancer, and asthma. In a few cases, organizations submitted a completed questionnaire in lieu of participating in an interview. Leaders of organizations with a statewide focus on policy, advocacy, and social service provisions were interviewed, covering a broad range of social issue areas. A standard format and questionnaire was used for each interview. To ensure representation from a broad cross-section of the community, a statewide survey of 54 key community stakeholders was conducted. Those surveyed included members of medically underserved, low-income, and minority populations in the community, representatives of organizations that had knowledge, information, or relevant experience to the health needs of the community (including the Brown University School of Public Health, Warren Alpert Medical School of Brown University, the Economic Progress Institute, the United Way, and others), and representatives of the Rhode Island Department of Health. The survey was a 19-question instrument designed to elicit information about the general health and social needs of the community. Over 75% of those surveyed self-reported that they serve constituencies spanning the entire state of Rhode Island and/or the entire state of Rhode Island with the addition of southeastern Massachusetts.</p> <p>Community Stakeholder Survey Respondents</p> <ol style="list-style-type: none"> 1 AARP, Executive Director 2 African Alliance of RI, President 3 Aids Project RI, Executive Director 4 American Cancer Society 5 American Lung Association of the Northeast, Director of Health Education 6 Blue Cross/Blue Shield 7 Brown School of Public Health 8 Camp Street Community Ministries 9 Center for Prisoner Health and Human Rights, The Miriam Hospital/Brown University Medical School, Executive Director 10 Chinese Nursing Association 11 Community Asthma Program 12 Community Health Workers Association of Rhode Island, Brown Medical School 13 Crossroads of Rhode Island, Director of Social Services 14 Rhode Island Department of Health, Manager, Safe Rhode Island/Rhode Island Youth Suicide 15 Rhode Island Department of Health 16 Gateway Healthcare 17 Goodwill Industries of Rhode Island, Case Manager / Employment Services Coordinator 18 Health Centric Advisors, Senior Scientist 19 Health Leads Providence, Executive Director 20 Injury Prevention Center at Rhode Island Hospital 21 James L. Maher Center, CEO 22 Jewish Alliance of Greater Rhode Island, Community Relations Director 23 Martin Luther King Community Center, Executive Director 24 McAuley House, Associate Director 25 Mental Health Association of Rhode Island, Executive Director 26 The Miriam Hospital, Ambulatory TB/Immunology Department, Clinical Manager 27 Mount Hope Learning Center 28 Mount Hope Neighborhood Association 29 NAACP Providence, President 30 National Association of Social Workers (NASW) RI Chapter, President 31 Newport County Community Mental Health Center 32 Overeaters Anonymous 33 Parent Support Network of Rhode Island 34 Partnership to Reduce Cancer in RI, Secretary 35 Progreso Latino, Executive Director 36 Project Night Vision, Founder 37 Providence School Department 38 Refugee Clinic at Hasbro Children's Hospital 39 Rhode Island Division of Elderly Affairs, Director 40 Rhode Island Health Center Association, President & CEO 41 Rhode Island Parent Information Network 42 Rhode Island Public Health Association, President 43 Rhode Island Public Health Institute at Brown University, Executive Director 44 Rhode Island Adult Education Professional Development Center, Director 45 Rhode Island Breast Cancer Coalition 46 Rhode Island Department of Corrections, Medical Program Director 47 Rhode Island Free Clinic 48 Samuels Sinclair Dental Center, Director 49 Socio-Economic Development Center for Southeast Asians, Executive Director 50 Taming Asthma 51 TB & Immunology, the RISE Clinic (The Miriam Hospital) 52 United Way of Rhode Island, Director of Annual Giving 53 Visiting Nurses Services of Newport and Bristol Counties 54 Women's Center of Rhode Island, Residential Supervisor

Identifier	ReturnReference	Explanation
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	<p>The Hospital uses an outside pre-collection agency for all self-pay receivables. The pre-collection agency attempts to collect the debt for 120 days. During this time, 3 letters are sent to the patient's address of record and, for balances in excess of \$50, attempts are made to reach the patient by telephone. If the agency makes contact with the patient and the patient expresses an inability to pay, payment plans and/or Community Free Service are offered (Please refer to the Charity Care Eligibility Criteria and Additional Information sections for further detail on those processes). If the pre-collection agency is unsuccessful in contacting the patient or no response is received within 120 days, the account is forwarded to a collection agency. The collection agency also sends statements and attempts to reach the patient via telephone. Again, if the agency makes contact with the patient and the patient expresses an inability to pay, payment plans and/or Community Free Service are offered. If no response is received, the claim is referred to small claims court and the patient is summoned to appear. If the patient does not appear, the Hospital will receive a judgment in its favor. If the Hospital learns that the claim has a related settlement, i.e., an automobile accident, the Hospital can put a lien on such settlement. Alternatively, if the collection agency deems the account uncollectible, it will be written off.</p>
	Part III, Line 8 - Explanation Of Shortfall As Community Benefit	<p>Medicare shortfall has not been treated as a community benefit. The source of the Medicare allowable costs reported on Part III, Section B, Line 6 is the Medicare cost report, Form 2552-10.</p>

Identifier	ReturnReference	Explanation
	Part III, Line 4 - Bad Debt Expense	<p>Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the ability to collect accounts receivable, the Hospital analyzes its past history and identifies its revenue trends for each of its major payors to estimate the appropriate allowance for doubtful accounts and the associated 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 copayments 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 copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant allowance for doubtful accounts and 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 applicable) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The Hospital's allowance for doubtful accounts for self-pay patients increased from 79% of self-pay accounts receivable at September 30, 2012 to 81% of self-pay accounts receivable at September 30, 2013. The Hospital's self-pay writeoffs for the years ended September 30, 2013 and 2012 amounted to approximately \$23,542,000 and \$21,191,000, respectively. The Hospital did not change its charity care or uninsured discount policies during the years ended September 30, 2013 and 2012, respectively. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant writeoffs from third-party payors in either 2013 or 2012. The Hospital provided \$27,557,181 for uncollectible patient accounts during the year ended September 30, 2013. The associated cost reported on Line 2 of Part III was determined by applying an operating cost to charge ratio (exclusive of community benefit costs and charges) to the provision amount. Schedule H, Part III, Section A, Line 2. The amount reported as bad debt expense is determined by applying the ratio of cost to charges (RCC) to the total charges written off to bad debt. The RCC rate is determined using data from the Hospital's cost accounting system and is adjusted for medical education, internally funded research, subsidized health services, community services, and charitable contributions. Discounts and payments are applied to patient accounts before such account balances are transferred to bad debt. Schedule H, Part III, Section A, Line 3. Accounts pending transfer to bad debt are reviewed by the Hospital's patient advocate staff to determine qualification for financial assistance under the Hospital's policy. Accounts with insufficient information to determine eligibility are assigned a separate identifying code. These accounts are ultimately transferred to bad debt if the appropriate qualifying documentation is not received. The amount reported on Schedule H, Part III, Section A, Line 3 represents the account balances at charge written off to bad debt from the pending code, which are in turn converted to cost by applying the RCC rate as identified in Schedule H, Part III, Section A, Line 2.</p>
	Part I, Line 7, Column F - Explanation of Bad Debt Expense	<p>The calculation of percentages disclosed for Schedule H, Part I, Line 7, column (f) "percent of total expense", does not include bad debt expense. Form 990, Part IX, Line 25 includes bad debt expense of \$27,557,181.</p>

Identifier	ReturnReference	Explanation
	Part I, Line 7 - Explanation of Costing Methodology	<p>The Hospital's costing methodology used to calculate the amounts reported in Part I, Line 7 is as follows</p> <p>a) Financial Assistance at cost- involves utilization of a ratio derived from dividing patient costs, as defined, by patient charges, as defined, and applying that percentage to total charity care charges Patient costs reported in the cost accounting system are calculated based on Medicare principles of reimbursement by reducing total operating expenses by items such as bad debt expense, the cost of medical education, internally funded research, subsidized health services, community services, charitable contributions, and other operating revenue Patient costs are then divided by patient charges to determine a ratio of cost to charges (RCC) This RCC is applied as the costing methodology for determining charity care expense</p> <p>b) Medicaid-Medicaid expense is determined at cost as calculated by the Hospital's cost accounting system The system applies historical costing methods applied to all patient segments based on various patient demographics and utilizations These costing standards exclude bad debt, charity care, and the Medicaid portion of costs of health profession education which are reported on other areas of Line 7 These expenses include Medicaid provider taxes Direct offsetting revenue is reported as amounts received from Medicaid, as well as other payments which include reimbursement under Federal "Upper Payment Limit" (UPL) and "Disproportionate Share Hospital" (DSH) programs</p> <p>e) Community health improvement services and community benefit operations- Community benefit operations expenses are recorded as direct expenses incurred as reported by the Hospital's Community Health Services Department Revenue received for these services is reported as direct offsetting revenue</p> <p>f) Health profession education- Health profession education expenses represent direct costs related to amounts associated with resident and intern programs utilized at the Hospital These costs are determined by reporting actual direct costs taken from the Medicare cost report Direct offsetting revenue is reported as any direct Medicare reimbursements received for such services provided, as reported on the Hospital's Medicare cost report</p> <p>g) Subsidized health services- Subsidized health services' community benefit expense is determined by the cost accounting system These subsidized health services are recorded at cost in the Hospital's cost accounting system for all qualified subsidized health service divisions This expense is adjusted to remove all related Graduate Medical Education (GME) expenses, as well as bad debt, Medicaid, and charity costs already reported in the applicable sections of Line 7 Net patient service revenue is recorded as amounts received from various payer types related to these services Revenue associated with Medicare GME and Medicaid is excluded from the amount disclosed for subsidized health services</p> <p>h) Research- The Hospital conducts extensive medical research focused on the prevention and treatment of HIV/AIDS, obesity, cancer, diabetes, cardiac disease, and mental health concerns For all internal and external research conducted, the costs associated with these activities is calculated by combining the direct and indirect costs as reported within the Hospital's cost accounting system Revenue received for these services is reported as direct offsetting revenue</p> <p>i) Cash and in-kind contributions for community benefit- Expenses for cash and in-kind contributions for community benefit are determined by using direct costs recorded in the general ledger and including an allocation of contributions made by Lifespan Corporation on the Hospital's behalf</p>
	Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used)	<p>The Miriam Hospital (the Hospital) uses a dual system for determining financial aid eligibility federal poverty guidelines and an asset test The financial screening process at the Hospital is intended to define probable eligibility for public assistance (Medicaid or Community Free Service ("CFS")) for those patients who do not have the means to pay for hospital services rendered, as follows</p> <p>1 Upon patient indication of an inability to pay required monies, the patient is offered the financial screening option to determine eligibility for public assistance (Medicaid, CFS)</p> <p>2 The application for CFS is completed and includes information relative to income, expense, and other available resources and requires proof of such information which may include - most recently filed Federal income tax return and W-2 form(s)- copies of most recent savings and/or checking account statements- two most recently received payroll check stubs- copy of rent receipts for the last six months for proof of residency- copy of utility bills for the last month for proof of residency</p> <p>3 If the patient's financial situation falls within the guidelines for eligibility for Medicaid, RIte Care, or CFS, or if the patient has a long-term disability, the appropriate application process is completed (Assistance to complete such applications is available from the Patient Financial Advocates (PFA) Office at the Hospital)</p> <p>4 Uninsured patients receive an automatic 50% deduction at the Hospital</p> <p>5 Eligibility for CFS above the 50% discount is provided for those applicants whose family gross income is at or below twice the Federal Poverty Guidelines, with a sliding scale for individuals up to four times the poverty level in effect at the time of application Full charity care applicants with assets of more than \$9,400 for an individual (or \$14,100 for a family) may not qualify for care without charge, but may qualify for discounted care While the maximum 100% discount may not be available to all charity care applicants based on the results of their asset test, all uninsured patients who receive care are eligible for, at a minimum, the 50% charity care discount</p> <p>6 For patients who qualify for less than 100% of the financial assistance program, a payment schedule is determined and agreed upon (discussed further below) Payment arrangements are established prior to service for non-urgent care</p> <p>7 In either case, the final results of the financial screening are recorded in the comments section of the Hospital's billing system</p> <p>Requests for Payment Arrangements Patient Financial Advocates (PFA) will qualify patients that are receiving non-urgent, medically indicated procedures prior to services The PFA will request 75% to 100% of estimated charges (net of the automatic 50% discount) if the balance is under \$5,000 and 50% to 100% of estimated charges (net of the automatic 50% discount) if the estimated bill equals or exceeds \$5,000 For elective or non-urgent cases, the policy will require financial clearance prior to services or an exception from the Medical Director based on the clinical circumstances if the patient cannot meet the above payment agreement Patients who do not qualify for total or partial CFS but who have difficulty in paying their bills after services are rendered may request enrollment in a payment plan Eligibility for the payment plan includes the following guidelines</p> <p>1 Immediate payment in full will result in financial hardship to the patient or the patient's family</p> <p>2 Deposit of one-half of the estimated total bill is requested prior to admission</p> <p>3 The minimum monthly payment of \$50.00</p> <p>4 The maximum length of the payment plan is twenty-four months</p> <p>The Customer Service staff will set up the payment plan using the above guidelines as well as complete the necessary information on the "Payment Agreement" form and mail to the patient for signature Account documentation will be done online The pre-collect agency will be sent a copy of the payment agreement and all forms will be scanned into the PFS Optical Imaging System</p>

Additional Data

Software ID: 12000229
Software Version: 2012v2.0
EIN: 05-0258905
Name: The Miriam Hospital

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

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

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

17

Name and address	Type of Facility (describe)
TMH Pre-admission Testing Center 208 Collyer Street 3rd Floor Providence, RI 02904	Outpatient Pre-admission assessment and education
TMH Behavioral Medicine Clinic 146 West River Street Providence, RI 02904	Outpatient Pre-admission assessment and education
RISE TB Clinic 14 Third Street Providence, RI 02906	Outpatient Pre-admission assessment and education
TMH Immunology Center 1125 North Main Street Providence, RI 02904	Outpatient Pre-admission assessment and education
TMH Laboratory 400 Bald Hill Road Warwick, RI 02886	Outpatient Pre-admission assessment and education
TMH Laboratory 1 Commerce Street Lincoln, RI 02865	Outpatient Pre-admission assessment and education
TMH Outpatient Rehabilitation 195 Collyer Street Providence, RI 02904	Outpatient Pre-admission assessment and education
TMH Cardiac RehabPulmonary Rehab 208 Collyer Street Providence, RI 02904	Outpatient Pre-admission assessment and education
TMH Laboratory 1 Hoppin Street Providence, RI 02903	Outpatient Pre-admission assessment and education
Cardiovascular Institute 1454 South County Trail Suite 2000 East Greenwich, RI 02818	Outpatient Pre-admission assessment and education
TMH Weight Control & Diabetes Research 196 Richmond Street Providence, RI 02903	Outpatient Pre-admission assessment and education
TMH Behavioral Medicine Research 1 Hoppin Street Providence, RI 02903	Outpatient Pre-admission assessment and education
Womens Medicine Collaborative 146 West River Street Providence, RI 02904	Outpatient Pre-admission assessment and education
Cardiovascular Institute 208 Collyer Street Suites 100 102 Providence, RI 02904	Outpatient Pre-admission assessment and education
Cardiovascular Institute 950 Warren Avenue East Providence, RI 02914	Outpatient Pre-admission assessment and education
TMH Immunology Research Center 14 Third Street 11 Fourth Street Providence, RI 02906	Outpatient Pre-admission assessment and education
TMH Diagnostic Imaging Center 195 Collyer Street Suite 101 Providence, RI 02904	Outpatient Pre-admission assessment and education

