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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

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

C Name of organization
St Luke's Magic Valley Regional Medical CenterLtd

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 801 Pole Line Road

Room/suite

City or town, state or country, and ZIP + 4
Twin Falls, ID 83301

D Employer identification number
56-2570686

E Telephone number
(208) 381-3790

G Gross receipts $ 297,458,950

F Name and address of principal officer
James Angle
801 Pole Line Road
Twin Falls, ID 83301

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www stlukesonline org/magic valley

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

L Year of formation 2006

M State of legal domicile ID

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Provide healthcare services to the community

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	4
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,612
6	Total number of volunteers (estimate if necessary)	6	209
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	107,929
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-19,769

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,693,073	2,511,658
9	Program service revenue (Part VIII, line 2g)	269,930,923	293,865,344
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	276,293	611,188
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	156,613	-5,895
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	272,056,902	296,982,295
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	956,613	1,084,443
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	96,797,604	105,219,157
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	160,091,649	173,084,167
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	257,845,866	279,387,767
19	Revenue less expenses Subtract line 18 from line 12	14,211,036	17,594,528

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	303,722,031	313,679,752
21	Total liabilities (Part X, line 26)	222,297,785	199,884,214
22	Net assets or fund balances Subtract line 21 from line 20	81,424,246	113,795,538

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2014-08-13

Peter DiDio Vice-President,Controller
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Sharon Zorbach				P00125475

Firm's name ▶ Deloitte Tax LLP — Firm's EIN ▶ 86-1065772

Firm's address ▶ 225 W Santa Clara St, San Jose, CA 95113 — Phone no (408) 704-4000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

Improve the health of people in the communities we serve by aligningphysicians and other providers to deliver integrated,patientcentered,quality care

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 $ 256,492,303 including grants of $ 1,046,842) (Revenue $ 283,676,152)

Medical & Surgical St Luke's Magic Valley is a 186-bed hospital,700,000 square foothealth care facility with acute care and acute rehabilitation aswell as St Luke's Canyon View Behavioral Health Services Withmore than 1,900 employees and more than 200 physicians with28 specialties,St Luke's Magic Valley provides the most comprehensive health care services in south central Idaho,including generalacute care services,Inpatient Rehabilitation services,BehavioralHealth Services,cancer services with St Luke's Mountain StatesTumor Institute (MSTI),Cardiopulmonary and Cardiac Catheterization,CARES (Children At Risk Evaluation Services),Community Connection information and referral database,Diabetes and Nutrition Services,Diagnostic Imaging,Radiology and Women's Imaging Services,Emergency Services,Home Health and Hospice Care,IntensiveCare and Newborn Intensive Care Units,Laboratory Services,MedicalLibrary (open to the public),Maternal-Child Services OB,Pediatricsand Women's Services),Pharmacy,Occupational Health,Adult and Pediatric Rehabilitation(Speech,Occupational,Physical Therapy),ComprehensiveSurgical Services,Magic Valley SAFE KIDS Coalition,Social Servicesand Pastoral Care,Volunteer Services and Auxiliary,and St Luke's Magic Valley Foundation for gift-giving St Luke's Magic Valley is fully accredited by the Joint Commission and is a participant in theInstitute for Healthcare Improvement's 5 Million Lives Campaign At St Luke's Magic Valley Medical Center,we take great pride in the high quality,skilled,and compassionate care we provide to our patients This focus on excellence has resulted in honors from national entities,such as Qualis Health and Solucient These awards recognize that our commitment to safety and performance improvement means enhanced and safer care,and an overall better experience for you,your family,and everyone we serve During FY'13,St Luke's Magic Valley Regional Medical Center provided qualified inpatient care for 11,886 admissions covering 40,561 patient days The hospital also provided care associated with 266,056 outpatient visits

4b (Code) (Expenses $ 3,649,376 including grants of $ 26,802) (Revenue $ 7,262,839)

Behavioral Health St Luke's Canyon View Behavioral Health Services,a 28-bed inpatient facility,provides treatment for adolescents,adults,and seniors St Luke's Canyon View offers intensive inpatient programs thataddress acute psychiatric issues in addition to medical detoxificationfrom alcohol and drugs Canyon View utilizes individual,family,andgroup counseling to address personal,family,emotional,psychiatric, behavioral,and addiction-related problems Our wide variety ofservices allows Canyon View to carefully match the needs of eachperson who comes to us for help with the most appropriate,cost-effective level of care Outpatient services are scheduled at convenient hours The common goal of our programs is to help peoplefind positive solutions to resolve the challenges and crises intheir lives The hospital is staffed with a diverse group of dedicated,caring professionals Psychiatrists and other physicians,psychologists,social workers,nurses,therapists,nutritionists,and alcohol/drug counselors work as a team to provide comprehensive,personalized care to each person who comes to us for help During FY'13,Canyon View had 677 admissions covering 4,600 patient days

4c (Code) (Expenses $ 1,735,895 including grants of $ 10,799) (Revenue $ 2,926,353)

Comprehensive Rehabilitation and Therapy ServicesThe Gwen Neilson Anderson Rehabilitation Center at St Luke'sMagic Valley is a licensed,comprehensive,14-bed acute inpatient rehabilitation center Our inpatient unit provides state-of-the-art,evidenced-based rehabilitation care for patients requiring --Intensive physicial,occupational,and/or speech therapy (at least three hours per day) --Specialized 24-hour rehabilitative nursing in an inpatient setting--Daily oversight by a medical doctor who specializes in physical medicine and rehabilitation(a physiatrist) --Individualized case management provided by a licensed social workerOur rehabilitation services are highly coordinated to optimize clinical outcomes and maximize a patient's independence All members of the rehabilitation team (physicians,therapists,nurses,case workers etc)meet daily to ensure that treatments are tailored to each patient's specific diagnosis and unique needs Our inpatient programs include --Spinal cord injury--Stroke--Brain injury--Neuromuscular diseases,such as multiple sclerosis,Guilain-Barre syndrome, and cerebral palsy--Orthopedics--Major multiple trauma--Amputation--Arthritis--Medically complex conditionsAll 14 inpatient rehabilitation rooms at St Luke's are private,and designed specifically to enhance the safety,comfort,and independence of patients recovering from and adapting to a variety of injuries and illnesses Room features include ADA design,bed-side environmentalcontrols(lights,nurse call light,window shades,etc),free wireless, broadband internet access,pull-out couch and reclining chair forvisiting family members,and video surveillance capability for patientswith confusion due to brain injury,stroke,or other illness The rehabilitation gymnasium in the Gwen Neilson AndersonRehabilitation Center contains state-of-the-art equipment and design features The spacious gym includes private treatment rooms forone-on-one therapy sessions and a large,open space for wheelchairtraining,advanced mobility training,and group interaction The rehabilitation gym includes the latest in equipment --LiteGait gait trainer--Bioness Neuroprostheses H200,L300,and L300 Plus--Saeboflex Inpatient kit--Dynavision D2--Dynavox Vmax Plus--Empi Vitai Stim--60-inch LCD television with Blu-Ray player and Wii game consoleThe transitional apartment is a fully functional apartment in which patients can practice basic activities of daily living under the supervision of a trained therapist The activity area offers a place for patients and their visitors togather and engage in therapeutic recreation During FY'13,the inpatient rehabilitation unit provided qualified inpatient care for 189 admissions covering 2,364 patient days

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 261,877,574

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		No
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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		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? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	74		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,612		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	13		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	4		
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**	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			**5**	No
6	Did the organization have members or stockholders?			**6** Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			**7a** Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b** Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			**8a** Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b** Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**	No

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

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

Section C. Disclosure

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

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

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

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

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

▶Peter DiDio Vice-PresidentController 190 E Bannock Boise, ID (208) 371-3790

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Mr Tom Ashenbrener Chairman	2 50 2 50	X		X				0	0	0
(2) Mr Robert Alexander Chair Elect	2 00 2 00	X		X				0	0	0
(3) Jeff FoxPhD Secr /Treas Vice-Chair Planning	2 00 2 00	X						0	0	0
(4) Russ NewcombMD Vice-Chair Finance	2 00 2 00	X						0	0	0
(5) Eric CassidyDO Vice-Chair Quality	40 00 2 00	X						0	0	0
(6) Rick YavruianDO Chief of Medical Staff	40 00 2 00	X						227,876	0	27,769
(7) Mr Stephen Kaatz Director	2 00 6 00	X						0	0	0
(8) Mr Terry Kramer Director	2 00 2 00	X						0	0	0
(9) Ronald McGarrigleMD Chief of Medical Staff(Outgoing)	40 00 2 00	X						0	0	0
(10) Ms Rebecca Becky Nelson Director	2 00 2 00	X						0	0	0
(11) Robert WardMD Director	40 00 2 00	X						0	0	0
(12) Mr Stephen Westfall Director	2 00 2 00	X						0	0	0
(13) Mr Gary Babbel Director(thru 1/15/2013)	2 00 2 00	X						0	0	0
(14) Mr James L Angle Chief Executve Officer	40 00 5 00	X		X				0	393,399	28,024
(15) Ms Amy L Bearden Chief Nursing Officer	40 00 0 00				X			181,175	0	18,450
(16) Ms Debra G Kytle Director-Physician Serv	40 00 0 00				X			0	170,715	27,642
(17) Jason R GreenhalghMD Physician	40 00 0 00					X		483,990	0	115

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) James H RaoMD	40 00					X		452,455	0	21,848
Physician	0 00									
(19) Steven F JohnsonMD	40 00					X		452,185	0	19,382
Physician	0 00									
(20) Cory S BatesMD	40 00					X		444,106	0	1,846
Physician	0 00									
(21) Timothy A EndersDO	40 00					X		395,097	0	25,162
Physician	0 00									
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								2,636,884	564,114	170,238

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 ▶ 41

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Physician Center 630 Addison Ave W Ste 100 Twin Falls ID 83301	Medical Services	6,427,486
Magic Valley Anesthesiology Associate PL PO Box 1293 Twin Falls ID 83301	Anesthesia Services	6,051,193
Emergency Physicians of Southern Idaho 2188 Addison Avenue East Twin Falls ID 83301	Emergency Room Services	5,070,857
RMJ Safari PLLC 714 N College Road Ste A Twin Falls ID 83301	Medical Services	4,435,484
Magic Valley Women's Health 630 Addison Ave W Ste 210 Twin Falls ID 83301	Medical Services	3,868,515