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Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
The Miriam Hospital

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

DLN: 93493227010554

OMB No 1545-0047

2012

Open to Public
Inspection

Employer identification number
05-0258905

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

Yes

No

2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Thundermist Health Center 191 Social Street Woonsocket, RI 02895	05-0355097	501(c)(3)	49,500	0			Health Program Support
(2) RI Free Clinic 655 Broad Street Providence, RI 02907	05-0501276	501(c)(3)	35,110	0			General Support
(3) Ready To Learn Providence 945 Westminster Street Providence, RI 02903	05-0467353	501(c)(3)	8,000	0			General Support
(4) Mt Hope Neighborhood Assoc 199 Camp Street Providence, RI 02906	22-2599257	501(c)(3)	8,490	0			General Support
(5) Mt Hope Learning Center 140 Cypress Street Providence, RI 02906	05-0502405	501(c)(3)	15,000	0			General Support
(6) Groundwork Providence 8 Third Street Providence, RI 02906	05-0397766	501(c)(3)	15,000	0			General Support
(7) Festival Ballet Providence 825 Hope Street Providence, RI 02906	05-0377245	501(c)(3)	7,700	0 FMV			General Support
(8) Downtown 5K Inc 183 Purgatory Road Exeter, RI 02822	22-3047066	501(c)(3)	10,000	0			General Support
(9) City of Providence 25 Dorrance Street Providence, RI 02903	05-6000329	Gov't Org	216,000	0			Payment in lieu of taxes
(10) Brown University 164 Angell Street Providence, RI 02912	05-0258809	501(c)(3)	151,758	0			General Support
2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table							10
3 Enter total number of other organizations listed in the line 1 table							0

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

Cat No 50055P

Schedule I (Form 990) 2012

Part III

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

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

Part IV Supplemental Information.		
Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information		
Identifier	Return Reference	Explanation
Additional Supplemental Information		The Miriam Hospital is committed to community programs and provides support to various charitable organizations in Rhode Island. Donations are made to organizations recognized by the IRS as being described in IRC Section 501(c)(3). All contributions are approved by management and are made to organizations whose missions and goals align with those of the Hospital. In 2012, Lifespan, on behalf of Rhode Island Hospital and The Miriam Hospital, reached an agreement with the City of Providence to make voluntary payments to help stabilize the city's financial health. Lifespan has always maintained a strong commitment to Providence through its many community-based programs, as well as through the charity care it provides. As an organization, Lifespan understands that Providence's fiscal health is vital to the economic health of the entire State of Rhode Island. The agreement is a groundbreaking partnership that demonstrates Lifespan's commitment to help ensure a strong and vital Providence.

Software ID: 12000229

Software Version: 2012v2.0

EIN: 05-0258905

Name: The Miriam Hospital

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Thundermist Health Center 191 Social Street Woonsocket, RI 02895	05-0355097	501(c)(3)	49,500	0			Health Program Support
RI Free Clinic655 Broad Street Providence,RI 02907	05-0501276	501(c)(3)	35,110	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Ready To Learn Providence 945 Westminster Street Providence,RI 02903	05-0467353	501(c)(3)	8,000	0			General Support
Mt Hope Neighborhood Assoc 199 Camp Street Providence,RI 02906	22-2599257	501(c)(3)	8,490	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Mt Hope Learning Center140 Cypress Street Providence,RI 02906	05-0502405	501(c)(3)	15,000	0			General Support
Groundwork Providence8 Third Street Providence,RI 02906	05-0397766	501(c)(3)	15,000	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Festival Ballet Providence 825 Hope Street Providence,RI 02906	05-0377245	501(c)(3)	7,700	0	FMV		General Support
Downtown 5K Inc183 Purgatory Road Exeter,RI 02822	22-3047066	501(c)(3)	10,000	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
City of Providence25 Dorrance Street Providence,RI 02903	05-6000329	Gov't Org	216,000	0			Payment in lieu of taxes
Brown University164 Angell Street Providence,RI 02912	05-0258809	501(c)(3)	151,758	0			General Support

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2012

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
The Miriam Hospital

Employer identification number
05-0258905

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>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.</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.</div></div>	Yes	
<div><div>2</div><div>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?</div></div>	Yes	
<div><div>3</div><div>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.</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div><div>4</div><div>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:</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	Yes	
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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:</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		No
<div><div>6</div><div>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:</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		No
<div><div>7</div><div>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.</div></div>	Yes	
<div><div>8</div><div>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.</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>		No

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Sch J, Part I, Line 7	Part I, Line 7 Non-Fixed payments not listed above	The Lifespan Annual Incentive Compensation Plan provides a financial award opportunity for designated members of management, based on quantified objectives that are approved in advance by the Compensation Committee of the Lifespan Corporation Board of Directors. A specified level of financial performance must be met before any award is earned. The objectives vary from year to year and generally include various aspects of financial measures in addition to non-financial performance measures. For certain participants in the Lifespan Annual Incentive Compensation Plan, the award opportunity is divided into two pools. The first pool represents 80% of any earned incentive award, based on the achievement of the team performance objectives. The remaining 20% pool is distributed on an individual basis to participants at the discretion of the CEO, in each case subject to approval by the Compensation Committee of the Lifespan Corporation Board of Directors.
Sch J, Part I, Line 1a	Part I, Line 1a Relevant information in regards to selections on 1a	Tax Indemnification and Gross-up Payments: The Lifespan Executive Long Term Disability program provides financial protection to designated Lifespan executives in the event that they become disabled. Premiums are paid to the insurance carrier by the insureds on an after-tax basis to allow for income replacement at a reasonable cost. The income associated with the premiums is grossed-up to cover the total cost of the benefit as provided in the Lifespan Executive Benefit Plan and is included in Medicare wages, more specifically on Schedule J, Part II, Column B (iii) Social Club Dues: The job responsibilities of certain executives include development of relationships with business leaders and donors. Those relationships are facilitated by the ability to meet in private sessions during which focused business discussions take place. The Hope and University Clubs, which require individual memberships, are places in Providence where businessmen and women, civic, community, and social leaders can gather in a businesslike atmosphere. The cost of membership is considered by Lifespan to be reasonable and necessary and thus a qualified business expense not taxable to the employee. IRS regulations regarding documentation requirements are followed for any payments made for meetings held at the respective club, including the business purpose and nature of the business benefit derived, the nature of the business discussion or activity, and the identity and business relationship of attendees.

Software ID: 12000229

Software Version: 2012v2.0

EIN: 05-0258905

Name: The Miriam Hospital

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Timothy J Babineau MD	(i) (ii)	811,918	282,352	392,457	182,032	23,245	1,692,004	87,782
Silvia Degli Esposti MD	(i) (ii)	317,634	27,841	3,082	14,495	21,114	384,166	
Rogers C Griffith MD	(i) (ii)	285,274		12,226	14,495	24,445	336,440	
Robert W Corwin MD	(i) (ii)	244,210	57,000	53,923	5,000	16,356	376,489	
Rena R Wing	(i) (ii)	274,247		7,466	14,458	9,000	305,171	
Penelope H Dennehy MD	(i) (ii)	191,709	6,318	4,496	10,312	10,179	223,014	
Michael P Carey PhD	(i) (ii)	321,735		1,997	14,495	23,141	361,368	
Mary A Wakefield	(i) (ii)	531,513	175,000	91,565	281,479	16,448	1,096,005	68,467
Maria P Ducharme	(i) (ii)	209,483	50,000	14,932	45,032	20,432	339,879	
Kenneth A Arnold	(i) (ii)	451,707	145,000	2,957,760	12,500	17,106	3,584,073	2,094,059
Kathleen Hittner MD	(i) (ii)	388,655	120,000	199,614	875,273	19,547	1,603,089	
Arthur J Sampson	(i) (ii)	372,859	104,000	69,927	73,481	16,560	636,827	45,784

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
The Miriam Hospital

Supplemental Information on Tax Exempt Bonds

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Employer identification number

05-0258905

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	RI Health & Ed Bldg Corp	52-1300173	762243K36	03-30-2009	19,582,506	See Part V		X		X	X	
B	RI Health & Ed Bldg Corp	52-1300173	762243SS3	02-14-2006	40,725,126	See Part V		X		X	X	

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	6,525,610		6,525,610					
2	Amount of bonds legally defeased	37,924,625		37,924,625					
3	Total proceeds of issue	19,582,506		40,725,126					
4	Gross proceeds in reserve funds	1,954,827							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	288,639		348,652					
8	Credit enhancement from proceeds	339,121		968,829					
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	10,798,852							
11	Other spent proceeds	39,407,645		39,407,645					
12	Other unspent proceeds	6,201,067							
13	Year of substantial completion	2006		2006					
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X				
15	Were the bonds issued as part of an advance refunding issue?		X	X					
16	Has the final allocation of proceeds been made?		X	X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Identifier	Return Reference	Explanation
Supplemental Information	Part VI	Schedule K, Part I, Lines A & B, Column (f) - see description of purpose on Schedule O Schedule K, Part IV, Line 2c For the 2006 Lifespan Obligated Group bond issuance, a rebate computation was performed on May 31, 2013 in which the calculation reflected no rebate due For the 2009 Lifespan Obligated Group bond issuance, a rebate computation was performed on May 15, 2013 in which the calculation reflected no rebate due

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
The Miram Hospital

Employer identification number
05-0258905

Part I

Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II

Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

Part III

Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Lawrence Investments	Vice Chair	124,892	Property Lease		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
		Lawrence Aubin, Vice Chair, is the owner of Lawrence Investments, LLC, which owns the West Bay Medical Center Building which leases space to The Miriam Hospital. In fiscal year 2013, The Miriam Hospital paid Lawrence Investments \$124,892 for such leased space.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

**Open to Public
Inspection**

Name of the organization The Miram Hospital	Employer identification number 05-0258905
------------------------------------------------	---------------------------------------------------------

Identifier	Return Reference	Explanation
	Form 990, Schedule K, Part I, Line B, Column (f)	The proceeds of the Series 2009A Bonds are being used for the purposes of financing projects consisting of (i) the acquisition, construction, renovation, expansion and equipping of certain hospital and related health care facilities owned and operated or to be owned and operated by one or more of Rhode Island, The Miriam, or Emma Pendleton Bradley Hospitals, located at and in the vicinity of the Hospital Campuses, (ii) equipping, furnishing, and improving facilities and other depreciable assets used in health care operations on the Hospital Campuses, (iii) the funding of a debt service reserve fund for the Bonds, and (iv) and the payment of certain expenses of issuance with respect to the Bonds

Identifier	Return Reference	Explanation
	Form 990, Schedule K, Part I, Line A, Column (f)	The proceeds of the Series 2006A Bonds were used (i) to advance refund a portion of the \$214,585,000 Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 1996, (ii) to advance refund a portion of the \$78,000,000 Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 2002 and (iii) to pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, Lines 15 a&b cont	Base Salary Actions The CEO recommends any salary adjustments for participants in the executive compensation program, using the results of the valuation study and his/her assessment of individual performance or other pertinent information, for the Committee's consideration New Participants in Executive Compensation Program With respect to compensation offers for individuals expected to participate in the executive compensation program, the Office of the President works with the Committee's independent compensation consultant or relies on information previously provided by the consultant to establish a range of reasonable cash compensation within which recruitment is expected to conclude with acceptance of a reasonable compensation offer

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, Lines 15 a&b	<p>The following applies to Lifespan and all of its affiliates, including The Miriam Hospital EXECUTIVE COMPENSATIONLifespan's executive compensation philosophy balances appropriate stewardship of resources and the need to be competitive in recruiting and retaining talented individuals. It incorporates market-competitive and performance-related principles, and covers the President and CEO of Lifespan as well as other officers, senior management, and key employees. Lifespan's executive compensation program complies both with law and with contemporary ethical norms, and is administered consistent with the organization's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and the avoidance of transactions subject to intermediate sanctions under Section 4958 of the IRC. Executive compensation is also administered consistent with Lifespan's Corporate Compliance Policy on Excess Benefit Transactions. The Compensation Committee of the Lifespan Corporation Board of Directors (the Committee), comprised of disinterested Lifespan and affiliate Board members, is responsible for diligent oversight of executive compensation to ensure compliance with IRC requirements. Its duties include:</p> <ul style="list-style-type: none"> * Approving eligibility for participation in the executive compensation program * Approving changes in compensation for existing executive participants * Approving guidelines, such as salary ranges and contract terms, on appropriate levels of compensation for other key employees * Approving new, and modifying or terminating existing, executive compensation plans including, but not limited to, annual incentive and executive benefit plans * Approving performance objectives associated with Lifespan's annual incentive plan, including measuring points, and using audited actual performance relative to these objectives as a precondition to approving the payment of any awards under the plan * Authorizing periodic performance benchmark studies to be conducted for purposes of assessing Lifespan's performance within the healthcare industry and the degree to which total remuneration levels at Lifespan are generally commensurate with Lifespan performance relative to healthcare industry performance * Conducting an annual performance review of Lifespan's Chief Executive Officer. The Chair of the Committee conducts and documents this review, based on his/her observations and interpretation of feedback from members of the Board of Directors * Selecting and engaging qualified, independent, third party compensation valuation consultants that the Committee charges with rendering opinions with respect to the reasonableness and comparability of compensation as well as the comparative organizations against which compensation is assessed, in accordance with relevant sections of the IRC and Lifespan's executive compensation philosophy. The independent consultants are not engaged by management to perform any services for Lifespan without prior approval by the Committee. Lifespan's Chief Executive Officer works closely with the Committee to make recommendations on the above topics and keep the Committee informed about contemplated compensation changes for executives and other key employees, as well as candidates for these roles. The CEO also provides periodic updates to the Committee regarding Lifespan's performance relative to compensation-related performance objectives. The Committee's deliberations and actions are documented in minutes prepared for each meeting. <p>PROCESS FOR DETERMINING COMPENSATION Valuation of Total Cash and Total Remuneration. No less frequently than annually, the Committee receives and reviews a total cash compensation valuation of all existing executive compensation program participants prepared by its independent compensation consultant. Annually, the Committee also receives and reviews a total remuneration valuation of all existing executive compensation participants.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, Line 12c	<p>Lifespan Corporation has a Conflict of Interest Policy that is applicable to all affiliates, including The Miriam Hospital, and administered by Lifespan's Corporate Compliance Department as follows. Each designated person subject to Lifespan's conflict of interest policy is required to provide Lifespan with an initial disclosure statement and thereafter an annual statement attesting that (i) the designated person has read and is familiar with this policy, and (ii) the designated person and, to the best of his/her knowledge, family members, have not in the past engaged in, are not presently engaging in, or plan to engage in, any activity which contravenes this policy. If, at any time during the course of employment or association, a designated person has reason to believe that an existing or contemplated activity may contravene this policy, the person shall submit a full written description of the activity to the Lifespan Compliance Officer or the Office of the General Counsel to seek a determination as to whether the contemplated activity does or does not contravene this policy. This requirement shall be acknowledged as part of the annual performance evaluation process. If the activity in question involves either the Chief Executive Officer, the Senior Vice President and General Counsel, or a Trustee, a full written disclosure must be made to, and a determination sought from, the Chairman of the Board of Directors of Lifespan Corporation. Annually, the Lifespan Compliance Officer shall review and report to the Lifespan Executive Corporate Compliance Committee and to the Lifespan Audit and Compliance Committee on the administration of this policy. Failure on the part of any designated person to comply with this policy, including failure to submit in a timely fashion the conflict of interest disclosure statement, will be grounds for removal from his/her position and/or termination of his/her employment with Lifespan.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, Line 1b	Edward Feldstein, Trustee, is a partner in Roberts, Carroll, Feldstein, and Peirce, a law firm that provides legal services to Lifespan Risk Services, Inc David Gorelick, Trustee, is an officer of Aquidneck Medical Associates, a physician practice which has a professional service contract with New port Hospital Shivan Subramaniam, Trustee, is the Chairman and CEO of FM Global Lifespan purchases property insurance coverage from Factory Mutual Insurance Company, a member of FM Global During calendar year 2012, Brian Zink, Trustee, received taxable tuition reimbursement paid for by Rhode Island Hospital

Identifier	Return Reference	Explanation
	Form 990, Part III, 4c	<p>TMH conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in National Institutes of Health programs Major areas of research include Cancer - TMH conducts clinical and behavioral research focusing on the many facets of cancer including prevention, education, and therapeutics which are supported by the National Cancer Institute, CALGB, and NSABP TMH is a participating hospital in the Brown University-sponsored Cancer Oncology Group (BrUCOG) HIV - At TMH, research focuses on the treatment and prevention of HIV infections, especially in hard-to-reach populations, both in the U S and abroad There are international sites located in Cambodia, India, Kenya, Indonesia, The Philippines, and South Africa The Lifespan/Tufts/Brown Center for AIDS Research conducts clinical, basic, and translational research programs The TB Clinic performs research in the area of co-infections of HIV and tuberculosis Depression - The Center for Behavioral and Preventive Medicine (CBPM) is comprised of major centers including (1) Weight Control and Diabetes, (2) Nicotine & Tobacco Research, and (3) Physical Activity Research The Weight Control and Diabetes Center conducts research programs that focus on diet, exercise, maintenance strategies, home environment, adolescent issues, and pediatric obesity The Physical Activity Research Center conducts research in the workplace, community settings, and health care facilities, involving all age groups and focusing on the effects of exercise in disease prevention and treatment</p>

Identifier	Return Reference	Explanation
	Form 990, Part III, 4b	<p>In 1969, TMH and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with Brown Medical School, renamed The Warren Alpert Medical School of Brown University (Brown). The goals of the partnership are to facilitate the expansion of joint educational and research programs to compete both clinically and academically. The Hospital participates in Brown programs in internal medicine and medicine subspecialties, general surgery and surgical subspecialties, psychiatry, emergency medicine, orthopedics, and dermatology. The Hospital provides stipends to residents and physician fellows while in training. The Hospital is also a participating clinical training site for residents from other programs in anesthesiology, pediatric dentistry, family medicine, infectious disease, obstetrics/gynecology (OB/Gyn) and OB/Gyn subspecialties, otolaryngology, podiatry, psychiatry, geriatric psychiatry, orthopedics, rheumatology, and radiation oncology. In addition, TMH Behavioral Medicine, in collaboration with Brown, sponsors research and clinical psychology training programs for interns, postdoctoral fellows, and faculty trainees. With respect to nursing education, the Hospital has developed educational affiliations with the University of Rhode Island College of Nursing, Rhode Island College School of Nursing, Community College of Rhode Island (CCRI), Salve Regina University, Boston College, Yale University, Regis College, Simmons College, St. Joseph's Health Services School of Nursing, the University of Massachusetts campuses at Dartmouth, Boston, Amherst, and Worcester, the University of Connecticut, New England Technical Institute, Northeastern University, Walden University, and the University of Pennsylvania, as well as other Schools of Nursing, pursuant to which their nursing students obtain clinical training and experience at the Hospital. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training. The Hospital sponsors training programs for a variety of allied health care professionals including required clinical and fieldwork experiences in physical, speech, and occupational therapy to university students in each discipline through contracts with the various universities. The Hospital serves as a clinical training site for students from CCRI for the vascular and cardiology ultrasound programs and also provides training experiences for students in diagnostic radiology, medical technology, phlebotomy, and social work. The Hospital serves as a clinical training site for students from The Nuclear Medicine Institute of the University of Findlay (Ohio). The Hospital has clinical affiliations/student clinical training programs for pharmacy students provided through contracts with a number of colleges and universities.</p>

Identifier	Return Reference	Explanation
	Form 990, Part III, 4a, continued	<p>TMH is licensed to operate 247 acute care beds by the Rhode Island Department of Health. Notable medical accomplishments of TMH include performance of Rhode Island's first lung operation, first kidney transplant and first aortic valvuloplasty (a procedure to clear blocked heart valves). In 2013, TMH discharged 15,002 inpatients, logged more than 60,500 visits in its emergency department, and performed nearly 11,000 inpatient and outpatient surgical procedures. Services provided in 2013 represent nearly 61,600 inpatient days and more than 105,000 clinic visits. TMH is staffed by more than 1,000 affiliated physicians, approximately 50 full-time house staff (medical school graduates), a nursing staff of 500 and more than 1,100 health care employees. In total, TMH employs more than 2,600 people. TMH is a major teaching affiliate for The Warren Alpert Medical School of Brown University, providing clinical rotations for residents. TMH provides full charity care for individuals at or below twice the federal poverty level, with a sliding scale for individuals up to four times the poverty level. In addition, a substantial discount is offered to all other uninsured patients. The Hospital determines the cost associated with providing charity care by aggregating the applicable direct and indirect costs, including compensation and benefits, supplies, and other operating expenses, based on data from its costing system. The total cost, excluding medical education and research, incurred by the Hospital to provide charity care amounted to \$14,881,886 in fiscal 2013. Charges forgone, based on established rates, amounted to \$49,616,544. TMH substantially subsidized various health services including oncology, HIV, tuberculosis and men's health clinics at a cost of \$7,312,664 in fiscal year 2013. TMH also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions. The cost of these services amounted to \$280,561 in fiscal year 2013. TMH subsidizes the cost of treating patients who receive government assistance where reimbursement is below cost. Medicaid is a means-tested health insurance program, jointly funded by state and federal governments. States administer the program and set rules for eligibility, benefits, and provider payments within broad federal guidelines. The program provides health care coverage to low-income children and families, pregnant women, long-term unemployed adults, seniors, and persons with disabilities. Eligibility is determined by a variety of factors, which include income relative to the federal poverty line, age and immigration status, and assets.</p>

Identifier	Return Reference	Explanation
	Form 990, Part I, Line 6	Volunteers support and contribute to the mission of TMH every day. They are able to learn, meet other dedicated volunteers, better understand the healthcare environment, and gain personal satisfaction knowing they are making a difference to patients, families, visitors, and vendors alike. Volunteer opportunities are available for both teens and adults in a wide variety of positions, including greeters, family liaisons, emergency room support, gift shop support, nurse aides, office support, pet therapy, physical therapy, patient visitors, recovery room support, art therapy, and central transporters. Volunteers also transport students and serve as guides, escorts, and interpreter aides.

Identifier	Return Reference	Explanation
		<p>TMH's surgeons are leaders in their field. TMH, as part of an academic medical center, prizes the mastery of new technologies in order to improve the quality of life for patients. TMH surgeons have successfully performed over 1,000 procedures using the da Vinci surgical system and have made its use a cornerstone of cancer treatment at TMH. The Comprehensive Cancer Center brings together world-renowned physicians and a group of specialists from TMH, Rhode Island Hospital, and Newport Hospital, forming a multidisciplinary team whose level of knowledge and experience are unparalleled in Rhode Island. The Hospital's Adult Outpatient Behavioral Medicine Services help individuals improve health through behavior change. Services are offered to help patients adjust to chronic medical conditions, including their associated physical and emotional distress, modify unhealthy ways of living (for example, smoking cessation) to help prevent the onset or progression of disease, and treat mood and anxiety disorders that interfere with management of medical conditions. Services are available to help individuals with behavioral and psychosocial management of medical conditions such as headache, pain, cancer, heart disease (including those with implanted cardiac devices), pulmonary disease, and diabetes. The Weight Management Program provides comprehensive, medically supervised treatment for mild, moderate, and severely overweight adults. Specialized programs are also available for adolescents and diabetics. Treatment combines medical monitoring, behavioral therapy, exercise instruction, three levels of calorie reduction and nutrition education. The Hospital's clinicians include surgical oncologists, medical oncologists, radiation oncologists, hematologists, pathologists, physical therapists, radiologists, nurses, clinical social workers, patient advocates, pharmacists, and nutritionists. These dedicated specialists work with patients every step of the way, from diagnosis to treatment to follow-up care. To help patients and their families cope with breast cancer, TMH offers the Breast Health Navigator Program. The program assists breast cancer patients through the entire course of their cancer care with breast health navigators, registered nurses trained in oncology who possess an in-depth understanding of breast cancer and the process undergone by patients. They guide patients through diagnosis, treatment, and recovery, while helping them make informed decisions and cope with the variety of issues they face. TMH and Rhode Island Hospital were named Blue Distinction Centers for Complex and Rare Cancers by Blue Cross and Blue Shield of Rhode Island. TMH and Rhode Island Hospital are the only two hospitals in the State to receive this distinction. Blue Distinction Centers for Complex and Rare Cancers are facilities within participating Blue Cross and Blue Shield network service areas that offer comprehensive inpatient cancer care programs for adults, delivered by multidisciplinary teams with subspecialty training and distinguished clinical expertise in treating complex and rare subtypes of cancer. TMH and Rhode Island Hospital have both been recognized for excellence in treating esophageal, gastric, liver, pancreatic, rectal, and thyroid cancer. The division of gastrointestinal and liver pathology is committed to providing high quality diagnostic services for gastrointestinal and liver diseases in patients. Collectively, gastrointestinal cancers are among the most common form of malignancies suffered today, affecting nearly a quarter of a million Americans each year. To address this, the Comprehensive Cancer Center has brought together nationally recognized leaders in the treatment and research of gastrointestinal cancers.</p>

Identifier	Return Reference	Explanation
		<p>TMH has been named among the nation's 100 top hospitals for cardiovascular care by Thompson Healthcare Thompson's annual study identifies hospitals that are setting benchmark levels of performance for cardiovascular services throughout the nation It recognizes the hospitals and their management teams for superior clinical, operational, and financial performance in the area of cardiovascular service TMH's cardiac surgery department is led by four board certified cardiothoracic surgeons, each able to perform a wide variety of cardiac, thoracic, and peripheral vascular procedures They represent more than ninety years of cumulative experience Anesthesiologists dedicated to the management of complex cardiothoracic and vascular procedures provide each patient with the latest measures of intraoperative therapy and assessment Every patient is monitored with a transesophageal echocardiogram (sonogram) TMH's team of surgeons, anesthesiologists and cardiologists works closely together This cooperative approach has led to outstanding results at all levels of complexity Thanks to the latest evolution in surgical technology, physicians now have an effective alternative to traditional open surgery and laparoscopy that allows them to provide patients with the best of both approaches This alternative is the da Vinci Surgical System and TMH uses this technology to treat different types of cancer</p>

Identifier	Return Reference	Explanation
		<p>The Total Joint CenterThe Total Joint Center at The Miriam Hospital is dedicated to provid ing the most technologically advanced and specialized procedures focused on the replacemen t of joints and rehabilitation and care in treating diseases of, or injuries to, hips, kne es, and shoulders The Miriam Hospital is a Blue Cross Blue Shield Blue Distinction Center for Knee and Hip Replacement, which is a designation given to hospitals that demonstrate an expertise in quality care by meeting objective clinical measures, resulting in better o utcomes for patients Medical and surgical services at the Total Joint Center are provided in a personalized, caring environment within the context of an academic medical center All services focus on the patient experience from initial consultation through recovery Mult idisciplinary medical teams include many dedicated specialists - surgeons, internal medicī ne specialists, anesthesiologists, nurses, rehabilitation therapists, and social workers w ho work with patients from diagnosis to treatment to follow-up care The physical therapy and nursing teams work together after surgery to get patients moving for faster recovery, and physicians, nurses and therapists work collaboratively to follow up care Each patient benefits from individualized treatment plans and rehabilitation to aid recovery and restor e functionality as quickly as possible Whenever possible, minimally invasive surgery tech niques are used to perform surgery These techniques have dramatically improved the qualit y of the post-operative and recovery experience for the patient In some cases and when ap propriate, computer navigation technology is used for knee and hip replacement surgeries Computer navigation can assist the surgeon and improve the level of accuracy, bringing the precision of bone cuts and implant alignment in joint replacement surgery to a whole new level of accuracy, reliability, and longevity During 2013, in addition to new leaders and new services, Lifespan also brought new treatments to Rhode Island, invested in technology that enhanced its surgical capabilities, and extended its services beyond the walls of it s hospitals TMH became the first hospital in Rhode Island to perform thoracic surgery usi ng minimally invasive robotic technology and opened the Kidney Stone Center, the only cent er of its kind in the state, bringing together a team of nephrologists, urologists, and di etitians all under one roof Award-Winning CareIn 2013, TMH was named the top hospital in R hode Island and southeastern Massachusetts for the second consecutive year, according to U S News & World Report The Hospital was recognized as high performing in eight medical s pecialties, including cancer, diabetes/endocrinology, gastroenterology and surgery, geriat rics, nephrology, neurology and neurosurgery, pulmonology, and urology Blue Distinction Ce nter Recognition for Knee and Hip ReplacementAlso in 2013, TMH was named a "Blue Distincti on Center in Knee and Hip Replacement" by Blue Cross and Blue Shield of Rhode Island The Blue Distinction Centers for Specialty Care program is a national designation aw arded to medical facilities that have demonstrated expertise in delivering quality specialty care Aw ard-Winning Stroke CareTMH received a 2013 "Get With The GuidelinesStroke Gold Plus Qualit y Achievement Award" from the American Heart Association, recognizing the hospitals commt ment and success in implementing a higher standard of care by ensuring that stroke patient s receive treatment according to nationally accepted guidelines Environmental Partnership AwardTMH has received the "Partner Recognition Aw ard" from Practice Greenhealth, a health care membership community that promotes efficiency and environmental stew ardship while imp roving patient safety and care National Stroke Center CertificationIn 2012, TMH's Stroke Center received a Gold Plus Performance Achievement Aw ard from the American Heart Associat ion/American Stroke Association This is the association's highest honor for stroke care A lso in 2012, TMH earned the elite Gold Seal of Approval from The Joint Commission for Prim ary Stroke Centers, a national honor awarded to the country's top stroke programs TMH, wh ich was the first hospital in Rhode Island to be certified a Primary Stroke Center, holds distinction as the only facility in the state to be certified four times Outstanding Achie vement Aw ard from the Commission on Cancer The Leonard and Adele R Decof Family Comprehen sive Cancer Center at The Miriam Hospital was presented with the 2012 Outstanding Achievem ent Aw ard by the American College of Surgeons (ACS) Commssion on Cancer (CoC) TMH is one of only 79 health care facilities in the country and the only in Rhode Island to receive this national honor based on excellence in providing quality care to cancer patients Cent er of Excellence DesignationTMH was named an American Society for Metabolic and Bariatric Surgery (ASMBS) Bariatric Surgery Center of Excell</p>