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 ▶ 32

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	182,806			
	e	Government grants (contributions)	1e	2,323,723			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,129			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f			2,511,658		
Program Service Revenue			Business Code				
	2a	Net Patient Revenue	900099	290,675,563	290,675,563		
	b						
	c						
	d						
	e						
	f	All other program service revenue		3,189,781	3,189,781		
	g	**Total.** Add lines 2a–2f		293,865,344			
	3	Investment income (including dividends, interest, and other similar amounts)		571,178			571,178
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	361,178				
	b	Less rental expenses	475,002				
	c	Rental income or (loss)	-113,824				
	d	Net rental income or (loss)		-113,824			-113,824
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	41,663				
	b	Less cost or other basis and sales expenses	1,653				
	c	Gain or (loss)	40,010				
	d	Net gain or (loss)		40,010			40,010
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Transcription Services	541900	54,341		54,341	
	b	MSO Admin & Billing Se	561000	32,278		32,278	
	c	All Other Revenue	812300	14,566		14,566	
	d	All other revenue		6,744		6,744	
	e	**Total.** Add lines 11a–11d		107,929			
	12	**Total revenue.** See Instructions		296,982,295	293,865,344	107,929	497,364

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	1,084,443	1,084,443		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	676,513		676,513	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	83,787,344	75,154,921	8,632,423	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,518,140	2,263,934	254,206	
9 Other employee benefits	12,054,392	10,751,043	1,303,349	
10 Payroll taxes	6,182,768	5,504,381	678,387	
11 Fees for services (non-employees)				
a Management	45,809,219	45,768,125	41,094	
b Legal	194,335	37	194,298	
c Accounting	605	605		
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	1,916,995	1,876,493	40,502	
12 Advertising and promotion	384,143		384,143	
13 Office expenses	2,268,431	171,708	2,096,723	
14 Information technology	10,840,053	10,792,219	47,834	
15 Royalties . .				
16 Occupancy	1,121,459	46,039	1,075,420	
17 Travel	440,885	359,200	81,685	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	97,098	97,098		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	21,246,286	21,246,286		
23 Insurance	156,343	156,343		
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 Supplies	37,434,734	36,838,031	596,703	
b Provision For Bad Debt	18,776,077	18,776,077		
c Contract Service Expens	5,913,038	4,875,458	1,037,580	
d Repairs Expense	2,946,534	2,772,732	173,802	
e All other expenses	23,537,932	23,342,401	195,531	
25 **Total functional expenses.** Add lines 1 through 24e	279,387,767	261,877,574	17,510,193	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 ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		9,781,050	1	5,237,854
	2	Savings and temporary cash investments		2,046,769	2	3,349,577
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		40,948,117	4	54,218,022
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		86,656	5	44,040
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,348,651	8	4,060,844
	9	Prepaid expenses and deferred charges		485,666	9	555,165
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 299,125,228			
	b	Less accumulated depreciation	10b 54,779,643	244,541,579	10c	244,345,585
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		61,101	13	65,603
	14	Intangible assets		786,162	14	122,382
	15	Other assets See Part IV, line 11		1,636,280	15	1,680,680
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		303,722,031	16	313,679,752
Liabilities	17	Accounts payable and accrued expenses		19,141,744	17	25,915,624
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		1,795,135	21	1,378,637
	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	
	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		201,360,906	25	172,589,953
	26	**Total liabilities.** Add lines 17 through 25		222,297,785	26	199,884,214
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		81,354,939	27	113,795,538
	28	Temporarily restricted net assets		69,307	28	0
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		81,424,246	33	113,795,538
	34	Total liabilities and net assets/fund balances		303,722,031	34	313,679,752

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	296,982,295
2	Total expenses (must equal Part IX, column (A), line 25)	2	279,387,767
3	Revenue less expenses Subtract line 2 from line 1	3	17,594,528
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	81,424,246
5	Net unrealized gains (losses) on investments	5	63,146
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	14,713,618
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	113,795,538

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	4,842,353	9,393,347		14,235,700
b Buildings		165,101,966	14,995,827	150,106,139
c Leasehold improvements		10,666,497	2,801,406	7,865,091
d Equipment		105,779,166	36,982,410	68,796,756
e Other		3,341,899		3,341,899
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				244,345,585

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

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

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
Due to Related Organizations	136,318,500
Third Party settlement	28,074,656
Capital Lease	198,896
Pension Liability	7,997,901
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	172,589,953

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

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
		Form 990 Schedule D,Part X,Line 2 Footnote Disclosure-Uncertain Tax Positions Under FIN #48 (Source Consolidated Financial Statements-St Luke's Health System) "The Health System is subject to federal excise tax on its unrelated business taxable income(UBTI) For the period ended September 30,2013,the Company had approximately $3,947,000 of UBTI Net Operating Losses from operating losses incurred from 1999 to 2013 which expire in years 2014 to 2028 The Health System does not believe it is more likely than not they will utilize these losses prior to their expiration and as such has provided a full valuation allowance against these losses "

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 18500 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 eligibile 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)			4,769,219		4,769,219	1 830 %
b Medicaid (from Worksheet 3, column a)			35,796,385	27,092,548	8,703,837	3 340 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			11,843,821	7,683,441	4,160,380	1 600 %
d **Total** Financial Assistance and Means-Tested Government Programs			52,409,425	34,775,989	17,633,436	6 770 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,378,720	163,952	1,214,768	0 470 %
f Health professions education (from Worksheet 5)			1,495,873	16,464	1,479,409	0 570 %
g Subsidized health services (from Worksheet 6)			4,641,096	2,598,845	2,042,251	0 780 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			860,668		860,668	0 330 %
j **Total.** Other Benefits			8,376,357	2,779,261	5,597,096	2 150 %
k **Total.** Add lines 7d and 7j			60,785,782	37,555,250	23,230,532	8 920 %

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			7,070		7,070	0 %
3	Community support			50,508		50,508	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			2,047		2,047	0 %
7	Community health improvement advocacy			6,986		6,986	0 %
8	Workforce development						
9	Other						
10	**Total**			66,611		66,611	0 020 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	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	8,682,058		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	55,971,746
6	Enter Medicare allowable costs of care relating to payments on line 5	6	68,510,483
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-12,538,737
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
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	StLuke's Magic Valley Regional Medical 801 Pole Line Road Twin Falls, ID 83301 www stlukesonline org	X	X					X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group StLuke's Magic Valley Regional Medical

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 185 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
12

	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 I, Line 3c (A) St Luke's does provide charity care services to patients who meet one or both of the following guidelines based on income and expenses 1 Income Patients whose family income is equal to or less than 400% of the then current Federal Poverty Guideline are eligible for possible fee elimination or reduction on a sliding scale 2 Expenses Patients may be eligible for charity care if his or her allowable medical expenses have so depleted the family's income and resources that he or she is unable to pay for eligible services The following two qualifications must apply a Expenses-The patients allowable medical expenses must be greater than 30% of the family income Allowable medical expenses are the total of the family medical bills that, if paid,would qualify as deductible medical expenses for Federal income tax purposes without regard to whether the expenses exceed the IRS-required threshold for taking the deduction Paid and unpaid bills may be included b Resources-The patient's excess medical expenses must be greater than available assets Excess medical expenses are the amount by which allowable medical expenses exceed 30% of the family income Available assets do not include the primary residence,the first motor vehicle,and a resource exclusion of the first $4,000 of other assets for an individual,or $6,000 for a family of two,and $1,500 for each additional family member (B) Service Exclusions 1 Services that are not medically necessary(e g cosmetic surgery)are not eligible for charity care 2 Eligibility for charity care for a patient whose need for services arose from injuries sustained in a motor vehicle accident where the patient, driver, and/or owner of the motor vehicle had a motor vehicle liability policy,and only if a claim for payment has been properly submitted to the motor vehicle liability insurer,where applicable (C) Eligibility Approval Process 1 St Luke's screens patients for other sources of coverage and eligibility in government programs St Luke's documents the results of each screening If St Luke's determines that a patient is potentially eligible for Medicaid or another government program,then St Luke's shall encourage the patient to apply for such a program and shall assist the patient in applying for benefits under such a program 2 The patient must complete a Financial Assistance Application and provide required supporting documentation in order to be eligible 3 St Luke's verifies reported family and compares to the latest Poverty Guidelines published by the U S Department of Health and Human Services 4 St Luke's verifies reported assets 5 St Luke's provides a written notice of determination of eligibility to the patient or the responsible party within 10 business days of receiving a completed application and the required supporting documentation 6 St Luke's reserves the right to run a credit report on all patients applying for charity care services (D) Eligibility Period The determination that an individual is approved for charity care will be effective for six months from the date the application is submitted,unless during that time the patient's family income or insurance status changes to such an extent that the patient becomes ineligible
		Part I, Line 6a St Luke's Magic Valley Regional Medical Center, Ltd does not include the activities of any of its other related organizations within its community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 7 The cost to charge ratio was used for the calculation of charity care at cost,unreimbursed Medicaid and other means-tested programs
		Part I, L7 Col(f) Bad Debt is defined as expenses resulting from services provided to a patient and/or guarantor who,having the requisite financial resources to pay for health care services,has demonstrated an unwillingness to do so Amount of bad debt expense included in Part IX,line 25,is $18,776,077

Identifier	ReturnReference	Explanation
		Part II The community building activities for St Luke's Magic Valley Regional Medical Center,Ltd include the following Economic Development Cash donation to Community Connections to fund needed programs in the community and meetings with Planning and Zoning to discuss future developement Community Support Select members of St Luke's Magic Valley staff went through intense disaster readiness training in order to be ready for any disaster that occurs in the region They took this knowledge and implemented disaster readiness policy and procedure throughout the hospital Coalition Building Activities for Coalition Building include involvement of physicianin -Chamber of Commerce Leadership-Tobacco-Free Coalition-State Board of Medicine-IMA-President of South Central Idaho Community Health Improvement Advocacy Support for Serenity Garden project The Serenity garden Project was established on June 6,2009 to provide a dignified burial for fetal remains and give the community a place to visit and grieve their loss Physician meetings with Genesis Group and county commissioners to discuss the Mustard Tree Wellness Clinic operations and funding Physician meetings with governor and legislators to discuss legalization of marijuana and meetings with Idaho Board of Corrections
		Part III, Line 4 St Luke's Magic Valley Regional Medical Center,Ltd grants credit without collateral to its patients,most of whom are local residents and many of whom are insured under third-party agreements The allowance for estimated uncollectible amounts is determined by analyzing both historical information(write-offs by payor classification),as well as current economic conditions