Identifier	Return Reference	Explanation
		<p>ence The designation recognizes surgical programs with a demonstrated track record of excellence in providing superior and comprehensive bariatric surgery care AACVPR Program Certification During 2011, The Miriam Hospital pulmonary rehabilitation program was awarded certification from the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR) Certified AACVPR programs are recognized as leaders in the field of cardiovascular and pulmonary rehabilitation because they offer the most advanced practices available Magnet Hospital DesignationIn 2010, for the fourth consecutive time, TMH received Magnet designation for overall nursing care and excellence from the American Nurses Credentialing Center (ANCC) Only three other facilities in the United States have been designated a Magnet hospital four times, and TMH is the only hospital in New England to earn this honor The program provides a framework to recognize excellence in the management philosophy and practice of nursing services, adherence to standards for improving the quality of patient care , and continued competence of nursing personnel In addition, recipient hospitals must demonstrate attention to the cultural and ethnic diversity of patients and their significant others, as well as the care providers in the system The Magnet Award for Nursing Excellence is the highest level of recognition the American Nurses Credentialing Center can bestow upon organized nursing services in health care organizations</p>

Identifier	Return Reference	Explanation
		<p>The Center's team-based approach provides state-of-the-art care for patients who have or are at risk for cancers of the upper gastrointestinal tract, such as pancreatic cancer, cancer of the esophagus, and tumors involving the liver. The gastrointestinal cancer care services available through the Comprehensive Cancer Center provide care for patients who have or are at risk for the following types of cancer: bile duct, esophagus, gallbladder, endocrine, and cystic tumors of the pancreas, liver, and stomach. TMH also offers medical nutrition therapy on an outpatient basis designed to help prevent and control gastrointestinal disorders.</p>

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 9	Other Changes In Net Assets Or Fund Balances - Other Increases	Increase in Net Assets of TMHF = \$6038445

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 9	Other Changes In Net Assets Or Fund Balances - Other Increases	Change in Funded Status of Pension & Other Postretirement = \$10194800

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Lifespan and the Lifespan Obligated Group, which consists of The Miriam Hospital, RIH and Affiliates, Emma Pendleton Bradley Hospital, Rhode Island Hospital Foundation, and The Miriam Hospital Foundation, currently make their annual and quarterly consolidated financial statements available to the public via DAC (Digital Assurance Certification LLC), a disclosure dissemination agent for issues of tax-exempt bonds which electronically posts and transmits Lifespan's financial information to repositories and investors alike. In addition, copies of TMH's Articles of Incorporation, Bylaws, and Conflict of Interest Policy are available upon request from the office of the Lifespan Chief Financial Officer, either in person or by mail.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11b	Form 990, Part VI, Line 11b Form 990 Review Process	<p>The preparation and filing of the Form 990 and supporting schedules is the responsibility of the Chief Financial Officer and Lifespan's Finance Department, with review by Lifespan's tax advisors, KPMG, LLP. The Form 990 is prepared by the accounting staff upon completion of The Miriam Hospital's annual independent audit for initial review by the Director of Finance and the Vice President of Finance - Corporate Services. Once the draft 990 is complete, the Director of Finance forwards it with all supporting worksheets to KPMG, which then reviews the completed form in detail. The Director of Finance answers questions as they arise and provides additional information as needed. Any recommended changes are incorporated into the return. The draft Form 990 is then provided to the Chief Financial Officer for final management review. Prior to filing the return with the Internal Revenue Service, a copy of the entire form, along with a video presentation detailing form highlights, are posted to the Hospital's Board of Trustees website portal in advance of its next Board meeting, at which all questions and concerns of the members of the Board are addressed by the Chief Financial Officer and incorporated into the Form 990 when appropriate. Once the Form 990 is complete and ready to be filed, the members of the Board are notified via email that a copy of the final version of the Form 990 is accessible through the same password protected website portal. The Chief Financial Officer is authorized to file the Form 990.</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b	Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	Lifespan has the responsibility for planning, directing and establishing policies intended to assure the development and delivery of quality health services on an integrated, cost-effective basis Powers reserved to Lifespan, in addition to those noted above, include to approve amendment of the Articles of Incorporation and Bylaws and other Charter documents, to approve strategic plans, to approve investment policies and any capital or operating budgets or material non-budgeted expenditures, and to authorize incurrence or guaranty of material indebtedness

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	The bylaws of The Miriam Hospital (TMH) confer certain reserved powers on Lifespan to provide it with the means of effective oversight, coordination and support of the system Powers reserved to Lifespan include to elect and remove trustees and to approve the election of and to remove certain officers At each annual meeting of the TMH Board of Trustees, a list is compiled of the names of those persons selected to serve as Trustees of TMH so that it can be approved and submitted to Lifespan for ratification and election

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	Lifespan Corporation is the sole corporate member of The Miriam Hospital

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 4	Form 990, Part VI, Line 4 Description of Significant Changes to Organizational Documents	Effective October 23, 2012, the Board of Directors of Lifespan and the Boards of Trustees of Rhode Island Hospital, The Miriam Hospital, New port Health Care Corporation, New port Hospital, and Emma Pendleton Bradley Hospital approved a restructuring of their governance. The restructuring has increased governance effectiveness and has streamlined governance operation, as well as provided a single strategic perspective for the Lifespan system hospitals. Pursuant to the restructuring, the Bylaws of Lifespan were amended such that the composition of the Boards of Trustees of each of the hospitals and of New port Health Care Corporation is defined as those persons serving from time to time as the directors of Lifespan. As a result, the Boards of each entity are comprised of the same individuals. The Board of each entity retains its responsibilities and authorities notwithstanding the revision in its composition. The Board of Directors of Lifespan consists of not less than fourteen nor more than thirty-one directors, including the President and CEO of Lifespan, who serves ex-officio with vote, and the following ex-officio voting directors: the chair of each of Rhode Island Hospital Foundation, The Miriam Hospital Foundation, New port Hospital Foundation, Bradley Hospital Foundation, and Gateway Foundation.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 2	Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	Kenneth E. Arnold, Secretary, Timothy J. Babineau, MD, President, and Mary A. Wakefield, CFO, are officers of related for-profit corporations. Mr. Arnold and Ms. Wakefield are officers of Lifespan Management Services Organization, Inc. (MSO) and Lifespan Risk Services, Inc. Dr. Babineau and Ms. Wakefield are officers of VNA Technicare, Inc. (VNA). Additionally, Scott B. Laurans, Chair, is an officer of VNA. Jonathan Fain, Trustee, is the CEO of Teknor Apex Co. Bertram Lederer, Trustee, is also a Director of Teknor Apex Co.

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 Minam Hospital

Employer identification number
05-0258905

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Gateway Professional Group Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0498391	Psychotherapy	RI	Gateway Healthcare	C Corp					No
(2) VNA Technicare Inc 622 George Washington Highway Lincoln, RI 02865 05-0472710	DME Sales	RI	LDS Inc	C Corp					No
(3) Lifespan Risk Services Inc 167 Point Street Providence, RI 02903 05-0459767	Risk Mgmnt	RI	Lifespan Corp	C Corp					No
(4) Lifespan MSO Inc 167 Point Street Providence, RI 02903 05-0508717	Mgmnt Services	RI	Lifespan Corp	C Corp					No

Part V

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

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

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

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

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

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

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

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

	Yes	No
1a		No
1b		No
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l	Yes	
1m	Yes	
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r		No
1s		No

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

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

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.

[illegible]

Software ID: 12000229
Software Version: 2012v2.0
EIN: 05-0258905
Name: The Miriam Hospital

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
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THE MIRIAM HOSPITAL

Financial Statements

September 30, 2013 and 2012

(With Independent Auditors' Report Thereon)

THE MIRIAM HOSPITAL

Financial Statements

September 30, 2013 and 2012

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KPMG LLP
6th Floor, Suite A
100 Westminster Street
Providence, RI 02903-2321

Independent Auditors' Report

The Board of Trustees
The Miriam Hospital.

We have audited the accompanying financial statements of The Miriam Hospital, which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

KPMG LLP

Providence, Rhode Island
February 24, 2014

THE MIRIAM HOSPITAL
Statements of Financial Position
September 30, 2013 and 2012
(In thousands)

Assets	2013	2012	Liabilities and Net Assets	2013	2012
Current assets			Current liabilities		
Cash and cash equivalents	\$ 14,009	\$ 14,068	Accounts payable	\$ 18,524	\$ 15,332
Patient accounts receivable	64,179	56,185	Accrued employee benefits and compensation	13,488	11,358
Less allowance for doubtful accounts	<u>(17,943)</u>	<u>(14,745)</u>	Other accrued expenses	4,594	3,437
Net patient accounts receivable	46,236	41,440	Current portion of long-term debt	3,689	1,997
Other receivables	<u>2,431</u>	<u>4,563</u>	Current portion of estimated third-party payor settlements	1,598	183
Total receivables	48,667	46,003	Estimated health care benefit self-insurance costs	<u>4,061</u>	<u>2,867</u>
Assets limited as to use	155	155	Total current liabilities	45,954	35,174
Inventories	4,851	5,969	Long-term debt, net of current portion	69,845	61,956
Prepaid expenses and other current assets	<u>362</u>	<u>379</u>	Estimated third-party payor settlements, net of current portion	5,065	6,731
Total current assets	68,044	66,574	Accrued pension liability	24,714	33,697
Interest in net assets of The Miriam Hospital Foundation	59,424	53,385	Other liabilities	<u>332</u>	<u>668</u>
Assets limited as to use	135,358	119,989	Total liabilities	145,910	138,226
Less amount required to meet current obligations	<u>(155)</u>	<u>(155)</u>	Net assets		
Noncurrent assets limited as to use	135,203	119,834	Unrestricted	248,255	223,651
Property and equipment, net	174,929	158,860	Temporarily restricted	27,475	25,772
Other assets			Permanently restricted	<u>17,659</u>	<u>12,957</u>
Deferred financing costs, net	1,381	1,470	Total net assets	293,389	262,380
Other noncurrent assets	<u>318</u>	<u>483</u>			
Total other assets	1,699	1,953			
Total assets	<u>\$ 439,299</u>	<u>\$ 400,606</u>	Total liabilities and net assets	<u>\$ 439,299</u>	<u>\$ 400,606</u>

See accompanying notes to financial statements

THE MIRIAM HOSPITAL
Statements of Operations and Changes in Net Assets
Years ended September 30, 2013 and 2012
(In thousands)

	<u>2013</u>	<u>2012</u>
Unrestricted revenues and other support		
Patient service revenue, net of contractual allowances	\$ 404,092	\$ 383,917
Provision for bad debts	<u>(27,557)</u>	<u>(24,013)</u>
Net patient service revenue	376,535	359,904
Other revenue	15,456	17,401
Endowment earnings contributed toward community benefit	3,391	2,953
Net assets released from restrictions used for operations	1,685	1,717
Net assets released from restrictions used for research	<u>27,307</u>	<u>26,198</u>
Total unrestricted revenues and other support	<u>424,374</u>	<u>408,173</u>
Operating expenses		
Compensation and benefits	219,513	202,821
Supplies and other expenses	113,415	110,721
Purchased services	50,326	46,761
Depreciation and amortization	11,948	11,134
Interest	3,435	3,484
License fees	<u>18,045</u>	<u>17,701</u>
Total operating expenses	<u>416,682</u>	<u>392,622</u>
Income from operations	<u>7,692</u>	<u>15,551</u>
Nonoperating gains and losses		
Net realized gains on board-designated investments	1,838	4,024
Other nonoperating losses, net	<u>(52)</u>	<u>(292)</u>
Total nonoperating gains, net	<u>1,786</u>	<u>3,732</u>
Excess of revenues over expenses	<u>\$ 9,478</u>	<u>\$ 19,283</u>

THE MIRIAM HOSPITAL

Statements of Operations and Changes in Net Assets (Continued)

Years ended September 30, 2013 and 2012

(In thousands)

	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Excess of revenues over expenses	\$ 9,478	\$ 19,283
Other changes in unrestricted net assets		
Change in funded status of pension and other postretirement plans, other than net periodic pension and postretirement benefit costs	10,195	(8,828)
Net change in unrealized gains on investments available for sale	74	1,863
Net assets released from restrictions used for purchase of property and equipment	4,589	4,691
Increase in interest in net assets of The Miriam Hospital Foundation	268	1,289
Increase in unrestricted net assets	<u>24,604</u>	<u>18,298</u>
Temporarily restricted net assets		
Gifts, grants, and bequests	29,157	27,880
Income from restricted investments	120	121
Increase in interest in net assets of The Miriam Hospital Foundation	1,069	2,382
Transfers from The Miriam Hospital Foundation	4,097	6,991
Net assets released from restrictions	(33,581)	(32,606)
Net realized and unrealized gains on investments	841	1,429
Increase in temporarily restricted net assets	<u>1,703</u>	<u>6,197</u>
Permanently restricted net assets		
Increase in interest in net assets of The Miriam Hospital Foundation	4,702	332
Increase in permanently restricted net assets	<u>4,702</u>	<u>332</u>
Increase in net assets	31,009	24,827
Net assets, beginning of year	<u>262,380</u>	<u>237,553</u>
Net assets, end of year	<u>\$ 293,389</u>	<u>\$ 262,380</u>

See accompanying notes to financial statements

THE MIRIAM HOSPITAL

Statements of Cash Flows

Years ended September 30, 2013 and 2012

(In thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase in net assets	\$ 31,009	\$ 24,827
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Change in funded status of pension and other postretirement plans, other than net periodic pension and postretirement benefit costs	(10,195)	8,828
Net realized and unrealized gains on investments	(2,753)	(7,316)
Undistributed portion of change in interest in net assets of The Miriam Hospital Foundation	(6,039)	(4,003)
Transfers from The Miriam Hospital Foundation	(4,097)	(6,991)
Depreciation and amortization	11,948	11,134
Provision for estimated health care benefit self-insurance costs	25,452	24,554
Decrease in liabilities for estimated health care benefit self-insurance costs resulting from claims paid	(24,258)	(23,786)
Net increase in patient accounts receivable	(4,796)	(4,975)
Increase in accounts payable	3,192	3,374
Increase (decrease) in accrued employee benefits and compensation	2,130	(7)
Decrease in estimated third-party payor settlements	(251)	(2,737)
Increase (decrease) in all other current and noncurrent assets and liabilities, net	5,302	(8,569)
Net cash provided by operating activities	<u>26,644</u>	<u>14,333</u>
Cash flows from investing activities		
Purchase of property and equipment	(27,887)	(14,967)
Net (increase) decrease in funds held by third parties under long-term debt agreements	(9,101)	1,675
Other net increases in assets limited as to use	(3,515)	(6,155)
Net cash used in investing activities	<u>(40,503)</u>	<u>(19,447)</u>
Cash flows from financing activities		
Proceeds from issuance of long-term debt	11,700	—
Payments on long-term debt	(1,997)	(1,977)
Transfers from The Miriam Hospital Foundation	4,097	6,991
Net cash provided by financing activities	<u>13,800</u>	<u>5,014</u>
Net decrease in cash and cash equivalents	(59)	(100)
Cash and cash equivalents, beginning of year	14,068	14,168
Cash and cash equivalents, end of year	<u>\$ 14,009</u>	<u>\$ 14,068</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 3,538</u>	<u>\$ 3,641</u>

See accompanying notes to financial statements

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(1) Description of Organization

The Miriam Hospital (the Hospital), located in Providence, Rhode Island, is a 247-bed nonprofit general acute care teaching hospital with university affiliation providing a comprehensive range of diagnostic and therapeutic services for the acute care of patients principally from Rhode Island and southeastern Massachusetts. As a complement to its role in service and education, the Hospital actively supports research. The Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and participates as a provider primarily in Medicare, Blue Cross, and Medicaid programs. The Hospital is also a member of Voluntary Hospitals of America, Inc. (VHA).