Identifier	ReturnReference	Explanation
		Part III, Line 8 100% of the shortfall in Medicare reimbursement is considered a community benefit St Luke's Magic Valley Regional Medical Center, Ltd provides medical care to all patients eligble for Medicare regardless of the shortfall and thereby relieves the Federal Government of the burden for paying the full cost of Medicare The source of the information is the Medicare Cost Report for fiscal year 2013 The amount is calculated by comparing the total Medicare apportioned costs(allowable costs) to reimbursements received during FY'13 It should be noted that the unreimbursed costs reported within this schedule are significantly less than the amount reported in the annual Community Benefit Report to Twin Falls County("County") In the report to the County,unreimbursed costs include program costs allocated to the Medicare Advantage program,along with costs that offset the provider-based physician clinic operations,i e professional component billing for physician time and effort The Medicare Cost Report does not include these components In addition,the report to the County includes all allocated costs to the Medicare Programs,whereas the Medicare Cost Report reports allowable costsonly
		Part III, Line 9b All subsidiaries within the St Luke's Health System have policies in place to provide financial assistance to those who meet established criteria and need assistance in paying for the amounts billed for their provided health care services In addition, the collection policies and practices in place within the St Luke's Health system provide guidance to patients on how to apply for this assistance Collection of amounts due may be pursued in cases where the patient is unable to qualify for charity care or financial assistance and the patient has the financial resources to pay for the billed amounts

Identifier	ReturnReference	Explanation
St Luke's Magic Valley Regional Medical Center		Part V, Section B, Line 3 A series of interviews with and surveys(questionnaires)of community representatives and leaders representing the broad interests of our community were conducted in order to assist us in defining,prioritizingand understanding our most important community needs Many leaders that participated in our process are individuals who have devoted decades to helping others lead healthier and more independent lives All of the leaders we interviewed have significant knowledge of our community To ensure they came from distinct and varied backgrounds,we included multiple representatives from each of these categories Category I Persons with special knowledge of or expertise in public healthCategory II Federal,Regional,State,or Local health or other departments or agencies(with current data or other information relevant to the health needs of the community served by the hospital)Category III Leaders,representatives,or members of medically underserved,low income,and minority populations,and populations with chronic disease needsEach potential need was scored by the community representative on a scale of 1 to 10 Higher scores represent potential needs the community representatives believed were were important to address with additional resources Lower scores usually meant our leaders thought our community was healthy in that area already or had relatively good programs addressing the potential need These scores were incorporated directly into our health need prioritization process In addition,we invited the leaders to suggest programs,legislation,or other measures they believed to be effective in addressing the needs The following community leaders/representatives were contacted (1) Idaho Department of Health and Welfare(2) Boise VA Medical Center(3) South Central Public Health(4) College of Southern Idaho(5) Family Health Services(6) St Luke's Behavioral Health(7) Coordinator of the CARES(Children At Risk Evaluation Services) at St Luke's Magic Valley Regional Medical Center(8) College of Southern Idaho Office on Aging(9) St Luke's Diabetes Management Clinic and Physician's Center(10) Mustard Tree Clinic(11) Magic Valley Rehabilitation Services(12) Community Council of Idaho(13) Safe Harbor, Inc (14) College of Southern Idaho Refugee Center(15) Crisis Center of Magic Valley(16) Twin Falls School District(17) United Way of Magic Valley(18) Twin Falls County(19) La Posada, Inc (20) South Central Community Action Partnership (SCCAP)(21) Idaho Office for Refugees(22) Idaho Department of Labor Provided unemployment related information for the area (23) Substance Abuse and Mental Health Services Administration U S Department of Health and Human Services,Region X (24) Family Residency of Idaho
St Luke's Magic Valley Regional Medical Center		Part V, Section B, Line 7 We organized our significant health needs into five groups Program Group 1 Weight Management and Fitness -Adult and teen weight management -Adult and teen nutrition -Adult and teen exercise Program Group 2 Diabetes -Wellness and prevention for diabetes -Chronic condition for diabetes -Diabetes screening Program Group 3 Behavioral Health -Mental illness -Substance Abuse -Suicide prevention -Availability of mental health service providers Program Group 4 Barriers to Access -Affordable care -Affordable health insurance -Children and family services(low income) -More providers accept public health insurance -Primary Care Providers(adequate numbers) -Transportation to and from AppointmentsProgram Group 5 Additional Health Screening and Education Programs Ranked above the Median -Asthma chronic care and wellness -High cholesterol chronic care and wellness -Breast cancer and mammography screening -High school and college education support and assistance programs -Lung Cancer -Respiratory disease -Safe sex education programs Sexually transmitted diseases and teen birth rateNext we examined whether it would be effective and efficient for St Luke's Magic Valley Regional Medical Center(SLMV)to address each significant health need directly To make this determination,we reviewed the resources we had available and determined whether the health need was in alignment with our mission and strengths Where a high priority need was not in alignment with our mission and strengths,SLMV tried to identify a community group or organization better able to serve the need Significant community health needs not addressed by SLMV are as follows (1) Safe Sex Education SLMV will not directly provide safe-sex education programs because this need has a low alignment with our mission and strengths and due to resource constraints we will instead focus on higher priority needs SLMV will rely on South Central District Health and other community resources to help us address this need (2) Children and family services SLMV will not develop its own children and family support services program because this need has a low alignment with our mission and stengths However,because this need is ranked above the median SLMV will support the community-based children and family services program described in our implementation plan (3) Education support and assistance SLMV will not develop its own education and support assistance programs because this need has a low alignment with our mission and strengths However,we do provide training and education to the College of Southern Idaho as described in our implementation plan

Identifier	ReturnReference	Explanation
St Luke's Magic Valley Regional Medical Center		Part V, Section B, Line 14g A Financial Care application is provided to the patient which contains Patient Financial Advocate contact information
		Part VI, Line 2 A Community Health Needs Assessment(CHNA) was conducted forfiscal year ending 9/30/2013 Information related to the2013 CHNA is shown in the responses to questions 3 and 7 of"Part V,Section B,Facility Policies and Practices" A complete copy of the CHNA assessments for all of the hospitalsoperating within the St Luke's Health System can be found atthe following website http //www stlukesonline org/about_us/chna php

Identifier	ReturnReference	Explanation
		Part VI, Line 3 (A) St Luke's Magic Valley Regional Medical Center provides notice of the availability of financial assistance via 1 Signage 2 Patient brochure 3 Billing Statement 4 Written collection action letter 5 Online at www stlukesonline org/billing(B) All notices are translated into the following language Spanish(C) St Luke's provides individual notice of the availability of financial assistance to a patient expected to incur charges that may not be paid in full by third party coverage,along with an estimate of the patient's liability (D) For cases in which St Luke's independently determines patient eligibility for financial assitance,St Luke's provides written notice of determination that the patient is or is not eligible within 10 business days of receiving a completed application and the required supporting documentation
		Part VI, Line 4 St Luke's Magic Valley Regional Medical Center provides services for eight counties of south central Idaho and Elko County,Nevada Theprimary service area consists of Gooding,Jerome,and Twin Falls Counties The criteria used in selecting this area as the community served was to include the entire population of the counties where greater than 85% of the inpatients reside The residents of these counties comprise about 90% of the inpatients with approximately 68% of the inpatients living in Twin Falls County,15% in Jerome County,and 8% in Gooding County All three counties are part of Idaho Health District 5 Both Idaho and the primary service area are comprised of about a 95% white population while the nation as a whole is 72% white The Hispanic population in Idaho represents 11% of the overall population and about 19% of the defined service area Gooding County is approximately 28% Hispanic,Jerome County 31%,and Twin Falls County is 14% Hispanic Idaho experienced a 21% increase in population from 2000 to 2010 ranking it as the fourth fastest growing state in the country The service area followed that trend experiencing a 19% increase in population within that timeframe and is expected to grow by an additional 17% by the year 2020 St Luke's Magic Valley is constantly working to manage the volume and scope of its services in order to meet the needs of an increasing population Over the past ten years the 45 to 64 year old age group was the fastest growing segment of our community Over the next ten years,however,the 0 to 19 year old age group is expected to grow by about 25% making it the fastest growing segment Currently,about 14% of the people in the community are over the age of 65 and by 2020 about the same percentage of our population is expected to be over the age of 65 The official United States poverty rate increased from 12 5% in 2003 to 15 3% in 2010 The poverty rate for the primary service area has increased more than the national average since 2003 In 2003 it was at the national average and by 2010 it was above the national average at over 16% The poverty rate in the community for children under the age of 18 is 20 9%,which is about the same as the national average Median income in the United States has risen by 8% since 2005 Growth in income was slower in Idaho but a little faster in our service area during that period However,median income in the primary service area is well below the national median and lower than the median income for Idaho as well

Identifier	ReturnReference	Explanation
		Part VI, Line 5 The people who serve on the various boards for subsidiaries within the St Lukes Health System are local citizens who have a vested interest in the health of their communities These committed leaders volunteer on our boards because they are dedicated to ensuring that the people of southern Idaho and the surrounding area have access to the most advanced, most comprehensive health care possible St Luke's believes that locally owned and governed hospitals can take the best measure of community health care needs We are grateful to our board leadership for giving generously of their time and talents and bringing to the table their unique perspectives and intimate knowledge of their communities St Luke's would not be the organization it is today without our volunteer board members The vision of dedicated community leaders has guided St Luke's for many decades,and will continue to guide us well into the future As a not-for-profit organization,100% of St Luke's revenue after expenses is reinvested in the organization to serve the community in the form of staff, buildings,or new technology Also,St Luke's Magic Valley Regional Medical Center,Ltd (SLMV)maintains an open medical staff Any physician can apply for practicing privileges as long as they meet the criteria for SLMV
		Part VI, Line 6 As the only Idaho-based not-for-profit health system,St Luke's Health System is part of the communities we serve,with local physicians and boards who further our organization's mission "To improve the health of the people in our region " Working together,we share resources, skills,and knowledge to provide the best possible care,no matter which of our hospitals provide that care Each St Luke's Health System hospital is nationally recognized for excellence in patient care,with prestigious awards and designations reflecting the exceptional care that is synonymous with the St Luke's name St Luke's Health System provides facilities and services across the region,covering a 150-mile radius that encompasses southern and central Idaho,northern Nevada,and eastern Oregon-bringing care close to home and family The following entities are part of the St Luke's Health System (1) St Luke's Regional Medical Center,Ltd with the following locations --St Luke's Boise Hospital --St Luke's Meridian Hospital --St Luke's Childrens Hospital --St Luke's Boise/Meridian Physician Clinics --St Luke's Nampa Emergency Department --St Luke's Eagle Urgent Care --St Luke's Elmore Hospital(2) St Luke's Wood River Medical Center,Ltd which consists of a critical access hospital located in Ketchum,Idaho as well as various physician clinics(3) St Luke's Magic Valley Regional Medical Center,Ltd which consists of the following --St Luke's Magic Valley Hospital-Twin Falls,Idaho --Various St Luke's Physician Clinics in Twin Falls --Canyon View-(Behavioral Health)(4) St Luke's McCall,Ltd which consists of a critical access hospital located in McCall,Idaho as well as various physician clinics (5) Mountain States Tumor Institute(MSTI)is the region's largest provider of cancer services and a nationally recognized leader in cancer research MSTI provides advanced care to thousands of cancer patients each year at clinics in Boise,Fruitland,Meridian,Nampa, and Twin Falls,Idaho MSTI is home to Idaho's only cancer treatment center for children,only federally sponsored center for hemophilia,and only blood and marrow transplant program MSTI's services and therapies include breast care services,blood and marrow transplant,chemotherapy,genetic counseling,hematology, hemophilia treatment,hospice,integrative medicine,marrow donor center,mobile mammography,mole mapping,nutritional counseling, PET/CT scanning,patient/family support,pediatric oncology, radiation therapy,rehabilitation,research and clinical trials, Schwartz Center Rounds for Caregivers,spiritual care,support groups/classes,tumor boards,and Wound Ostomy,and Continence Nursing MSTI is expanding as rapidly as today's cancer treatment Patients can now visit a MSTI clinic or Breast Cancer detection center at 12 different locations in southwest Idaho and Eastern Oregon Locations include Boise,Meridian,Nampa,Twin Falls,and Fruitland (6) St Luke's Jerome,Ltd which consists of a critical access hospital located in Jerome,Idaho as well as one physician clinic St Luke's physician clinics and services are provided in partnership with area physicians and other health care professionals These include Cardiovascular,Child Abuse and Neglect Evaluation,Endocrinology,Ear, Nose,and Throat,Family Medicine,Gastroenterology,General Surgery,Hypertensive Disease,Internal Medicine,Maternal/Fetal Medicine,Medical Imaging,Metabolic and Bariatric Surgery,Nephrology,Neurology,Neurosurgery,Obstetrics/Gynecology,Occupational Medicine,Orthopedics,Outpatient Rehabilitation,Plastic Surgery,Psychiatry and Addiction,Pulmonary Medicine,Sleep Disorders,and Urology In addition,St Luke's partners with other regional facilities through management service contracts These partners include (1) Challis Area Health Center(2) North Canyon Medical Center(3) Salmon River Clinic(4) Weiser Memorial Hospital

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	ID

Additional Data

Software ID:
Software Version:
EIN: 56-2570686
Name: St Luke's Magic Valley Regional Medical CenterLtd

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?
12

Name and address	Type of Facility (describe)
St Luke's Magic Valley MOB 775 Pole Line Rd W Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Canyon View 228 Shoup Avenue W Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Clinic-Physician Center 2550 Addison Avenue E Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Woman's Imaging Center 762 N College Road Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Clinic-Physician Center 746 N College Road Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Clinic-Physician Center 730 N College RoadSuite A Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Clinic-OrthoPlastic Surg 714 N College RoadSuite A Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Clinic-Physician Center 550 PolkSuite A Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
St Luke's Clinic-Neurology 738 N College RoadSuite C Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
Magic Valley Paramedics 121 Aspenwood Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
Magic Valley Paramedics 285 Martin St Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics
Magic Valley Paramedics 708 Shoshone Twin Falls,ID 83301	Various Family Medicine & Specialty Physician Clinics

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 19

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 The organization endeavors to monitor its grants to ensure that such grants are used for proper purposes and not otherwise diverted from their intended use This is accomplished by requesting recipient organizations to affirm that funds must be used solely in accordance with the grant request and budget on which the grant was based and that funds not expended for the stated purpose are to be returned to the organization Reports are requested from time to time as deemed appropriate

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 56-2570686
Name: St Luke's Magic Valley Regional Medical CenterLtd

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
St Luke's Magic Valley Health FoundationInc650 Addison Ave WestSuite 270 Twin Falls,ID 833032231	82-0342863	501(c)(3)	657,383				Provide support for the overall operation needs of St Luke's Magic Valley Health Foundation,Inc
College of Southern Idaho 315 Falls Avenue Twin Falls,ID 83303	82-0388193	501(c)(3)	179,791				Provide funding to support the Health Occupations,Head Start/Early Head Start,Foster Grantparent,and Dental programs that are working to improve the health of people in the community

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
Hospice Visions209 Shoup Avenue West Twin Falls,ID 83301	82-0483284	501(c)(3)	25,000				Funds will be used to defray the costs for access to end-of-life indigent and uninsured patients
South Central District Health 513 North Main Street Hailey,ID 83333	82-0335043	115	21,900				Funds to be used to purchase child safety seats for WIC clients

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
Mustard Tree Community Wellness Clinic173 Martin Street Twin Falls,ID 83301	26-1249939	501(c)(3)	20,000				Provide funding to support the Women's Health Program for the underinsured and uninsured working women of the community
Volunteers Against ViolenceInc(dba Crisis Center of Magic Valley) PO Box 2444 Twin Falls,ID 83303	82-0372006	501(c)(3)	19,000				Provide funding to support victims of domestic violence and sexual assault

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
Jubilee HouseInc315 Grandview Drive Twin Falls,ID 83303	20-8750670	501(c)(3)	14,000				Provide funds for the full Life Recovery Program that helps women heal from addiction
Interfaith Volunteer Caregivers of Magic Valley 459 Locust Street NSuite 106 No A Twin Falls,ID 83301	84-1417706	501(c)(3)	12,919				Provide funding to support rendering of non-medical services to theelderly,disabled,chronically ill

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
Easter Seals Good Will4400 Central Avenue Great Falls, MT 59405	81-0232125	501(c)(3)	12,000				Aid Crime victims to take steps towards healing from the physical and psychological effects of their victimization
Salvation Army-Twin Falls 348 4th Avenue North Twin Falls, ID 83301	13-2923701	501(c)(3)	11,000				Provide funds to purchase youth specific weight equipment,miscellaneous fitness equipment,and instructor costs

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
South Central Community Action PartnershipPO Box 531 Twin Falls,ID 83303	82-0277836	501(c)(3)	10,000				Provide funding to support programs that strive to improve the quality of life,health and safety to low-income elderly,disabled and families with young children by providing minor home improvements and weatherization program
Twin Falls County425 Shoshone Street North Twin Falls,ID 83303	82-6000318	115	10,000				Provide funding to improve care for sexual assault victims,collections of forensic evidence and to set up a Sexual Assault Nurse Examiner program at CSI

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
Victory Home IdahoInc450 3rd Avenue West Twin Falls,ID 83301	37-1620945	501(c)(3)	10,000				Funds will be used to provide safe housing,education,skills training,and job placement for individuals struggling with addiction
YMCA Twin Falls1751 Elizabeth Blvd Twin Falls,ID 83301	82-0255460	501(c)(3)	9,000				Funds will be used to help lower income children fight childhood obesity through access to superior facilities,equipment and coaching

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
Community Council of IdahoInc317 Happy Day BlvdSuite 280 Caldwell,ID 83607	82-0299736	501(c)(3)	7,500				Provide funds for purchase of an AuDX Otocoustic Emissions (OAE) screener and a Pedia Vision SPOT screener
Magic Valley Rehabilitation ServicesInc484 Eastland Drive South Twin Falls,ID 83301	82-0306179	501(c)(3)	7,500				Provide funds to support the operating costs for the Adult Daycare Program

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
Pregnancy Crisis Center718 ShoShone Street East Twin Falls,ID 83301	84-1387194	501(c)(3)	7,500				Provide funding to support Abstinence Education and to purchase items for the parenting store
Family Health Services Corp 794 Eastland Drive Twin Falls,ID 83301	82-0371093	501(c)(3)	7,400				Funds to be used to purchase equipment for 6 new examination rooms at the Kimberly Clinic

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
Twin Falls Mental Health AdvocatesInc420 Main Avenue South Twin Falls,ID 83301	56-2456562	501(c)(3)	5,000				Funds to be used for Group sessions teaching basic living skills, communication and socialization,symptom management,exercise,health & wellness,alcohol and substance abuse,teach vocational skills,provide health meals and food options

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)Rick YavruianDO Chief of Medical Staff	(i) (ii)	164,526 0	20,334 0	43,016 0	10,632 0	17,137 0	255,645 0	0 0
(2)Mr James L Angle Chief Executve Officer	(i) (ii)	0 369,657	0 0	0 23,742	0 16,697	0 11,327	0 421,423	0 0
(3)Ms Amy L Bearden Chief Nursing Officer	(i) (ii)	155,372 0	0 0	25,803 0	8,115 0	10,335 0	199,625 0	6,517 0
(4)Ms Debra G Kytle Director-Physician Serv	(i) (ii)	0 169,733	0 0	0 982	0 12,164	0 15,478	0 198,357	0 0
(5)Jason R GreenhalghMD Physician	(i) (ii)	351,410 0	132,115 0	465 0	0 0	115 0	484,105 0	0 0
(6)James H RaoMD Physician	(i) (ii)	172,051 0	245,929 0	34,475 0	11,250 0	10,598 0	474,303 0	0 0
(7)Steven F JohnsonMD Physician	(i) (ii)	431,296 0	0 0	20,889 0	8,229 0	11,153 0	471,567 0	0 0
(8)Cory S BatesMD Physician	(i) (ii)	339,653 0	103,988 0	465 0	0 0	1,846 0	445,952 0	0 0
(9)Timothy A EndersDO Physician	(i) (ii)	227,764 0	129,695 0	37,638 0	11,250 0	13,912 0	420,259 0	0 0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 3	Part I, Line 3 Compensation for the organization's CEO is determined by St Luke's Health System,Ltd (System),sole member of St Luke's Magic Valley Regional Medical Center,Ltd (SLMVRMC) The System board approves the compensation amount per the recommendation of its compensation committee,and the decision is then reviewed and ratified by the board of directors for SLMVRMC In determining compensation for the CEO,the System board utilizes the following criteria Compensation Committee Independent compensation consultant Compensation survey or study Approval by the board or compensation committee

Additional Data

Return to Form

Software ID:

Software Version:

EIN: 56-2570686

Name: St Luke's Magic Valley Regional Medical CenterLtd

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				
Rick YavruianDO	(I)	164,526	20,334	43,016	10,632	17,137	255,645	0
	(II)	0	0	0	0	0	0	0
Mr James L Angle	(I)	0	0	0	0	0	0	0
	(II)	369,657	0	23,742	16,697	11,327	421,423	0
Ms Amy L Bearden	(I)	155,372	0	25,803	8,115	10,335	199,625	6,517
	(II)	0	0	0	0	0	0	0
Ms Debra G Kytle	(I)	0	0	0	0	0	0	0
	(II)	169,733	0	982	12,164	15,478	198,357	0
Jason R GreenhalghMD	(I)	351,410	132,115	465	0	115	484,105	0
	(II)	0	0	0	0	0	0	0
James H RaoMD	(I)	172,051	245,929	34,475	11,250	10,598	474,303	0
	(II)	0	0	0	0	0	0	0
Steven F JohnsonMD	(I)	431,296	0	20,889	8,229	11,153	471,567	0
	(II)	0	0	0	0	0	0	0
Cory S BatesMD	(I)	339,653	103,988	465	0	1,846	445,952	0
	(II)	0	0	0	0	0	0	0
Timothy A EndersDO	(I)	227,764	129,695	37,638	11,250	13,912	420,259	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) Timothy A Enders DO	Employee	Residency,Housing,and Tuition Assistance		X	94,834	44,040		No		No	Yes	
Total		▶ $				44,040						