Effective August 9, 1994, the Hospital and Rhode Island Hospital (RIH) of Providence, RI (719 beds) implemented a plan which included the creation of a not-for-profit parent company, Lifespan Corporation. Each hospital continues to maintain its own identity, as well as its own campus and its own name. Lifespan, the sole member of the Hospital and RIH, has the responsibility for strategic planning and initiatives, capital and operating budgets, and overall governance of the consolidated organization.

The Board of Directors of Lifespan Corporation and the Boards of Trustees of the Hospital, RIH, Newport Health Care Corporation (NHCC), Newport Hospital, and Emma Pendleton Bradley Hospital approved a restructuring of their governance, effective October 23, 2012. The restructuring has increased governance effectiveness and has streamlined governance operation, as well as provided a single strategic perspective for the Lifespan system hospitals. Pursuant to the restructuring, the composition of the Boards of Trustees of each of the hospitals and of NHCC is defined as those persons serving from time to time as the directors of Lifespan Corporation. As a result, the Boards of each entity are comprised of the same individuals. The Board of each entity retains its responsibilities and authorities notwithstanding the revision in its composition. The composition of the Boards of Trustees of the respective hospital foundations are not impacted by this restructuring, however, the chairs of the four hospital foundations serve ex officio as directors of Lifespan Corporation, and by extension, as trustees of each of the hospitals.

In 2009, Lifespan announced its intention to combine the Hospital and RIH into a single hospital with two campuses. The Miriam Hospital Foundation and Rhode Island Hospital Foundation remain as separate entities. The hospitals continue to integrate clinical programs and services.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(2) Charity Care and Other Community Benefits

The total net cost of charity care and other community benefits provided by the Hospital for the years ended September 30, 2013 and 2012 is summarized in the following table

	<u>2013</u>	<u>2012</u>
Charity care	\$ 12,242	\$ 10,331
Medical education, net	13,700	13,672
Research	3,625	3,684
Subsidized health services	6,195	3,451
Unreimbursed Medicaid costs	9,202	6,352
Community health improvement services and community benefit operations	<u>475</u>	<u>469</u>
Total	<u>\$ 45,439</u>	<u>\$ 37,959</u>

Charity Care

The Hospital provides full charity care for individuals at or below twice the federal poverty level, with a sliding scale for individuals up to four times the poverty level. In addition, a substantial discount is offered to all other uninsured patients. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including compensation and benefits, supplies, and other operating expenses, based on data from its costing system. The total cost, excluding medical education and research, incurred by the Hospital to provide charity care amounted to \$12,242 and \$10,331 in 2013 and 2012, respectively. Charges forgone, based on established rates, amounted to \$49,617 and \$41,585 in 2013 and 2012, respectively.

Medical Education

The Hospital provides the setting for and substantially supports medical education in various clinical training and nursing programs. The total cost of medical education provided by the Hospital exceeds the reimbursement received from third-party payors by \$13,700 and \$13,672 in 2013 and 2012, respectively.

In 1969, the Hospital and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with Brown Medical School, renamed The Warren Alpert Medical School of Brown University (Brown). In 2010, Brown named Rhode Island Hospital its Principal Teaching Hospital. The Hospital and Emma Pendleton Bradley Hospital (EPBH) continue to be designated as major teaching affiliates. The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically.

The Hospital participates in Brown programs in internal medicine and medicine subspecialties, general surgery and surgical subspecialties, psychiatry, emergency medicine, orthopedics, and dermatology. The Hospital provides stipends to residents and physician fellows while in training.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(2) Charity Care and Other Community Benefits (continued)

The Hospital is also a participating clinical training site for residents from other programs in anesthesiology, pediatric dentistry, family medicine, infectious disease, obstetrics/gynecology (OB/Gyn) and OB/Gyn subspecialties, otolaryngology, podiatry, psychiatry, geriatric psychiatry, orthopedics, rheumatology, and radiation oncology. In addition, TMH Behavioral Medicine, in collaboration with Brown, sponsors research and clinical psychology training programs for interns, postdoctoral fellows, and faculty trainees.

With respect to nursing education, the Hospital has developed educational affiliations with the University of Rhode Island College of Nursing, Rhode Island College School of Nursing, Community College of Rhode Island (CCRI), Salve Regina University, Boston College, Yale University, Regis College, Simmons College, St. Joseph's Health Services' School of Nursing, the University of Massachusetts campuses at Dartmouth, Boston, Amherst, and Worcester, the University of Connecticut, New England Technical Institute, Northeastern University, Walden University, and the University of Pennsylvania, as well as other Schools of Nursing, pursuant to which their nursing students obtain clinical training and experience at the Hospital. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training.

The Hospital sponsors training programs for a variety of allied health care professionals including required clinical and fieldwork experiences in physical, speech, and occupational therapy to university students in each discipline through contracts with the various universities. The Hospital serves as a clinical training site for students from CCRI for the vascular and cardiology ultrasound programs and also provides training experiences for students in diagnostic radiology, medical technology, phlebotomy, and social work. The Hospital serves as a clinical training site for students from The Nuclear Medicine Institute of the University of Findlay (Ohio).

The Hospital has clinical affiliations/student clinical training programs for pharmacy students provided through contracts with a number of colleges and universities.

Research

The Hospital conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in the National Institutes of Health programs. The Hospital also sponsors a significant level of these research activities, as indicated in the table on page 7.

Federal support accounts for approximately 89% of all externally funded research at the Hospital. Researchers focus on clinical trials which investigate prevention and treatment of HIV/AIDS, obesity, cancer, diabetes, cardiac disease, and mental health concerns.

Subsidized Health Services

The Hospital substantially subsidizes various health services including the following programs, oncology, tuberculosis, and certain other specialty services.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(2) Charity Care and Other Community Benefits (continued)

Unreimbursed Medicaid Costs

The Hospital subsidizes the cost of treating patients who receive government assistance where reimbursement is below cost. Medicaid is a means-tested health insurance program, jointly funded by state and federal governments. States administer the program and set rules for eligibility, benefits, and provider payments within broad federal guidelines. The program provides health care coverage to low-income children and families, pregnant women, long-term unemployed adults, seniors, and persons with disabilities. Eligibility is determined by a variety of factors, which include income relative to the federal poverty line, age and immigration status, and assets. The unreimbursed Medicaid costs do not include any allocation of medical education or research costs.

Community Health Improvement Services and Community Benefit Operations

The Hospital also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions.

(3) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements are prepared on the accrual basis of accounting.

The Hospital considers events and transactions that occur after the statement of financial position date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on February 24, 2014 and subsequent events have been evaluated through that date.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments with maturities of three months or less when purchased, excluding amounts limited as to use by board-designation or other arrangements under trust agreements.

(d) Investments and Investment Income

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 820-10, *Fair Value Measurements and Disclosures* (ASC 820-10), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

of a liability in an orderly transaction between market participants as of the measurement date. ASC 820-10 establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels.

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date.
- Level 2 – observable prices that are based on inputs not quoted in active markets, but which are corroborated by market data, and
- Level 3 – unobservable inputs that are used when little or no market data is available

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following is a description of the valuation methodologies used for investments measured at fair value.

Cash and short-term investments. Valued at the net asset value (NAV) reported by the financial institution.

US government agency and corporate obligations. Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities. These investments are designated by the Hospital as trading securities.

Corporate equity securities. Valued at the closing prices reported by an active market in which the individual securities are traded. These investments are designated by the Hospital as trading securities.

Collective investment funds. Investments in collective investment funds with monthly pricing and liquidity are valued using NAV as reported by the investment manager, which approximates the market values of the underlying investments within the fund or realizable value as estimated by the investment manager. Otherwise, such investments are recorded at historical cost. The Hospital has applied the accounting guidance in Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12), which permits the use of NAV or its equivalent reported by each underlying alternative investment fund as a practical expedient to estimate the fair value of the investment. These investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements or operations of the underlying funds. Also, because the Hospital uses NAV as a practical expedient to estimate fair value, the level in the fair value hierarchy in which each fund's fair value measurement is classified is based primarily on the Hospital's ability to redeem its interest in the fund at or near the date of the statement of financial position. Accordingly, the inputs or methodology used for

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

Valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risk associated with those investments or a reflection on the liquidity of each fund's underlying assets and liabilities.

Investments of less than 5% in limited partnerships are recorded at historical cost. Investments of 5% or more in limited partnerships, limited liability corporations, or similar investments are accounted for using the equity method.

Investments designated by the Hospital as trading securities are reported at fair value, with gains or losses resulting from changes in fair value recognized in the statements of operations and changes in net assets as realized gains or losses on investments. For investment securities other than trading, a decline in the market value of the security below its cost that is designated to be other than temporary is recognized through an impairment charge classified as a realized loss and a new cost basis is established.

Investment income or loss (including realized 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. Unrealized gains and losses on investments other than those designated as trading securities are excluded from the excess of revenues over expenses.

Realized gains or losses on sales of investments are determined by the average cost method. Realized gains or losses on unrestricted investments are recorded as nonoperating gains or losses, realized gains or losses on restricted investments are recorded as an addition to or deduction from the appropriate restricted net asset category.

Investment income from funds held by third parties under long-term debt agreements is recorded as other revenue. The Hospital maintains a spending policy for certain of its board-designated funds which provides that investment income from such funds is recorded within unrestricted revenues as endowment earnings contributed toward community benefit.

(e) *Assets Limited as to Use*

Assets limited as to use primarily include designated assets set aside by the Hospital's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets whose use by the Hospital has been limited by grantors or donors to a specific purpose, as well as assets held by third parties under long-term debt agreements. Amounts required to meet current liabilities of the Hospital are reported in current assets in the statements of financial position.

(f) *Property and Equipment*

Property and equipment acquisitions are recorded at cost. Depreciation is computed over the estimated useful life of each class of depreciable asset using the straight-line method. Buildings and improvements lives range from 5 to 40 years and equipment lives range from 3 to 20 years. Certain

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

software development costs are amortized using the straight-line method over a period of five years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

(g) *Deferred Financing Costs*

Deferred financing costs, which relate to the issuance of long-term bonds payable to the Rhode Island Health and Educational Building Corporation (RIHEBC), are being amortized ratably over the periods the bonds are outstanding

(h) *Goodwill and Indefinite-Lived Intangible Assets*

Goodwill and intangible assets determined to have indefinite lives are not subject to amortization. Goodwill and indefinite-lived intangible assets are reviewed for impairment on an annual basis or more frequently if circumstances indicate a potential impairment exists or has occurred.

(i) *Temporarily Restricted Net Assets*

Temporarily restricted net assets contain grantor or donor-imposed stipulations as to the timing of their availability or use for a particular purpose, including research activities. These net assets are released from restrictions when the specified time elapses or actions have been taken to meet the restrictions.

(j) *Excess of Revenues over Expenses*

The statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include the change in the funded status of pension and other postretirement plans, the net change in unrealized gains on investments available for sale, net assets released from restrictions used for purchase of property and equipment, and the change in interest in net assets of The Miriam Hospital Foundation.

(k) *Net Patient Service Revenue*

The Hospital provides care to patients under Medicare, Medicaid, managed care, and commercial insurance contractual arrangements. The Hospital has agreements with many third-party payors that provide for payments to the Hospital at amounts less than its established rates. 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 some third-party payors.

Medicare and Medicaid utilize prospective payment systems for most inpatient hospital services rendered to program beneficiaries based on the classification of each case into a diagnostic-related group (DRG). Outpatient hospital services are primarily paid using an ambulatory payment classification system.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

The majority of payments from managed care and commercial insurance companies are based upon fixed fee arrangements, some of which follow a DRG-based approach, while others employ a combination of per diem rates and specific case rates for inpatient services, along with fixed fees applicable to outpatient services.

Settlements and adjustments arising under reimbursement arrangements with some third-party payors, primarily Medicare, Medicaid, and Blue Cross, are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Hospital has classified a portion of accrued estimated third-party payor settlements as long-term because such amounts, by their nature or by virtue of regulation or legislation, will not be paid within one year. Changes in the Medicare and Medicaid programs, such as the reduction of reimbursement, could have an adverse impact on the Hospital.

(I) *Provision for Bad Debts*

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 its revenue trends for each of its major payors to estimate the appropriate allowance for doubtful accounts and the associated 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 copayments 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 copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant allowance for doubtful accounts and 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 applicable) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients increased from 79% of self-pay accounts receivable at September 30, 2012 to 81% of self-pay accounts receivable at September 30, 2013. The Hospital's self-pay writeoffs for the years ended September 30, 2013 and 2012 amounted to \$23,542 and \$21,191, respectively. The Hospital did not change its charity care or uninsured discount policies during the years ended September 30, 2013 and 2012, respectively. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant writeoffs from third-party payors in either 2013 or 2012.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

(m) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue (see note 2).

(n) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as temporarily restricted support that increases this net asset class if they are received with stipulations that limit the use of the assets. When a donor or grantor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions.

(o) Inventories

Inventories, consisting primarily of medical/surgical supplies and pharmaceuticals, are stated at the lower of cost or market.

(p) Estimated Self-Insurance Costs

The Hospital participates in Lifespan self-insurance programs with other Lifespan affiliates for losses arising from professional liability/medical malpractice, general liability, and workers' compensation claims, as well as health benefits to its employees. The Hospital has recorded provisions for estimated claims, which are based on the Hospital's own experience. The provisions for self-insured losses include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

(q) Fair Value of Financial Instruments

The carrying amounts recorded in the statements of financial position for cash and cash equivalents, patient accounts receivable, assets limited as to use, accounts payable, accrued expenses, estimated third-party payor settlements, and estimated health care benefit self-insurance costs approximate their respective fair values. The estimated fair values of the Hospital's assets limited as to use, pension-related assets, and long-term debt are disclosed in notes 6, 8, and 11, respectively.

(r) Reclassifications

Certain 2012 amounts have been reclassified to conform with the 2013 reporting format.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(4) Non-recurring Charges

Income from operations for 2013 includes non-recurring charges of approximately \$391 related to streamlining initiatives resulting from the Hospital's review of its operating strategies. The charges include provisions for the severance costs of permanent management and supervisory workforce reductions. The liability related to the non-recurring charges was approximately \$330 at September 30, 2013 and is included in accrued employee benefits and compensation in the statement of financial position.

In July 2013, Lifespan announced a voluntary early retirement program (VERP), which was designed to provide salary and medical benefits continuation for eligible employees who wished to retire. The Hospital's estimated costs of this program in 2013 amounted to \$536 and are included in compensation and benefits in the statement of operations and changes in net assets. In 2012, compensation and benefits were reduced by \$566, as the estimated costs of the Hospital's 2011 VERP program were adjusted to account for updated information regarding employees who subsequently withdrew their VERP election. The liability related to the Hospital's VERP programs is approximately \$643 and \$1,021 as of September 30, 2013 and 2012, respectively, and is included in accrued employee benefits and compensation in the statements of financial position.