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) First Federal Savings	Common Board Members	3,947,053	Purchases patient accounts receivable from St Luke's Magic Valley Regional Medical Center,Ltd		No
(2) Magic Valley Anesthesiology Associates	Board Member is a member of Magic Valley Anesthesiolgy Association	7,328,121	Provides anesthesia services for the hospital		No
(3) Emergency Physicians of Southern Idaho	Board Member has ownership interest	4,463,353	Provides emergency medical services for the hospital		No
(4) Blue Lakes Gastroenterology	Board member has ownership interest in Blue Lakes Gastroenterology	3,738,133	Provides physician services under Professional Service Agreement with the organization		No
(5) Regence Blue Shield	Board Member serves on board of directors for Regence Blue Shield	51,506,131	Regence Blue Shield is a major third-party payer of medical services		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
Schedule L Part II-Loans To and From Interested Persons	Physician Loan Policy	As part of its overall physician recruiting program,St Luke's will offer various incentives for employment,including (1) Net Income Guarantee(2) Housing Assistance(3) Relocation Assistance(4) Tail Coverage for Malpractice Claims,and(5) Sign-on BonusThese incentives are structured as a physician loan to the prospective employee,bearing a reasonable rate of interest reflecting market conditions As the physician fulfills the terms of the employment agreement,the amount advanced is forgiven over the term of the loan If the physician does not fulfill the terms of the agreement,the physician must repay a liquidated damages amount specified in the loan agreement

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 2	Board members Tom Ashenbrener,Steve Westfall,and Becky Nelson are in a business relationship

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	St Luke's Health System,Ltd is the sole member of St Luke's Magic Valley Regional Medical Center,Ltd

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	The President and CEO of St Luke's Magic Valley Regional Medical Center, Ltd ,(Corporation) is cooperatively selected by the Corporation and St Luke's Health System,Ltd St Luke's Health System is the sole member of the Corporation

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	St Luke's Health System,Ltd (Member) maintains approval and implementation authority over St Luke's Magic Valley Regional Medical Center,Ltd (Corporation) Actions requiring approval authority may be initiated by either the Corporation or its Member,but must be approved by both the Corporation (by action of its Board of Directors)and the Member Actions requiring approval authority of the Member include (a) Amendment to the Articles of Incorporation, (b) Amendment to the Bylaws of the Corporation, (c) Appointment of members of the Corporation's Board of Directors,other than ex officio directors, (d) Removal of an individual from the Corporation's Board of Directors if and when removal is requested by the Corporation's Board of Directors, which request may only be made if the Director is failing to meet the reasonable expectations for service on the Corporation's Board of Directors that are established by the Member and are uniform for the Corporation and for all of the other hospitals for which the Member then serves as the sole corporate member (e) Approval of operating and capital budgets of the Corporation,and deviations to an approved budget over the amounts established from time to time by the Member,and (f) Approval of the strategic/tactical plans and goals and objectives of the Corporation Implementation Authority means those actions which the Member may take without the approval or recommendation of the Corporation This authority will not be utilized until there has been appropriate communication between the Member and the Corporation's Board of Directors and its Chief Executive Officer Actions requiring implementation authority include (a) Changes to the Statements of mission,philosophy,and values of the Corporation, (b) Removal of an individual from the Corporation's Board of Directors if and when the Member determines in good faith that the Director is failing to meet the Approved Board of Member Expectations This authority to remove Directors shall not be used merely because there is a difference in business judgment between the Director and the Corporation or the Member,and shall never be used to remove one or more Directors from the Corporation's Board of Directors in order to change a decision made by the Corporation's Board of Directors, (c) Employment and termination of the Chief Executive Officer of the Corporation, (d) Appointment of the auditor for the Corporation and the coordination of the Corporation's annual audit, (e) Sales,lease,exchange,mortgage,pledge,creation of a security interest in or other disposition of real or personal property of the Corporation if such property has a fair market value in excess of a limit set from time to time by the Member and that is not otherwise contained in an Approved Budget, (f) Sale,merger,consolidation,change of membership,sale of all or substantially all of the assets of the corporation,or closure of any facility operated by the Corporation, (g) The dissolution of the Corporation, (h) Incurrence of debt by or for the Corporation in accordance with requirements established from time to time by the Member and that is not otherwise contained in an Approved Budget,and (i) Authority to establish policies to promote and develop an integrated, cohesive health care delivery system across all corporations for which the Member serves as the corporate member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The Form 990(Form)is reviewed by an independent public accounting firm based on audited financial statements and with the assistance of the organization's finance and accounting staff The final draft of the Form is made available to the Finance Committee of the Board of Directors The Board receives the final version of the Form prior to filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The organization annually reviews the conflict of interest policy with each board member and also with new board members Persons covered under the policy include officers,directors,senior executives,non-director members of Board committees and others as identified by a senior executive At all levels the board is responsible for assessing,reviewing,and resolving any conflicts of interest that have been disclosed by a covered person,or a conflict of interest disclosed by a covered person with respect to a covered person other than himself/herself Where a conflict exists,the affected parties must excuse themselves from participating in the situation

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	Executive compensation is set by St Luke's board of directors and is reviewed annually Compensation levels are based on an independent analysis of comparable pay packages offered at similar institutions across the country, with the goal of placing executives in the 50th percentile of those surveyed These surveys are usually done every two years,with the most recent compensation survey completed during calendar year 2012 St Luke's Health System is committed to providing the highest quality medical care to all people regardless of their ability to pay To keep that commitment,St Luke's puts a great deal of time and effort into recruiting and retaining the top physicians in a variety of medical fields Our relationships with physicians range from having privileges at the hospital to full employment For those physicians who choose to be employed,St Luke's must offer competitive pay and benefits Physician compensation is based on a range of criteria and can be influenced by a number of variables including - Community need for medical specialty -Experience -Productivity -Geography -National surveys adjusted for local conditions -Willingness to serve regardless of patients' ability to pay -Duration of relationship and contractual terms - Performance on quality metrics To ensure physician compensation and benefits remain within industry standards and legal requirements for not-for-profit institutions, St Luke's has a Physician Arrangements policy that specifies circumstances requiring a third-party valuation and also periodically uses third-party consulting firms to review St Luke's physician compensation arrangements Given the growing national shortage of physicians,recruiting and retaining physicians is more critical than ever to guarantee that people seeking care at St Luke's will continue to have access to the physicians and specialists they need regardless of their insurance status or insurance provider

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Form 990, Part VI, Section C, Line 19 The organization's governing documents, conflict of interest policy, and financial statements are not available to the public Form 990, which contains financial information, is available for public inspection

Identifier	Return Reference	Explanation
Allocation of Compensation and Hours	Form 990 Part VII Section A	The total hours worked and compensation reported for James Angle and Debra Kytle represents services rendered to the following organizations within the St Luke's Health System James Angle St Luke's Magic Valley Regional Medical Center,Ltd St Luke's Jerome,Ltd St Luke's Magic Valley Health Foundation,Inc Debra Kytle St Luke's Magic Valley Regional Medical Center,Ltd St Luke's Jerome,Ltd Also,it should be noted that the hours reported for the directors(employed by St Luke's),officers,key employees,and highest paid employees are based on a minimum 40 hour work week. However,due to the demands of their roles within the St Luke's Health System,the hours worked by these individuals often exceed the minimum required 40 hours

Identifier	Return Reference	Explanation
Compensation of Physician Board Members	Part VII Section A	The following physician board members are members of various physician practices that contract with St Luke's Magic Valley Regional Medical Center,Ltd (SLMV) for the purpose of providing physician services to SLMV patients Robert Ward,M D Blue Lakes Gastroenterology,PLLC Eric Cassidy,D O Emergency Physicians of Southern Idaho,PLLC Ronald McGarrigle,M D Magic Valley Anesthesiology Associates,PLLC These physicians work at least 40 hours per week on behalf of these practices for physician services provided to St Luke's patients During CY'12,SLMV made payments to these practices for the following amounts Physician Practice Amount Paid Blue Lakes Gastroenterology $3,593,043 Emergency Physicians of Southern Idaho $5,070,857 Magic Valley Anesthesiolgy Associates $6,051,193

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Defined Benefit Plan Adjustment 9,027,752 Distribution of Net Assets from St Luke's Jerome,Ltd 6,293,372 Contributed Capital 109,524 Reclassification Adjustments -717,030

Identifier	Return Reference	Explanation
Program Expense	Form 990 Part III-Statement of Program Accomplishments	Please note that the program expense amounts reported in Statement III-Statement of Program Accomplishments,do not include an allocation of certain administrative and functional support costs These costs are classified as Management and General within Part IX-Statement of Functional Expenses

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
St Luke's Magic Valley Regional Medical CenterLtd

Employer identification number
56-2570686

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Magic Valley Paramedics ServicesLLC PO Box 409 Twin Falls, ID 83301 20-5461983	Paramedic Services	ID	3,070,365	0	St Luke's Magic Valley Regional Medical CenterLtd
(2) St Luke's ClinicLLC PO Box 409 Twin Falls, ID 83301 82-0527710	Physician Services	ID	56,162,261	22,406,983	St Luke's Magic Valley Regional Medical CenterLtd
(3) Magic Health PartnersLLC PO Box 409 Twin Falls, ID 83301 82-0507483	Admin Services for Non-Provider Based Physician Groups	ID	102,357	1,177,807	St Luke's Magic Valley Regional Medical CenterLtd

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) Divine Medical ServicesInc 709 N Lincoln Ave Jerome, ID 83338 20-2773717		ID	St Luke's Magic Valley Regional Medical CenterLtd	C		479,436	100 000 %		No

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

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

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) St Luke's JeromeLtd	O	11,144,439	Payroll
(2) St Luke's Magic Valley Health FoundationInc	O	353,497	Payroll
(3) St Luke's Magic Valley Health FoundationInc	C	182,806	Contribution
(4) St Luke's Magic Valley Health FoundationInc	P	657,383	Subsidy

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

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

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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 56-2570686
Name: St Luke's Magic Valley Regional Medical CenterLtd

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
Divine Medical Services,Inc	Schedule R-Part IV Related Organizations Taxable as a Corporation	On 9/30/2013,St Luke's Magic Valley Regional Medical Center,Ltd ("SLMV")replaced St Luke's Jerome,Ltd ("SLJ") as sole member of Divine Medical Services,Inc ("DMS") Because this event occurred at the end of FY'13,only the total for end-of-year assets for DMS is being reported in Schedule R-Part IV The total revenues for DMS are being reported within Schedule R-Part IV of the Form 990 return for SLJ
St Luke's Jerome,Ltd	Schedule R-Part II Related Tax-Exempt Organizations	During FY'13,St Luke's Jerome,Ltd (SLJ)operated as an independent 501(c)(3)entity Effective 9/30/2013,the board of directors of SLJ approved its formal dissolution As a result ot the dissolution,the assets and liabilities were transferred to its sole member,St Luke's Magic Valley Regional Medical Center,Ltd

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St. Luke's Health System, Ltd. and Subsidiaries

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

ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
St. Luke's Health System, Ltd.
Boise, Idaho

We have audited the accompanying consolidated financial statements of St. Luke's Health System, Ltd and its subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets, and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

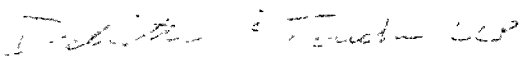
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Disclaimer of Opinion on Charity Care Schedule

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The charity care schedule summarized in Note 1 is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. This additional information is the responsibility of the Health System's management. Such information has not been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, accordingly it is inappropriate to and we do not express an opinion on the additional information referred to above.