(5) Disproportionate Share

The Hospital is a participant in the State of Rhode Island's Disproportionate Share Program, established in 1995 to assist hospitals which provide a disproportionate amount of uncompensated care. Under the program, Rhode Island hospitals, including the Hospital, receive federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low income patients. Total payments to the Hospital under the Disproportionate Share Program aggregated \$7,823 and \$7,938 in 2013 and 2012, respectively, and are reflected as part of net patient service revenue in the accompanying statements of operations and changes in net assets.

For periods beyond 2015, the federal government is scheduled to change the level of federal matching funds for the Disproportionate Share Program. Accordingly, it may be necessary for the State of Rhode Island to modify the program and the reimbursement to Rhode Island hospitals under the program. At this time, the scope of such modifications or their effect on the Hospital cannot be reasonably determined.

(6) Investments

The composition of assets limited as to use at September 30, 2013 and 2012 is set forth in the following table:

	2013	2012
Unrestricted board-designated funds	\$ 100,059	\$ 94,215
Funds held by third parties under long-term debt agreements	17,923	8,822
Temporarily restricted funds	17,376	16,952
Total	<u>\$ 135,358</u>	<u>\$ 119,989</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(6) Investments (continued)

Assets limited as to use at September 30 are classified as follows.

	2013	2012
Available-for-sale	\$ 90,540	\$ 85,119
Trading	44,818	34,870
Total	<u>\$ 135,358</u>	<u>\$ 119,989</u>

Assets limited as to use are classified as trading securities if the buy/sell decision with respect to each portfolio security is the responsibility of an external investment manager. All other assets limited as to use are classified as available-for-sale securities.

Fair Value

The following tables summarize the Hospital's investments and assets held in trust by major category within the ASC 820-10 fair value hierarchy as of September 30, 2013 and 2012, as well as related strategy and liquidity/notice requirements.

	2013				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 8,282	\$ —	\$ —	\$ 8,282	Daily	One
Mid-cap value	6,331	—	—	6,331	Daily	One
Large cap growth	4,704	—	—	4,704	Daily	One
Marketable alternatives						
Multiple strategies	—	14,137	—	14,137	Quarterly	Sixty-five
Absolute return strategies	—	7,479	—	7,479	Monthly	Five
International equities						
Developed markets	4,328	11,741	—	16,069	Daily - Monthly	One - Seven
Emerging markets	2,125	5,177	—	7,302	Daily - Monthly	One - Ten
Commodities						
Energy	1,276	—	—	1,276	Daily	One
Various	—	2,336	36	2,372	Daily - Illiquid	One - N/A
Real estate	2,149	—	—	2,149	Daily	Three
Fixed income						
U.S. Treasuries	3,458	—	—	3,458	Daily - Weekly	One - Five
U.S. Treasury inflation-protected	—	2,116	—	2,116	Daily	Two
U.S. Government and agency	—	3,448	—	3,448	Daily - Weekly	One
Domestic bonds	—	7,519	—	7,519	Daily - Weekly	One
Global bonds	3,089	10,676	—	13,765	Daily	One - Five
Cash and short-term investments	3,023	—	—	3,023	Daily	One
	38,765	64,629	36	103,430		
Held by third parties under long-term debt agreements (note 11)	17,923	—	—	17,923		
Total	<u>\$ 56,688</u>	<u>\$ 64,629</u>	<u>\$ 36</u>	<u>\$ 121,353</u>		

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(6) Investments (continued)

	2012				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 5,777	\$ —	\$ —	\$ 5,777	Daily	One
Mid-cap value	4,347	—	—	4,347	Daily	One
Large cap growth	3,307	—	—	3,307	Daily	One
Marketable alternatives						
Multiple strategies	—	11,940	—	11,940	Quarterly	Sixty-five
Absolute return strategies	—	6,817	—	6,817	Monthly	Five
International equities						
Developed markets	—	13,405	—	13,405	Monthly	Five - Seven
Emerging markets	—	4,652	—	4,652	Monthly	Ten
Commodities						
Energy	2,230	—	—	2,230	Daily	One
Various	—	1,941	39	1,980	Daily - Illiquid	One - N/A
Real estate	2,271	—	—	2,271	Daily	Five
Fixed income						
U.S. Treasuries	2,901	—	—	2,901	Daily	One - Five
U.S. Treasury inflation-protected	—	5,721	—	5,721	Daily	Two
U.S. Government and agency	—	1,366	—	1,366	Daily	One
Domestic bonds	9,503	6,059	—	15,562	Daily	One
Global bonds	3,523	8,568	—	12,091	Daily	One - Five
Cash and short-term investments	2,462	—	—	2,462	Daily	One
	36,321	60,469	39	96,829		
Held by third parties under long-term debt agreements (note 11)	8,822	—	—	8,822		
Total	\$ 45,143	\$ 60,469	\$ 39	\$ 105,651		

Investments held by third parties under long-term debt agreements consist of money market funds invested in U.S. Government and agency obligations and other high-quality, short-term debt securities.

Investments of less than 5% in collective investment funds which do not have monthly pricing or liquidity are recorded at historical cost. Investments of less than 5% in limited partnerships are also recorded at historical cost. The aggregate historical cost of these investments, which approximates market value as reported by investment managers, amounted to \$14,005 at September 30, 2013 and \$14,338 at September 30, 2012.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the NAV reported by each fund is used as a practical expedient to estimate the fair value of the Hospital's interest therein, its classification in Level 2 or 3 is based on the Hospital's ability to redeem its interest at or near the date of the statement of financial position. If the interest can be redeemed in ninety days or less, the investment is generally classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(6) Investments (continued)

There were no transfers between Level 1 and Level 2 fair value measurements during the years ended September 30, 2013 and 2012

The following table presents the Hospital's activity for the years ended September 30, 2013 and 2012 for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820-10

	<u>2013</u>	<u>2012</u>
Commodities:		
Fair value at October 1	\$ 39	\$ 36
Net unrealized (losses) gains	<u>(3)</u>	<u>3</u>
Fair value at September 30	<u>\$ 36</u>	<u>\$ 39</u>

Investment Income, Gains and Losses

Investment income, gains and losses for cash equivalents and assets limited as to use are comprised of the following for the years ended September 30

	<u>2013</u>	<u>2012</u>
Other revenue		
Investment income	<u>\$ 31</u>	<u>\$ 23</u>
Endowment earnings contributed toward community benefit		
Interest and dividend income	<u>\$ 3,391</u>	<u>\$ 2,953</u>
Nonoperating gains and losses		
Net realized gains on board-designated investments	<u>\$ 1,838</u>	<u>\$ 4,024</u>
Other changes in unrestricted net assets		
Net change in unrealized gains on investments available for sale	<u>\$ 74</u>	<u>\$ 1,863</u>
Changes in temporarily restricted net assets		
Income from restricted investments	\$ 120	\$ 121
Net realized and unrealized gains on investments	<u>841</u>	<u>1,429</u>
	<u>\$ 961</u>	<u>\$ 1,550</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(6) Investments (continued)

Liquidity

Investments as of September 30, 2013 and 2012 are summarized below based on when they may be redeemed or sold

	<u>2013</u>	<u>2012</u>
Investment redemption or sale period.		
Daily	\$ 70,317	\$ 66,688
Weekly	10,356	—
Monthly	24,397	24,873
Quarterly	14,137	11,940
One-to-five years	155	155
Locked-up until liquidation	1,991	1,995
Total	<u>\$ 121,353</u>	<u>\$ 105,651</u>

Locked-up until liquidation includes the trustee-held debt service reserve fund under the 2009A bond indenture agreement (note 11)

Commitments

Venture capital, private equity, and certain energy and real estate investments are made through limited partnerships. Under the terms of these agreements, the Hospital is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally ten years, and such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Hospital cannot anticipate such changes because they are based on unforeseen events, but should they occur they may result in less liquidity or return from the investment than originally anticipated. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with the above noted investment categories as of September 30, 2013 was \$1.642

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(6) Investments (continued)

Investments with Unrealized Losses

Information regarding investments with unrealized losses at September 30, 2013 and 2012 is presented below, segregated between those that have been in a continuous unrealized loss position for less than twelve months and those that have been in a continuous unrealized loss position for twelve or more months

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
September 30, 2013						
Unrestricted board-designated and temporarily restricted funds						
Collective investment funds	\$ 4,461	\$ 97	\$ 3,089	\$ 127	\$ 7,550	\$ 224
Total temporarily impaired securities	\$ 4,461	\$ 97	\$ 3,089	\$ 127	\$ 7,550	\$ 224
September 30, 2012						
Unrestricted board-designated and temporarily restricted funds						
Collective investment funds	\$ —	\$ —	\$ 3,523	\$ 31	\$ 3,523	\$ 31
Total temporarily impaired securities	\$ —	\$ —	\$ 3,523	\$ 31	\$ 3,523	\$ 31

The Hospital reviewed the above investments with unrealized losses and determined that no impairment was considered to be other than temporary. In the evaluation of whether an impairment is other than temporary, the Hospital considers the reasons for the impairment, its ability and intent to hold the investment until the market price recovers, the severity and duration of the impairment, current market conditions, and expected future performance.

Endowments

The Hospital's endowment consists of individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Hospital to function as endowments. Investments associated with endowment funds, including funds designated by the Hospital to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

Endowments (continued)

Endowment funds consist of the following at September 30, 2013.

	Unrestricted board- designated	Temporarily restricted	Total
Donor-restricted endowment funds	\$ —	\$ 17,376	\$ 17,376
Internally board-designated endowment funds	100,059	—	100,059
Total endowment funds	\$ <u>100,059</u>	\$ <u>17,376</u>	\$ <u>117,435</u>

Endowment funds consist of the following at September 30, 2012

	Unrestricted board- designated	Temporarily restricted	Total
Donor-restricted endowment funds	\$ —	\$ 16,952	\$ 16,952
Internally board-designated endowment funds	94,215	—	94,215
Total endowment funds	\$ <u>94,215</u>	\$ <u>16,952</u>	\$ <u>111,167</u>

Changes in endowment funds for the year ended September 30, 2013 are as follows

	Unrestricted board- designated	Temporarily restricted	Total
Endowment funds, October 1, 2012	\$ 94,215	\$ 16,952	\$ 111,167
Interest and dividend income	3,435	120	3,555
Net realized and unrealized gains	1,912	841	2,753
Cash gifts, grants, and bequests	—	28,947	28,947
Transfers from The Miriam Hospital Foundation	—	4,097	4,097
Net assets released from restrictions	—	(33,581)	(33,581)
Deposits	497	—	497
Endowment funds, September 30, 2013	\$ <u>100,059</u>	\$ <u>17,376</u>	\$ <u>117,435</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

Endowments (continued)

Changes in endowment funds for the year ended September 30, 2012 are as follows.

	Unrestricted board- designated	Temporarily restricted	Total
Endowment funds, October 1, 2011	\$ 84.857	\$ 12.839	\$ 97.696
Interest and dividend income	2.974	121	3.095
Net realized and unrealized gains	5.887	1.429	7.316
Cash gifts, grants, and bequests	—	28.178	28.178
Transfers from The Miriam Hospital Foundation	—	6.991	6.991
Net assets released from restrictions	—	(32.606)	(32.606)
Deposits	497	—	497
Endowment funds, September 30, 2012	\$ 94.215	\$ 16.952	\$ 111.167

(a) Return Objectives and Risk Parameters

Lifespan has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets, including both donor-restricted funds and unrestricted board-designated funds. Under this policy, as approved by Lifespan, the endowment assets are invested in a manner that is intended to produce results that exceed the total benchmark return while assuming a moderate level of investment risk. The Hospital expects its endowment funds, over a full market cycle, to provide an average annual real rate of return of approximately 5% plus inflation annually. Actual returns in any given year or period of years may vary from this amount.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, Lifespan relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Lifespan targets a diversified asset allocation that places emphasis on investments in public equity, marketable alternatives, real assets, and fixed income to achieve its long-term return objectives within prudent risk constraints.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(7) Property and Equipment

Property and equipment, by major category, is as follows at September 30.

	2013	2012
Land and improvements	\$ 4,288	\$ 4,288
Buildings and improvements	207,236	197,681
Equipment	124,155	121,927
	335,679	323,896
Less accumulated depreciation and amortization	173,519	169,223
	162,160	154,673
Construction in progress	12,769	4,187
Property and equipment, net	\$ 174,929	\$ 158,860

Depreciation and amortization expense for the years ended September 30, 2013 and 2012 amounted to \$11,948 and \$11,134, respectively

The estimated cost of completion of the Hospital's portion of Lifespan's multi-year information systems conversion project approximated \$16,800 at September 30, 2013 (see note 11)

The estimated cost of completion of construction in progress approximated \$5,100 at September 30, 2013, comprised of various building renovation projects. In addition, the Hospital has several building renovation projects pending contractual commitments with an estimated cost of completion of approximately \$5,300

(8) Pension and Other Postretirement Benefits

Pension Benefits

Lifespan Corp sponsors the Lifespan Corporation Retirement Plan (the Plan), which was established effective January 1, 1996 when the Rhode Island Hospital Retirement Plan merged into The Miriam Hospital Retirement Plan (the TMH Plan). Upon completion of the merger, the new plan was renamed and is governed by provisions of the Plan. Each employee who was a participant in the TMH Plan and was an eligible employee on January 1, 1996 continues to be a participant on and after January 1, 1996, subject to the provisions of the Plan. Employees are included in the Plan on the first of the month which is the later of their first anniversary of employment or the attainment of age 18.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits are derived from employer contributions based on the separate account balances of participants in addition to the defined benefits provided under the Plan, which are based on an employee's years of credited service and annual compensation. Lifespan's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code as amended, plus such additional amounts as may be determined to be appropriate by Lifespan. Lifespan may also make certain discretionary matching contributions to participant account balances included in Plan assets based on salary deferral elections of participants. No matching contributions were made in 2013, while matching contributions of \$6,201 were made in 2012.

Substantially all employees of Lifespan Corporation who meet the above requirements are eligible to participate in the Plan.

The provisions of FASB ASC Topic 715, *Compensation-Retirement Benefits, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (ASC 715), require an employer to recognize in its statement of financial position an asset for a benefit plan's overfunded status or a liability for a plan's underfunded status, and to recognize changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The funded-status amount is measured as the difference between the fair value of plan assets and the projected benefit obligation including all actuarial gains and losses and prior service cost. Based on September 30, 2013 and 2012 funded-status amounts for the Hospital's portion of the Plan, the Hospital recorded an increase in unrestricted net assets of \$10,333 in 2013 and a decrease in unrestricted net assets of \$8,678 in 2012.

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension cost in 2014 are as follows:

Net actuarial loss	\$	851
Prior service cost		27
		<hr/>
	\$	878
		<hr/>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The following tables set forth the Plan's projected benefit obligation and the fair value of plan assets.