January 27, 2014

ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2013 AND 2012
(In thousands)

	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 153,303	$ 116,467
Receivables — net	254,138	230,666
Inventories	28,709	26,629
Prepaid expenses	12,703	11,270
Current portion of assets whose use is limited	37,510	36,599
Total current assets	486,363	421,631
ASSETS WHOSE USE IS LIMITED:		
Board designated funds	263,145	269,540
Restricted funds	61,223	97,248
Permanent endowment funds	10,151	8,666
Donor restricted plant replacement and expansion funds and other specific purpose funds	22,159	18,476
Total assets whose use is limited	356,678	393,930
PROPERTY, PLANT, AND EQUIPMENT — Net	901,363	851,167
GOODWILL	37,693	31,864
OTHER ASSETS		
Land and buildings held for investment or future expansion — at cost	45,642	28,541
Equity interest in joint ventures	5,494	5,230
Deferred financing costs — net	7,967	8,150
Other	28,293	27,823
Total other assets	87,396	69,744
TOTAL	$1,869,493	$1,768,336

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	2013	2012
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 93,667	$ 83,112
Accrued salaries and related liabilities	56,326	49,061
Employee benefit liabilities	43,123	50,409
Estimated payable to Medicare and Medicaid programs	100,670	61,474
Current portion of long-term debt and capital leases	18,260	14,842
Total current liabilities	312,046	258,898
NONCURRENT LIABILITIES:		
Long-term debt and capital leases	641,677	622,218
Liability for pension benefits	54,210	99,273
Other liabilities	3,555	4,937
Total noncurrent liabilities	699,442	726,428
NET ASSETS		
Unrestricted:		
The Health System	822,320	751,623
Noncontrolling interests	3,347	4,749
Total unrestricted net assets	825,667	756,372
Temporarily restricted	22,187	17,972
Permanently restricted	10,151	8,666
Total net assets	858,005	783,010
TOTAL	$1,869,493	$1,768,336

ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

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

	2013	2012
UNRESTRICTED REVENUES, GAINS, AND OTHER SUPPORT		
Patient service revenue (net of contractual allowances and discounts)	$1,516,406	$1,396,644
Less provision for bad debts	(83,472)	(67,298)
Net patient service revenue (net of bad debts)	1,432,934	1,329,346
Other revenue (including rental income)	38,209	33,976
Excess of assets obtained over liabilities assumed in acquisitions	20,646	7,253
Net assets released from restrictions — operating	914	84
Loss on equity interest in joint ventures	308	(651)
Total unrestricted revenues, gains, and other support	1,493,011	1,370,008
EXPENSES:		
Salaries and benefits	802,054	714,343
Supplies and drugs	240,487	216,565
Depreciation and amortization	101,955	89,516
Contract services	74,810	73,125
Purchased services	116,943	86,793
Interest expense	24,954	20,801
Other expenses	116,618	101,742
Total expenses	1,477,821	1,302,885
INCOME FROM OPERATIONS	15,190	67,123
INVESTMENT INCOME	4,204	5,575
REVENUE IN EXCESS OF EXPENSES	19,394	72,698
ADJUSTMENT FOR INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	168	(421)
REVENUE IN EXCESS OF EXPENSES ATTRIBUTABLE TO THE HEALTH SYSTEM	$ 19,562	$ 72,277

See notes to consolidated financial statements.

	2013	2012
UNRESTRICTED NET ASSETS:		
Revenue in excess of expenses	$ 19,394	$ 72,698
Change in noncontrolling interests	(1,234)	(1,666)
Change in net unrealized gains on investments	(2,029)	(127)
Net assets released from restrictions — capital acquisitions	3,624	2,997
Change in funded status of pension plan	49,540	(12,845)
Increase in unrestricted net assets	69,295	61,057
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	5,537	8,525
Investment income	572	412
Change in net unrealized gains on investments	816	640
Net assets released from restrictions	(2,710)	(2,913)
Increase in temporarily restricted net assets	4,215	6,664
PERMANENTLY RESTRICTED NET ASSETS -- Contributions for endowment funds	1,485	3,275
INCREASE IN NET ASSETS	74,995	70,996
NET ASSETS -- Beginning of year	783,010	712,014
NET ASSETS - End of year	$ 858,005	$ 783,010

ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
AS OF SEPTEMBER 30, 2013 AND 2012
(In thousands)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$ 74,995	$ 70,996
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	101,955	89,516
Net realized loss on investments	2,689	1,020
Excess of assets obtained over liabilities assumed in acquisitions	(20,646)	(7,253)
Unrealized gain (loss) on investments	1,213	(513)
Distributions received from joint ventures	40	191
Amortization of deferred financing fees	591	563
Restricted contributions received	(7,022)	(11,801)
Loss on disposition of equipment and other assets	31	2,643
(Gain) loss on equity interest in joint ventures	(308)	651
Change in funded status of pension plans	(49,540)	12,845
Changes in assets and liabilities — net of acquisitions of medical practices:		
Net change in receivables	(20,010)	(37,522)
Net change in inventories	(1,465)	(1,668)
Net change in prepaid expenses and other current assets	(1,114)	(2,578)
Net change in other assets	(5,407)	(6,258)
Net change in accounts payable and accrued liabilities	4,785	(2,661)
Net change in accrued salaries and related liabilities	6,831	5,088
Net change in employee benefit liabilities	(7,359)	11,039
Net change in payable to Medicare and Medicaid programs	39,196	(8,743)
Net change in other liabilities	4,039	(230)
Net cash provided by operating activities	123,494	115,325

See notes to consolidated financial statements

	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant, and equipment and land and buildings held for investment or future expansion	$(141,463)	$(137,587)
Proceeds from disposition of equipment and other assets	320	254
Purchase of investments (includes purchases with restricted funds)	(666,996)	(419,692)
Change in restricted funds	5,836	(75,497)
Proceeds from sales of investments	703,323	416,120
Payments on acquisition of medical practices	(17,612)	(5,518)
Cash received from acquisition transactions	1,343	390
Contributions to unconsolidated joint ventures		(233)
Net cash used in investing activities	(115,249)	(221,763)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(10,968)	(8,035)
Advances on lines of credit	40,239	39,036
Repayments on lines of credit	(38,169)	(38,782)
Proceeds from contributions for temporarily restricted net assets	5,537	6,084
Proceeds from contributions for endowment funds	1,485	101
Proceeds from bonds	30,212	119,788
Proceeds from bond premium		896
Cost of issuance fees from bonds	(408)	(968)
Proceeds from notes payable	2,414	1,191
Payments on notes payable	(1,751)	(1,545)
Net cash provided by financing activities	28,591	117,766
NET INCREASE IN CASH	36,836	11,328
CASH — Beginning of year	116,467	105,139
CASH - End of year	$ 153,303	$ 116,467

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — St. Luke's Health System, Ltd. and subsidiaries (the "Health System") is an Idaho-based not-for-profit organization providing a comprehensive health care delivery system to the communities served The Health System's general offices are located in Boise, Idaho The Health System is governed by volunteer boards made up of local citizens.

The Health System's primary hospitals and service areas are located within the State of Idaho in Boise, Meridian, Twin Falls, Elmore, McCall, Nampa, Jerome, and Ketchum and have other facilities and operations throughout Southern Idaho and Eastern Oregon.

Basis of Presentation -- The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Intercompany transactions have been eliminated

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Such estimates include the useful lives of depreciable assets, liabilities associated with employee benefit programs, self-insured professional liability risks not covered by insurance and potential settlements with the Medicare and Medicaid programs. In addition, valuation reserve estimates are made regarding the collectability of outstanding patient and other receivables.

The Health System utilizes independent third parties to assist in determining reserve estimates associated with self-insured employee benefit programs and professional liability risks, including incurred but not reported claims. Changes in estimates are included in results of operations in the period when such amounts are determined and actual amounts could differ from such estimates.

Statements of Operations — Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as unrestricted revenues, gains and other support and expenses

Changes in Net Assets -- Changes in net assets include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), changes in pension liabilities, change in noncontrolling interests, and the net change in unrealized gains and losses on investments

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by the Health System is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Health System pursuant to those stipulations Permanently restricted net assets are assets whose use by the Health System is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed

Donor Restricted Gifts — Unconditional promises to give cash (pledges receivable) and other assets are recorded at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Total pledges receivable, net of allowances, as of September 30 are as follows:

	2013	2012
Less than one year	$ 227	$ 573
One to five years	2,648	3,668
More than five years	43	234
	2,918	4,475
Less allowance for estimated uncollectible accounts	226	220
Total pledges receivable	$ 2,692	$ 4,255

Cash and Cash Equivalents — Cash represents cash on hand and cash in banks, excluding amounts whose use is limited and consists primarily of cash and highly liquid investments with original maturities of three months or less. As of September 30, 2013 and 2012, the Health System had book overdrafts of $9,901 and $14,254, respectively, at one institution that is included in accounts payable and accrued liabilities.

Inventories — Inventories consist primarily of medical and surgical supplies and are stated at the lower of cost (on a moving-average basis) or market.

Investments and Investment Income — The Health System's long-term and short term investment portfolios are managed according to investment policies adopted by the Health System and based on overall investment objectives. Board designated funds are investments established by the Board for strategic future capital or operating expenditures intended to expand or preserve services provided to the communities it serves All investments are recorded using settlement date accounting Investment income and gains (losses) on investments whose use has not been restricted by the donor, including unrestricted income from endowment funds, are reported as part of investment income. Investment income and gains (losses) on investments whose income has been restricted by the donor are recorded as increases (decreases) to temporarily or permanently restricted net assets.