	<u>2013</u>	<u>2012</u>
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	\$ 638.739	\$ 537.664
Service cost	25.801	24.220
Interest cost	26.657	26.972
Actuarial (gain) loss	(66.235)	92.681
Benefits paid	<u>(23.329)</u>	<u>(42.798)</u>
Projected benefit obligation at end of year	<u>\$ 601.633</u>	<u>\$ 638.739</u>

The accumulated benefit obligation at the end of 2013 and 2012 was \$538.986 and \$561.362, respectively.

	<u>2013</u>	<u>2012</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 394.336	\$ 353.625
Actual return on plan assets	27.380	43.890
Employer contributions	30.619	39.619
Benefits paid	<u>(23.329)</u>	<u>(42.798)</u>
Fair value of plan assets at end of year	<u>\$ 429.006</u>	<u>\$ 394.336</u>

The funded status of the Plan and amounts recognized in Lifespan's consolidated statements of financial position at September 30, pursuant to ASC Topic 715 (as opposed to ERISA), are as follows:

	<u>2013</u>	<u>2012</u>
Funded status, end of year		
Fair value of plan assets	\$ 429.006	\$ 394.336
Projected benefit obligation	<u>601.633</u>	<u>638.739</u>
	<u>\$ (172.627)</u>	<u>\$ (244.403)</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Amounts recognized in the Hospital's statements of financial position at September 30, 2013 and 2012 are as follows

	<u>2013</u>	<u>2012</u>
Accrued pension liability	\$ <u>24,714</u>	\$ <u>33,697</u>
	<u>2013</u>	<u>2012</u>
Amounts not yet reflected in net periodic pension cost and included in unrestricted net assets.		
Prior service benefit	\$ 4,465	\$ 5,006
Accumulated net actuarial loss	<u>(133,360)</u>	<u>(212,947)</u>
Amounts not yet recognized as a component of net periodic pension cost	(128,895)	(207,941)
Accumulated net periodic pension cost in excess of employer contributions	<u>(43,732)</u>	<u>(36,462)</u>
Net amount recognized	\$ <u><u>(172,627)</u></u>	\$ <u><u>(244,403)</u></u>
	<u>2013</u>	<u>2012</u>
Sources of change in unrestricted net assets		
Net gain (loss) arising during the year	\$ 8,703	\$ (9,680)
Amortizations		
Net actuarial loss	1,603	975
Prior service cost	<u>27</u>	<u>27</u>
Total unrestricted net asset gain (loss) recognized during the year	\$ <u><u>10,333</u></u>	\$ <u><u>(8,678)</u></u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Net Periodic Pension Cost

Components of net periodic pension cost are as follows for the years ended September 30

	<u>2013</u>	<u>2012</u>
Service cost	\$ 25,801	\$ 24,220
Interest cost	26,657	26,972
Expected return on plan assets	(29,571)	(26,585)
Amortization of net actuarial loss	15,544	10,918
Amortization of prior service benefit	<u>(541)</u>	<u>(541)</u>
Net periodic pension cost for Lifespan	\$ <u>37,890</u>	\$ <u>34,984</u>
Net periodic pension cost for the Hospital	<u>\$ 6,287</u>	<u>\$ 5,610</u>

Lifespan modified its discretionary matching contribution to participant account balances, reducing the Hospital's net periodic pension cost by \$270 and \$964 in 2013 and 2012, respectively

The following weighted average assumptions were used by the Plan's actuary to determine net periodic pension cost and benefit obligations

	<u>2013</u>	<u>2012</u>
Discount rate for benefit obligations	4.88%	3.66%
Discount rate for net periodic pension cost	3.66%	4.70%
Rate of compensation increase	4.50%	4.50%
Expected long-term rate of return on Plan assets	7.75%	7.75%

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The asset allocation for the Plan at September 30, 2013 and 2012, and the target allocation for 2014, by asset category, are as follows:

Asset category	Target allocation 2014	Percentage of plan assets September 30	
		2013	2012
U S equities	15-35%	15.7%	13.5%
Marketable alternatives	0-25%	14.5	13.6
International equities	10-35%	16.5	14.6
Venture capital	0-10%	0.8	1.1
Commodities	0-20%	6.2	7.5
Real estate	0-15%	2.0	2.3
Fixed income	10-50%	39.3	42.1
Cash and cash equivalents	0-10%	5.0	5.3
Total		100.0%	100.0%

The asset allocation table above does not include \$102,832 and \$93,409 of Plan assets at September 30, 2013 and 2012, respectively, attributable to the separate savings account balances of participants which are managed in various mutual funds by Fidelity Investments (Fidelity).

The overall financial objective of the Plan is to meet present and future obligations to beneficiaries, while minimizing long-term contributions to the Plan (by earning an adequate, risk-adjusted return on Plan assets), with moderate volatility in year-to-year contribution levels.

The primary investment objective of the Plan is to attain the expected long-term rate of return on Plan assets in support of the above objective. The Plan's specific investment objective is to attain an average annual real total return (net of investment management fees) of at least 4.75% over the long term (rolling five-year periods). Real total return is the sum of capital appreciation (or loss) and current income (dividends and interest) adjusted for inflation as measured by the Consumer Price Index.

Lifespan employs a rigorous process to annually determine the expected long-term rate of return on Plan assets which is only changed based on significant shifts in economic and financial market conditions. This estimate is primarily driven by actual historical asset-class returns along with our long-term outlook for a globally diversified portfolio. Asset allocations are regularly updated based on evaluations of future market returns for each asset class.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Fair Value

The following tables summarize the Plan's investments by major category within the ASC 820-10 fair value hierarchy as of September 30, 2013 and 2012, as well as related strategy and liquidity/notice requirements

	2013				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 17,349	\$ —	\$ —	\$ 17,349	Daily	One
Mid-cap value	17,239	—	—	17,239	Daily	Three
Large cap growth	16,381	—	—	16,381	Daily	One
Marketable alternatives						
Multiple strategies	—	36,527	—	36,527	Quarterly - Annually	Ninety-Ninety-five
Absolute return strategies	—	10,844	—	10,844	Monthly	Five
International equities						
Developed markets	—	39,060	—	39,060	Monthly	Five - Seven
Emerging markets	—	14,942	—	14,942	Daily	One
Venture capital	—	—	5,786	5,786	Illiquid	N/A
Commodities						
Energy	10,653	—	—	10,653	Daily	One
Various	—	6,953	—	6,953	Daily	One
Real estate	4,925	—	—	4,925	Daily	Three
Fixed income						
U.S. Treasuries	10,119	—	—	10,119	Daily	One
U.S. Treasury inflation-protected	—	14,347	—	14,347	Daily	Two
U.S. Government and agency	—	9,813	—	9,813	Daily	One
Domestic bonds	—	44,556	—	44,556	Daily	One
Global bonds	21,152	28,218	—	49,370	Daily - Monthly	One - Fifteen
Cash and short-term investments	17,310	—	—	17,310	Daily	One
Fidelity mutual funds	102,832	—	—	102,832	Daily	One
Total	\$ 217,960	\$ 205,260	\$ 5,786	\$ 429,006		

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

	2012				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 14,860	\$ —	\$ —	\$ 14,860	Daily	One
Mid-cap value	11,798	—	—	11,798	Daily	One
Large cap growth	13,150	—	—	13,150	Daily	One
Marketable alternatives						
Multiple strategies	—	32,635	—	32,635	Quarterly - Annually	Sixty-Nine - five
Absolute return strategies	—	8,563	—	8,563	Monthly	Five
International equities						
Developed markets	—	29,720	—	29,720	Monthly	Five - Seven
Emerging markets	—	14,231	—	14,231	Daily	One
Venture capital	—	—	7,889	7,889	Illiquid	N/A
Commodities						
Energy	—	7,452	—	7,452	Daily	One
Various	—	12,207	—	12,207	Daily	One
Real estate	4,199	—	—	4,199	Daily	One
Fixed income						
U.S. Treasuries	8,887	—	—	8,887	Daily	One
U.S. Treasury inflation-protected	—	13,624	—	13,624	Daily	Two
U.S. Government and agency	—	13,304	—	13,304	Daily	One
Domestic bonds	18,959	43,103	—	62,062	Daily - Monthly	One - Five
Global bonds	—	28,772	—	28,772	Monthly	Fifteen
Cash and short-term investments	17,574	—	—	17,574	Daily	One
Fidelity mutual funds	93,409	—	—	93,409	Daily	One
Total	\$ 182,836	\$ 203,611	\$ 7,889	\$ 394,336		

There were no transfers between Level 1 and Level 2 fair value measurements during the years ended September 30, 2013 and 2012.

The following tables set forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended September 30, 2013 and 2012.

	Venture capital
Fair value at October 1, 2012	\$ 7,889
Unrealized losses, net	(1,580)
Purchases	14
Sales/redemptions	(2,299)
Realized gains, net	1,762
Fair value at September 30, 2013	\$ 5,786

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

	Venture capital	Marketable alternatives	2012 Total
Fair value at October 1, 2011	\$ 10,004	\$ 7,785	\$ 17,789
Unrealized (losses) gains, net	(1,488)	979	(509)
Transfers out	—	(8,764)	(8,764)
Purchases	350	—	350
Sales/redemptions	(2,793)	—	(2,793)
Realized gains, net	1,816	—	1,816
Fair value at September 30, 2012	<u>\$ 7,889</u>	<u>\$ —</u>	<u>\$ 7,889</u>

Expected Cash Flows

Information about the expected cash flows for the Plan is as follows

Employer contributions:	
2014 (required for Lifespan)	\$ 34,747
2014 (required for the Hospital)	5,603
Expected benefit payments:	
2014	\$ 32,058
2015	27,904
2016	27,278
2017	31,411
2018	33,397
2019 through 2023	193,472

Management evaluates its Plan assumptions annually and the expected employer contributions in 2014 could increase

Other Postretirement Benefits

In addition to providing pension benefits, the Hospital provides certain health care benefits to retired employees. As of December 31, 2004, health care postretirement benefits were eliminated for all active employees of the Hospital who had not attained age 55 and completed five years of consecutive service. The Hospital's postretirement plan is not expected to be materially affected by health care reform legislation.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The Hospital recognizes in its statements of financial position an asset for a benefit plan's overfunded status or a liability for a plan's underfunded status, and recognizes changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The funded-status amount is measured as the difference between the fair value of plan assets and the benefit obligation including all actuarial gains and losses and prior service cost. Based on September 30, 2013 and 2012 funded-status amounts for the Hospital's postretirement benefit plan, the Hospital recorded decreases in unrestricted net assets of \$138 in 2013 and \$150 in 2012, respectively.

The estimated amount that will be amortized from unrestricted net assets into net periodic postretirement benefit income in 2014 is as follows:

Prior service benefit	\$	(159)
	\$	<u>(159)</u>

Benefit Obligations

	<u>2013</u>	<u>2012</u>
Change in accumulated postretirement benefit obligation		
Accumulated postretirement benefit obligation at beginning of year	\$ 133	\$ 281
Interest cost	3	10
Benefits paid	(29)	(106)
Actuarial gain	<u>(67)</u>	<u>(52)</u>
Accumulated postretirement benefit obligation at end of year	\$ <u>40</u>	\$ <u>133</u>

Funded Status

The Hospital has never funded its other postretirement benefit obligations. The funded status of the postretirement benefit plan, reconciled to the amount reported in the statements of financial position, follows:

	<u>2013</u>	<u>2012</u>
Benefit obligations	\$ 40	\$ 133
Funded status	\$ <u>(40)</u>	\$ <u>(133)</u>
Accrued postretirement benefit cost recognized in the statements of financial position	\$ <u>40</u>	\$ <u>133</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Amounts recognized in the statements of financial position at September 30, 2013 and 2012 consist of:

	<u>2013</u>	<u>2012</u>
Accrued postretirement benefit cost		
Current (included in accrued employee benefits and compensation)	\$ 6	\$ 70
Noncurrent (included in other liabilities)	34	63
Total accrued postretirement benefit cost	<u>\$ 40</u>	<u>\$ 133</u>
	<u>2013</u>	<u>2012</u>
Amounts not yet reflected in net periodic postretirement benefit income and included in unrestricted net assets		
Prior service benefit	\$ 159	\$ 364
Accumulated net actuarial gain	84	18
Amounts not yet recognized as a component of net periodic postretirement benefit income	243	382
Accumulated net periodic postretirement benefit cost	(283)	(515)
Net amount recognized	<u>\$ (40)</u>	<u>\$ (133)</u>
	<u>2013</u>	<u>2012</u>
Sources of change in unrestricted net assets		
Net gain arising during the year	\$ 67	\$ 52
Amortizations		
Net actuarial (gain) loss	(1)	2
Prior service benefit	(204)	(204)
Total unrestricted net asset loss recognized during the year	<u>\$ (138)</u>	<u>\$ (150)</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Net Periodic Postretirement Benefit Income

Components of net periodic postretirement benefit income are as follows for the years ended September 30

	<u>2013</u>	<u>2012</u>
Interest cost	\$ 3	\$ 10
Amortization of net actuarial (gain) loss	(1)	2
Amortization of prior service benefit	<u>(204)</u>	<u>(204)</u>
Net periodic postretirement benefit income	<u>\$ (202)</u>	<u>\$ (192)</u>

The following weighted average assumptions were used by the plan's actuary to determine net periodic postretirement benefit income and benefit obligations

	<u>2013</u>	<u>2012</u>
Discount rate for benefit obligations	4.88%	3.66%
Discount rate for net periodic postretirement benefit income	3.66%	4.70%

(9) Patient Service Revenue and Related Reimbursement

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). The following is an approximate percentage breakdown of gross patient service revenue by payor type for the years ended September 30

	<u>2013</u>	<u>2012</u>
Medicare and Senior Care	50%	50%
Blue Cross	20	21
Medicaid and Rite Care	8	8
Managed care	12	11
Commercial, self-pay, and other	<u>10</u>	<u>10</u>
	<u>100%</u>	<u>100%</u>

The Hospital grants credit to patients, most of whom are local residents. The Hospital generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross, managed care, or commercial insurance policies).

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(9) Patient Service Revenue and Related Reimbursement (continued)

On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Medicare cost reports filed annually with The Centers for Medicare and Medicaid Services (CMS) are subject to audit prior to final settlement. The 2013 Medicare cost report has not been filed and, therefore, is not settled. The State of Rhode Island Medicaid Program no longer requires annual cost reports and year-end retrospective settlements; however, Medicaid cost reports for 2004 through 2010 have not been final settled.

Regulations in effect require annual settlements based upon cost reports filed by the Hospital. These settlements are estimated and recorded in the accompanying financial statements. Changes in these estimates are reflected in the financial statements in the year in which they occur. Net patient service revenue in the accompanying statements of operations and changes in net assets was increased by \$1.477 and \$4.481 in 2013 and 2012, respectively, to reflect changes in the estimated settlements for certain prior years.

Revenues from Medicare and Medicaid programs accounted for approximately 50% and 8%, respectively, of the Hospital's gross patient service revenue for the year ended September 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties, and exclusion from Medicare and Medicaid programs.

(10) Income Tax Status

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes pursuant to Section 501(a) of the Code.

The Hospital recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount of benefit that is greater than fifty percent likely to be realized upon settlement. Changes in measurement are reflected in the period in which the change in judgment occurs. The Hospital did not recognize the effect of any income tax positions in either 2013 or 2012.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(11) Long-Term Debt

Long-term debt consists of the following at September 30.

	<u>2013</u>	<u>2012</u>
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2014 through 2032 in annual amounts ranging from \$9,725 to \$15,020 at rates ranging from 4% to 5% (2006A Series – Lifespan Obligated Group)	\$ 32,286	\$ 34,155
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2027 through 2039 in annual amounts ranging from \$1,870 to \$7,900 at rates ranging from 6 1/2% to 7% (2009A Series – Lifespan Obligated Group)	19,547	19,547
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2014 through 2026 in annual amounts ranging from \$770 to \$14,705 at rates ranging from 5 25% to 5 75% (1996 Series – Lifespan Obligated Group)	9,080	9,208
Master lease and loan and security agreement due December 14, 2013 through 2020 in semiannual amounts ranging from \$3,383 to \$3,766 at 1 66% (the 2013 Financing)	11,700	—
Unamortized premium – 2006A Series	892	1,013
Unamortized premium – 2009A Series	29	30
	<u>73,534</u>	<u>63,953</u>
Less current portion	<u>3,689</u>	<u>1,997</u>
Long-term debt, net of current portion	<u>\$ 69,845</u>	<u>\$ 61,956</u>

The estimated fair value of the Hospital's long-term debt at September 30, 2013 and 2012 approximates \$75,000 and \$68,000, respectively, and is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of long-term debt is based on significant observable inputs and is categorized as Level 2 for purposes of valuation disclosure.

On June 14, 2013, the Hospital, RIH, and Emma Pendleton Bradley Hospital (EPBH) entered into a tax-exempt \$50,000 master lease and loan and security agreement (the 2013 Financing) with a seven-year term, to partially fund the capital costs associated with Lifespan's multi-year information systems conversion project. The 2013 Financing is secured by a first priority lien and security interest on the equipment (excluding intellectual property), goods, and other property financed with the proceeds of the 2013 Financing, as well as the unspent balance of the master lease obligation escrow fund. The Hospital, RIH, and EPBH are jointly and severally liable for repayment of the 2013 Financing.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(11) Long-Term Debt (continued)

On July 8, 2008, the Board of Directors of Lifespan Corporation, acting as the sole corporate member of EPBH, adopted a resolution authorizing EPBH to become a member of the Lifespan Obligated Group (OG). The EPBH Board of Trustees, as well as the Boards of the Hospital and RIH, also authorized related resolutions

On March 30, 2009, the Rhode Island Health and Educational Building Corporation (RIHEBC) issued, on behalf of the OG, which consists of the Hospital, RIH, EPBH, Rhode Island Hospital Foundation (RIHF) and The Miriam Hospital Foundation (TMHF), \$114,985 of tax-exempt bonds (the 2009A Bonds) for the purposes of financing the acquisition, construction, renovation, expansion and equipping of certain hospital and related health care facilities owned and operated by the Hospital, RIH and EPBH (the Obligated Group Hospitals), including the expansion, construction, renovation, equipping and furnishing of a two-story addition to EPBH's existing building and the renovation of vacated space in the existing building

The above outstanding 2009 Hospital Financing Revenue Bonds (OG – the Hospital, RIH, EPBH, RIHF and TMHF) are secured by a pledge of the gross receipts of the Obligated Group Hospitals and by mortgage liens on the Hospital's and RIH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals, RIHF and TMHF are jointly and severally liable for repayment of the 2009A Bonds, recorded directly by the Obligated Group Hospitals as follows.

The Hospital	\$	19,547
RIH		72,441
EPBH		22,997
Total	\$	<u>114,985</u>

Payment of the principal amount of and interest on \$64,825 of the 2009A Bonds when due is guaranteed by a financial guaranty insurance policy issued by Assured Guaranty Corp

On February 14, 2006, RIHEBC issued, on behalf of the OG, which consisted of the Hospital and RIH, \$192,135 of tax-exempt bonds (the 2006A Bonds) for the purpose of refunding \$123,405 and \$65,315 of the OG's 1996 Bonds and 2002 Bonds, respectively. The advance refundings were allocated as follows

	<u>1996 Bonds</u>	<u>2002 Bonds</u>
The Hospital	\$ 21,596	\$ 16,329
RIH	101,809	48,986
Total	<u>\$ 123,405</u>	<u>\$ 65,315</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(11) Long-Term Debt (continued)

On September 12, 2006, the Board of Directors of Lifespan Corporation, acting as the sole corporate member of both The Miriam Hospital Foundation and Rhode Island Hospital Foundation (the Foundations), adopted resolutions authorizing the Foundations to become members of the OG. The Boards of Trustees of each of the Foundations, as well as the then existing members of the OG, the Hospital and RIH, previously authorized related resolutions. The effective date for such change was October 1, 2006.

The above outstanding 2006 Hospital Financing Revenue Bonds (OG – the Hospital, RIH, EPBH, and the Foundations) are secured by a pledge of the gross receipts of the Hospital and RIH and by mortgage liens on the Hospital's and RIH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 2006A Bonds, \$32,286 and \$127,544 of which has been recorded directly by the Hospital and RIH, respectively. Payment of the principal and interest on the 2006A Bonds when due is guaranteed by a financial guaranty insurance policy issued by Assured Guaranty Corp.

On December 1, 1996, RIHEBC issued, on behalf of the OG, \$214,585 of tax-exempt bonds (the 1996 Bonds) to finance portions of Lifespan's, the Hospital's and RIH's 1996, 1997, 1998, and 1999 expenditures for routine capital equipment and facility renovation/replacement, and to advance refund \$8,455 of the Hospital's 1989 Series A bonds, \$1,900 of the Hospital's 1992 Series A bonds, and \$10,065 of the Hospital's 1992 Series B bonds.

The above outstanding 1996 Hospital Financing Revenue Bonds (OG – the Hospital, RIH, EPBH, and the Foundations) are secured by a pledge of the gross receipts of the Hospital and RIH. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 1996 Bonds, \$9,080 and \$42,805 of which has been recorded directly by the Hospital and RIH, respectively. Payment of the principal and interest on the 1996 Bonds when due is guaranteed by a financial guaranty insurance policy issued by National Public Finance Guarantee Corp.

Under the terms of the 2009A, 2006A and 1996 Bonds, the Obligated Group Hospitals are required to satisfy certain measures of financial performance as long as the bonds are outstanding. At September 30, 2013, management believes the Obligated Group Hospitals were in compliance with all covenants of the 2009A and 1996 bonds. As previously noted, the 2006A Bonds are insured by Assured Guaranty Corp and the insurance policy requires the Obligated Group Hospitals to maintain a Debt Service Coverage Ratio (DSCR) of 2.0x or higher. The DSCR is 1.69x for the year ended September 30, 2013. Since this insurance covenant was not met, the Debt Service Reserve Fund (DSRF) associated with the Obligated Group Hospitals' 2006A Bonds will need to be funded in the approximate amount of \$14,900. In connection therewith, the Lifespan Obligated Group has established a standby letter of credit which will provide for the availability of the DSRF requirement.

The Hospital's aggregate maturities of long-term debt for the five fiscal years ending in September 2018 are as follows: 2014, \$3,689; 2015, \$3,820; 2016, \$3,956; 2017, \$4,094; and 2018, \$4,245.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(11) Long-Term Debt (continued)

Agreements underlying the various Hospital Financing Revenue Bonds and the 2013 Financing require that the Obligated Group Hospitals maintain certain funds included with assets limited as to use in the statements of financial position, as follows.

Project Fund – The Obligated Group Hospitals are required to apply monies in the Project Fund to pay the costs of debt issuance, facility renovation/replacement, and routine capital equipment

Bond Fund – The Obligated Group Hospitals are required to make periodic deposits to the trustee sufficient to provide sinking funds for the payment of principal and interest to bondholders when due

Debt Service Reserve Funds – The Obligated Group Hospitals are required to apply monies in the Debt Service Reserve Funds to remedy deficiencies in the Bond Fund, if any

Master Lease Obligation Escrow Fund – unspent balance of the 2013 Financing

The balances of the Hospital's funds at September 30 are summarized as follows

	2013	2012
Project Fund – 2009A Series	\$ 6,252	\$ 6,711
Bond Fund – 1996 Series	155	155
Debt Service Reserve Fund – 2009A Series	1,955	1,956
Master Lease Obligation Escrow Fund – 2013 Financing	9,561	—
Total	<u>\$ 17,923</u>	<u>\$ 8,822</u>

(12) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following purposes.

	2013	2012
Research	\$ 12,159	\$ 10,783
General health care service activities	6,498	7,239
Interest in net assets of The Miriam Hospital Foundation	8,818	7,750
Total	<u>\$ 27,475</u>	<u>\$ 25,772</u>

Permanently restricted net assets at September 30 consist of

	2013	2012
Interest in net assets of The Miriam Hospital Foundation	<u>\$ 17,659</u>	<u>\$ 12,957</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(13) Leases

The Hospital leases building space and equipment under various noncancelable operating lease agreements. Future minimum lease payments, by year and in the aggregate, under noncancelable operating leases with terms of one year or more consist of the following at September 30, 2013.

	<u>Amount</u>
Year ending September 30	
2014	\$ 5,474
2015	2,959
2016	2,777
2017	2,320
2018	1,194
Thereafter	<u>3,840</u>
Total minimum lease payments	<u>\$ 18,564</u>

Rental expense, including rentals under leases with terms of less than one year, for the years ended September 30, 2013 and 2012 was \$7,934 and \$6,826, respectively.

(14) Concentrations of Credit Risk

Financial instruments which potentially subject the Hospital to concentrations of credit risk consist primarily of accounts receivable and certain investments. The risk associated with temporary cash investments is mitigated by the fact that the investments are placed with what management believes are high credit quality financial institutions. Investments, which include government and agency obligations, stocks, and corporate bonds, are not concentrated in any corporation, industry, or geographical area.

The Hospital receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payors, including Medicare, Blue Cross, Medicaid, and various managed care entities. The Hospital has not historically incurred any significant concentrated credit losses in the normal course of business.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(15) Malpractice and Other Litigation

Professional Liability/Medical Malpractice and General Liability

Professional liability/medical malpractice coverage for the Hospital is supplied on a claims-made basis by Rhode Island Sound Enterprises Insurance Co Ltd (RISE), Lifespan's affiliated captive insurance company, which underwrites the medical malpractice risk of the Hospital. The adequacy of the coverage provided and the funding levels are reviewed annually by independent actuaries and consultants. The professional liability/medical malpractice insurance provided by RISE has liability limits of \$4,000 per claim with no annual aggregate. RISE provides a second layer of coverage which has limits of an additional \$2,000 per claim with a \$2,000 annual aggregate. In addition, commercial umbrella excess insurance has been obtained by Lifespan to increase the professional liability limits to \$32,000 per claim.

The Hospital has been named as a defendant in a number of pending actions seeking damages for alleged medical malpractice liability. In the opinion of management, any liability and legal defense costs resulting from these actions will be within the limits of the Hospital's malpractice insurance coverage provided by RISE and/or commercial excess carriers.

General liability coverage is provided to the Hospital by RISE amounting to \$4,000 per claim and \$4,000 in the annual aggregate. Commercial excess liability insurance has been obtained by Lifespan which provides aggregate general liability coverage of \$80,000.

Workers' Compensation

The Hospital has incurred a number of workers' compensation claims and, in the opinion of management, the liability of the Hospital will be within the limits of the assets of Lifespan's workers' compensation self-insurance trust fund.

Other Litigation

The Hospital is also involved in a number of miscellaneous suits and general liability suits arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(16) Related-Party Transactions

The Hospital rents space and purchases laundry and linen services from RIH. Included in the Hospital's operating expenses in the statements of operations and changes in net assets are the following costs resulting from transactions with RIH for the years ended September 30.

	2013	2012
Rental expense	\$ 802	\$ 1,046
Laundry and linen	1,237	1,262
Total	<u>\$ 2,039</u>	<u>\$ 2,308</u>

The Hospital was charged a management fee by Lifespan of \$32,239 and \$30,199 in 2013 and 2012, respectively. Lifespan provides information services, human resources, financial, and various other support services to the Hospital.

Included in other receivables and other accrued expenses in the statements of financial position are the following amounts due from (to) certain related entities at September 30.

	2013	2012
Other receivables		
Lifespan Physician Group, Inc.	\$ 578	\$ 1,099
RIH	—	664
Lifespan	—	632
EPBH	24	21
Newport Hospital	23	—
Total	<u>\$ 625</u>	<u>\$ 2,416</u>
Other accrued expenses		
Hospital Properties, Inc.	\$ (443)	\$ —
RIH	(207)	—
Lifespan	(67)	—
Newport Hospital	—	(106)
Total	<u>\$ (717)</u>	<u>\$ (106)</u>

During the years ended September 30, 2013 and 2012, the Hospital received temporarily restricted net asset transfers from The Miriam Hospital Foundation (the Foundation) amounting to \$4,097 and \$6,991, respectively. In addition, the Hospital received grants from the Foundation amounting to \$550 in 2013 and 2012 in support of the Hospital's research activities. Such grants are included in other revenue.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(16) Related-Party Transactions (continued)

The Foundation, whose sole corporate member is Lifespan Corporation, was established to engage in philanthropic activities to support the mission and purposes of Lifespan and the Hospital. Funds are distributed to the Hospital upon collection for use in conformity with purpose restrictions stipulated by donors, or as determined by the Boards of Trustees of the Hospital and the Foundation. A summary of the Foundation's assets, liabilities, net assets, excess of revenues over expenses, and changes in net assets follows. The Hospital's interest in the net assets of the Foundation is reported as a noncurrent asset in the statements of financial position.

	2013	2012
Assets, principally assets limited as to use	\$ 60,150	\$ 54,256
Liabilities	\$ 726	\$ 871
Unrestricted net assets	32,946	32,678
Temporarily restricted net assets	8,819	7,750
Permanently restricted net assets	17,659	12,957
Total liabilities and net assets	\$ 60,150	\$ 54,256
Total unrestricted revenues, gains and other support	\$ 2,067	\$ 1,934
Total expenses	1,333	1,330
Excess of revenues over expenses	734	604
Other (decreases) increases in unrestricted net assets	(466)	685
Unrestricted net assets, beginning of year	32,678	31,389
Unrestricted net assets, end of year	\$ 32,946	\$ 32,678
Increase in temporarily restricted net assets	\$ 1,069	\$ 2,382
Temporarily restricted net assets, beginning of year	7,750	5,368
Temporarily restricted net assets, end of year	\$ 8,819	\$ 7,750
Increase in permanently restricted net assets	\$ 4,702	\$ 332
Permanently restricted net assets, beginning of year	12,957	12,625
Permanently restricted net assets, end of year	\$ 17,659	\$ 12,957

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Notes to Financial Statements

September 30, 2013 and 2012

(In thousands)

(17) License Fees

In 2013 and 2012, the State of Rhode Island has assessed a license fee to all Rhode Island hospitals, based on each hospital's 2011 and 2010 net patient service revenue, respectively, as defined. The Hospital's license fee expense was \$18,045 in 2013 and \$17,701 in 2012.

(18) Functional Expenses

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

	2013	2012
Health care services	\$ 331,142	\$ 311,266
Research	30,932	29,882
General and administrative		
Depreciation and amortization	11,948	11,134
Interest	3,435	3,484
Other	39,225	36,856
	<u>54,608</u>	<u>51,474</u>
Total general and administrative	\$ <u>416,682</u>	\$ <u>392,622</u>