The Health System's investments primarily include mutual funds and debt securities that are carried at fair value. The Health System evaluates whether securities are other-than-temporarily impaired (OTTI) based on criteria that include the extent to which cost exceeds market value, the duration of the market decline, the credit rating of the issuer or security, the failure of the issuer to make scheduled principal or interest payments and the financial health and prospects of the issuer or security. Any declines in the value of investment securities determined to be OTTI are recognized in earnings and reported as other-than-temporary impairment losses. The Health System determined that no securities were other than temporarily impaired as of September 30, 2013 and 2012.

Assets Whose Use is Limited — Assets whose use is limited include assets set aside by the Board of Directors for future capital purposes over which the Board retains control and may, at its discretion, subsequently be used for debt retirement or other purposes. It also includes assets held by trustee under indenture agreements, assets restricted by donors for specific purposes and permanent endowment funds

Property, Plant, and Equipment — Property, plant, and equipment are recorded at cost except donated assets, which are recorded at fair value at the date of donation. Property and equipment donated for Health System operations are recorded as additions to property, plant, and equipment when the assets are placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets with depreciation taken in both the year placed in service and the year of disposition.

The estimated useful lives of each asset ranges are as follows:

Buildings	15–40 years
Fixed and major movable equipment	2–20 years
Leasehold improvements	5- 15 years

Expenditures for maintenance and repairs are charged to expense as incurred and expenditures for renewals and betterments are capitalized. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the records and any gain or loss is reflected in the statement of operations. Periodically, the Health System evaluates the carrying value of property, plant, and equipment for impairment based on undiscounted operating cash flows whenever significant events or changes occur which might impact recovery of recorded assets.

Goodwill - Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is not amortized, but is subject to annual impairment testing at the reporting unit level A reporting unit is defined as a component of an organization that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed for decision making purposes and for which discrete financial information is available.

The quantitative impairment testing for goodwill includes a two-step process consisting of identifying a potential impairment loss by comparing the fair value of the reporting unit to its carrying amount, including goodwill and then measuring the impairment loss by comparing the implied fair value of the goodwill for a reporting unit to its carrying value. The fair value is estimated based upon internal evaluations of the related long-lived assets for each reporting unit and can include comparable market prices, quantitative analyses of revenues and estimated future net cash flows. If the fair value of the reporting unit assets is less than their carrying value including goodwill, an impairment loss is recognized.

In addition to annual impairment review, impairment reviews are performed whenever circumstances indicate a possible impairment may exist.

Meaningful Use - - The Health System accounts for Electronic Health Records (EHR) incentive payments in accordance with ASC 450-30, *Gain Contingencies* ("ASC 450-30"). In accordance with ASC 450-30, the Health System recognizes a gain for EHR incentive payments when its eligible hospitals and physician practices have demonstrated meaningful use of certified EHR technology for the applicable period and when the final calculation of the EHR incentive payment is available. The demonstration of meaningful use is based on meeting a series of objectives and varies among hospitals and physician practices, between the Medicare and Medicaid programs and within the Medicaid program from state to state. Additionally, meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare and Medicaid Services.

For the years ended September 30, 2013 and 2012 respectively, the Health System recognized $8,362 and $3,785 in EHR incentive payments were recognized in accordance with the HITECH Act under the Medicaid program. These payments are included in other revenue

The Health System incurs both capital expenditures and operating expenses in connection with the implementation of its various EHR initiatives. The amount and timing of these expenditures does not directly correlate with the timing of the Health System's receipt or recognition of the EHR incentive payments.

Land and Buildings Held for Future Investment or Future Expansion — Land and buildings held for investment or future expansion represents land and buildings purchased or donated to the Health System for future operations and are not included in the Health System operations

Costs of Borrowing -- 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. Financing costs are deferred and amortized over the life of the bonds.

Investment in Affiliates — The Health System has entered into certain joint ventures and affiliations with other health care providers. The Health System accounts for the joint ventures and affiliations based on the equity method of accounting when it has significant influence. The Health System's share of income or loss is reported as increases or decreases in the respective investment with a corresponding amount reported in income or loss on equity interest in joint ventures.

As of September 30, 2013, significant joint ventures and affiliations include the following

- St Luke's Idaho Elks Rehabilitation Services, an equally owned joint venture with Idaho Elks Rehabilitation Hospital, Inc. to provide outpatient rehabilitation services

- Idaho Cytogenetics Diagnostic Laboratory, LLC, an equally owned joint venture with Saint Alphonsus Diversified Care, Inc to promote general health and cytogenetic diagnostic services

- Idaho Community Health Network, an equally owned joint venture with Kootenai Medical Center, Magic Valley, and Portneuf to provide an organized system for the coordination, delivery and provisions for certain health care services

- Idaho GYN/Oncology Services, LLC, an equally owned joint venture with Saint Alphonsus Regional Medical Center, Inc., to provide gynecological oncology healthcare services. This joint venture was dissolved as of September 30, 2013.

Net Patient Service Revenue — Net patient service revenue before provision for bad debts is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care — The Health System provides services to all patients regardless of their ability to pay in accordance with its charity care policy. The estimated cost of providing these services was $23,997 and $22,377 in 2013 and 2012, respectively, calculated by multiplying the ratio of cost to gross charges for the Health System by the gross compensated charges associated with providing care to charity patients

In addition to charity care services, the Health System provides services to patients who are deemed indigent under state Medicaid and county indigency program guidelines. In most cases, the cost of services provided to these patients exceeds the amounts received as compensation from the respective programs. In addition, in response to broader community needs, the Health System also provides many programs such as health screening, patient and health education programs, clinical and biomedical services to outlying hospitals, and serves as a clinical teaching site for higher education programs of health professionals. The following unaudited schedule summarizes the charges forgone in accordance with the Health System's charity care policy, the unpaid costs associated with services provided under Medicare, Medicaid, and county indigency programs, and the benefit of services provided to support broader community needs:

	Unaudited	
	2013	2012
Estimated unpaid costs of services provided under Medicare, Medicaid, and county indigency programs	$ 190,778	$ 148,608
Estimated benefit of services to support broader community needs	29,431	22,912

Income Taxes — The Health System is a not-for-profit corporation and is recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

Unrelated Business Income — The Health System is subject to federal excise tax on its unrelated business taxable income (UBTI). As of September 30, 2013, the Company had approximately $3,947 of UBTI Net Operating Losses from operating losses incurred from 1999 to 2013 which expire in years 2014 to 2028. The Health System does not believe that it is more likely than not they will utilize these losses prior to their expiration and as such has provided a full valuation allowance against these losses.

Recently Issued and New Accounting Pronouncements — In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No 2011-11, *"Balance Sheet (Topic 210) — Disclosures about Offsetting Assets and Liabilities"* ASU No. 2011-11, as amended by ASU 2013-01, *"Balance Sheet (Topic 210) Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities,"* requires disclosure of the effect or potential effect of offsetting arrangements on the Health System's financial position as well as enhanced disclosure of the rights of setoff associated with derivative instruments, resale and repurchase agreements, and securities borrowing and lending transactions The disclosure requirements, which are to be applied retrospectively, are effective for fiscal years beginning on or after January 1, 2013. The adoption of ASU 2011-11 and ASU 2013-01 is not expected to have a material impact on the Health System's financial position, results of operations or cash flows.

In July 2011, the FASB issued ASU No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU 2011-07") which amended ASC No. 954, *Health Care Entities* ("ASC 954") to provide greater transparency regarding a health care entity's net patient revenue and the related allowances for doubtful accounts. ASU 2011-07 requires certain health care entities to change the presentation of the provision for bad debts associated with patient service revenue by reclassifying the provision from operating expenses to a deduction from net patient revenue and requires enhanced disclosures about net patient revenue and the policies for recognizing revenue and assessing bad debts. The provisions of ASU 2011-07 which are to be applied retroactively were adopted by the Health System on October 1, 2012. As such, the provision for bad debts associated with patient care has been reclassified for all periods presented in accordance with the provisions of this pronouncement See Note 4

In May 2011, the FASB issued ASU No 2011-04, *Fair Value Measurement (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U S GAAP and IFRSs* ("ASU 2011-04"), which amended ASC No. 820, *Fair Value Measurement* ("ASC 820") to change the wording used to describe many of the requirements in U.S GAAP for measuring the fair value and for disclosing information about fair value measurements. The Health System adopted the provisions of ASU 2011-04 for the current fiscal year ended September 30, 2013, and it did not have a material impact on the Health System's financial position, results of operations or cash flows.

Subsequent Events The Health System has evaluated subsequent events through January 27, 2014. This is the date the financial statements were available to be issued.

2. BUSINESS TRANSACTIONS

Medical Practices – In 2013 and 2012, the Health System acquired various family health and specialty medical practices located throughout its service area. As a result of the transactions, the Health System acquired receivables, inventory, fixed assets, non-compete agreements, goodwill, or other assets Non-compete agreements are amortized on a straight-line basis over their expected lives of five to seven years

In accordance with the purchase method of accounting, the acquired net assets were recorded at fair value as of the dates of the acquisition. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed from the acquisitions during the years ended September 30:

	2013	2012
Accounts receivable	$ 142	$ -
Inventory	305	69
Property	3,846	555
Goodwill and other intangible assets	13,151	4,990
Other assets	168	
Accrued liabilities		(96)
Purchase price	$17,612	$5,518

Transaction with Elmore — On April 1, 2013, The Health System completed a transaction with Elmore Medical Center. The transaction expanded the Health System's presence into Mountain Home, Idaho. As a result of the transaction, the name of the hospital was changed to St. Luke's Elmore Prior to the transaction, Elmore Medical Center was wholly owned by the Elmore Medical Center Hospital District.

The determination of the estimated fair market value of the assets obtained and liabilities assumed required management to make certain estimates and assumptions. The transaction with Elmore Medical Center resulted in the assets obtained and liabilities assumed being recorded based on their estimated fair values on the transaction date. In 2013, an excess of assets obtained over liabilities assumed in the amount of $20,646 was recorded in the consolidated statement of operations and changes in net assets representing the excess of the fair value of tangible and identifiable intangible assets obtained over liabilities assumed or other financial consideration given.

The results of operations are included in the Health System's consolidated financial statements beginning April 1, 2013 The following table presents the allocation of consideration given for the assets obtained and liabilities assumed:

Cash	$ 1,343
Investments	6,162
Accounts receivable	3,316
Inventory	310
Prepaids	151
Property	10,865
Total assets obtained	22,147
Accounts payable and other accrued liabilities	(1,501)
Total liabilities assumed	(1,501)
Excess of assets obtained over liabilities assumed in transaction	$ 20,646

Transaction with Jerome — On October 1, 2011, The Health System completed a transaction with St. Benedict's Family Medical Center, Inc ("St. Benedicts"). The transaction expanded the Health System's presence into Jerome, Idaho. As a result of the transaction, the name of the hospital was changed to St Luke's Jerome, Ltd. Prior to the transaction, St. Benedicts was wholly owned by Critical Access Group, Inc , headquartered in Duluth, Minnesota.

The determination of the estimated fair market value of the assets obtained and liabilities assumed required management to make certain estimates and assumptions. The transaction with St Benedicts resulted in the assets obtained and liabilities assumed being recorded based on their estimated fair values on the transaction date. In 2012, an excess of assets obtained over liabilities assumed in the amount of $6,950 was recorded in the consolidated statement of operations and changes in net assets representing the excess of the fair value of tangible and identifiable intangible assets obtained over liabilities assumed or other financial consideration given.

The results of operations are included in the Health System's consolidated financial statements beginning October 1, 2011. The following table presents the allocation of consideration given for the assets obtained and the liabilities assumed:

Cash	$ 95
Accounts receivable	2,491
Inventory	294
Prepaids	91
Other assets	122
Property	5,494
Total assets obtained	8,587
Accounts payable and other accrued liabilities	(1,637)
Total liabilities assumed	(1,637)
Excess of assets obtained over liabilities assumed in transaction	$ 6,950

Transaction with Magic Valley Health Foundation — In May 2012, the Health System acquired the financial position, results of operations and cash flows of St. Luke's Magic Valley Health Foundation, Ltd (the "Foundation"). The Foundation modified their bylaws to effectively allow the Foundation to become a consolidated subsidiary of the Health System.

The determination of the estimated fair market value of the assets obtained and liabilities assumed required management to make certain estimates and assumptions. The transaction with the Foundation resulted in the assets obtained and liabilities assumed being recorded based on their estimated fair values on the transaction date In 2012, an excess of assets obtained over liabilities assumed in the amount of $303 was recorded in the consolidated statement of operations and changes in net assets representing the excess of the fair value of tangible and identifiable intangible assets obtained over liabilities assumed.

The results of operations are included in the Health System's consolidated financial statements as of May 2012. The following table presents the allocation of consideration given for the assets obtained and the liabilities assumed:

Cash	$ 295
Cash — donor restricted	4,890
Pledges receivable	1,227
Accounts receivable	18
Prepaids	14
Property	320
Total assets obtained	6,764
Accounts payable and accrued liabilities	(846)
Total liabilities assumed	(846)
Temporarily restricted net assets	(2,440)
Permanently restricted net assets	(3,175)
Total liabilities and net assets assumed	(6,461)
Excess of assets obtained over liabilities assumed in transaction	$ 303

3. JOINT VENTURES

Combined financial information of the Health System's joint ventures as of and for the year ended September 30 are as follows:

	2013	2012
Total assets	$ 9,852	$ 11,302
Total liabilities	3,644	2,459
Total equity	6,208	8,843
Total revenues	15,522	17,510
Total income (loss)	(1)	888

4. NET PATIENT SERVICE REVENUE

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

Medicare — Inpatient acute and certain outpatient care services rendered to Medicare program beneficiaries are paid at prospectively determined rates based upon the service provided. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Inpatient nonacute services, certain other outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology

The Health System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare fiscal intermediary. The Health System's classification of patients under the Medicare program and the appropriateness of their admission are subject to a review by a peer review organization under contract with the fiscal intermediary.

Medicaid — Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology The Health System is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicaid fiscal intermediary.

Changes in estimates are included in results of operations in the period when such amounts are determined. The Health System has an opportunity to amend previously settled cost reports. With regard to the amended cost reports, the Health System accrues settlements when amounts are probable and estimable.

Changes in prior year estimates decreased net patient service revenue by $1,973 for fiscal year ended September 30, 2013 and increased net patient service revenue by $9,161 for fiscal year ended September 30, 2012.

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

The System records a provision for bad debts related to uninsured accounts to record the net self pay accounts receivable at the estimated amounts the System expects to collect.

Patient service revenue (including patient co-pays and deductibles), net of contractual allowances and discounts (but before provision for uncollectible accounts) by primary payor source, for the year ended September 30 are as follows:

	2013	2012
Commercial payors, patients, and other	$ 880,004	$ 696,135
Medicare program	478,832	506,246
Medicaid program	157,570	194,263
	1,516,406	1,396,644
Less total allowance	83,472	67,298
	$1,432,934	$1,329,346

5. ACCOUNTS RECEIVABLE AND CONCENTRATION OF CREDIT RISK

The Health System grants credit without collateral to its patients, most of whom are local residents and many of whom are insured under third-party payor agreements Accounts receivable, reflected net of any contractual arrangements, as of September 30 are as follows:

	2013	2012
Commercial payors, patients, and other	$ 197,670	$ 191,083
Medicare program	45,881	41,667
Medicaid program	17,304	22,211
Non-patient	39,442	17,138
	300,297	272,099
Less total allowance	46,159	41,433
	$ 254,138	$ 230,666

The allowance for estimated uncollectible accounts is determined by analyzing both historical information (write-offs by payor classification), as well as current economic conditions

6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of September 30 are as follows:

	2013	2012
Land	$ 47,720	$ 43,878
Buildings, land improvements, and fixed equipment	818,396	759,724
Major movable equipment	710,412	632,795
	1,576,528	1,436,397
Less accumulated depreciation:		
Buildings, land improvements, and fixed equipment	278,835	249,479
Major movable equipment	442,180	375,521
	721,015	625,000
	855,513	811,397
Construction in process	45,850	39,770
	$ 901,363	$ 851,167

As of September 30, 2013 and 2012, the Health System had $10,013 and $5,281, respectively, of property, plant, and equipment purchases included in accounts payable and accrued liabilities.

Depreciation expense was $93,423 and $81,921 for the years ended September 30, 2013 and 2012, respectively.

7. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited that will be used for obligations classified as current liabilities and the current portion of pledges receivable are reported in current assets. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value, based on quoted market prices of identical or similar assets. The majority of the Health System's investments are managed by independent investment managers. The following table sets forth the composition of assets whose use is limited as of September 30.

	2013	2012
Board designated funds:		
Cash and cash equivalents	$ 17,872	$ 28,350
Certificates of deposit and commercial paper	350	
Mutual funds	34,913	29,473
Corporate bonds and notes	91,357	51,447
Government and agency securities	184,582	218,486
Interest receivable	1,199	1,270
Due to donor restricted and permanent endowment funds	(29,618)	(22,887)
	300,655	306,139
Less amounts classified as current assets	(37,510)	(36,599)
	$263,145	$269,540
Restricted funds:		
Cash and cash equivalents	$ 24,456	$ 62,001
Certificates of deposit and commercial paper	6,024	
Government and agency securities	30,743	35,247
	$ 61,223	$ 97,248
Permanent endowment funds -- due from board designated funds	$ 10,151	$ 8,666
Donor restricted plant replacement and expansion funds and other specific purpose funds:		
Due from board designated funds	$ 19,467	$ 14,221
Pledges receivable	2,692	4,255
	$ 22,159	$ 18,476

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

	2013	2012
Investment income:		
Interest income	$ 6,893	$ 6,595
Realized loss on sales of securities	(2,689)	(1,020)
	$ 4,204	$ 5,575
Change in net unrealized gain on investments	$ (2,029)	$ (127)

In connection with the issuance of the certain bond obligations, the Health System is required to maintain a debt reserve fund The debt reserve fund is to be used for the payment of principal and interest at maturity The amount held in the debt reserve fund as of September 30, 2013, related to the Series 2008A Bonds, is $16,368 (which includes $3,088 to be paid over the next 12 months) This amount is included in restricted funds. Amounts held in custody, to be paid over the next 12 months, for the Series 2000 and 2005 Bonds are $1,721 and $1,956 respectively. These amounts are also included in restricted funds

Proceeds received from the Series 2012A Bonds are restricted to qualified expenditures related to a facility project of the Health System and are held by the Series 2012A Bond Trustee in a Construction Fund. Initial deposits into the Construction Fund were $75,521. As of September 30, 2013, the balance remaining in the fund was $35,849.

8. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Restricted net assets as of September 30 consist of donor restricted contributions and grants, which are to be used as follows:

	2013	2012
Equipment and expansion	$ 13,050	$ 11,617
Research and education	2,174	1,648
Charity and other	6,963	4,707
Total temporarily restricted net assets	22,187	17,972
Permanently restricted net assets	10,151	8,666
Total restricted net assets	$ 32,338	$ 26,638

The composition of endowment net assets by type of fund as of September 30 is as follows:

	September 30, 2013		
	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment net assets	$ -	$ 10,151	$ 10,151
Board-designated endowment net assets	1,618		1,618
Total endowment net assets	$ 1,618	$ 10,151	$ 11,769

	September 30, 2012		
	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment net assets	$ -	$ 8,666	$ 8,666
Board-designated endowment net assets	1,079		1,079
Total endowment net assets	$ 1,079	$ 8,666	$ 9,745

Changes in endowment net assets during 2013 and 2012 are as follows:

	September 30, 2013		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets -- beginning of period	$ 1,079	$ 8,666	$ 9,745
Investment returns	192		192
Unrealized gains	627		627
Contributions	28	1,216	1,244
Appropriation of endowment net assets for expenditure	(4)	(21)	(25)
Transfers to remove or add to board-designated endowment funds	(304)	290	(14)
Endowment net assets — end of period	$ 1,618	$ 10,151	$ 11,769

	September 30, 2012		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of period	$ 437	$ 5,390	$ 5,827
Investment returns	176		176
Unrealized gains	226		226
Contributions	36	91	127
Magic Valley Health Foundation transaction	349	3,175	3,524
Appropriation of endowment net assets for expenditure	(145)		(145)
Transfers to remove or add to board-designated endowment funds		10	10
Endowment net assets — end of period	$ 1,079	$ 8,666	$ 9,745

9. DEBT

Long-term debt as of September 30 consists of the following:

	2013	2012
Obligations to Idaho Health Facilities Authority — Series 2012A Fixed Rate Bonds	$ 75,000	$ 75,000
Obligations to Idaho Health Facilities Authority — Series 2012A Fixed Rate Bond Premium	839	885
Obligations to Idaho Health Facilities Authority — Series 2012B Variable Rate Direct Purchase	73,300	44,788
Obligations to Idaho Health Facilities Authority — Series 2012CD Variable Rate Revenue Bonds	150,000	150,000
Obligations to Idaho Health Facilities Authority - Series 2008A Fixed Rate Bonds	125,160	126,460
Obligations to Idaho Health Facilities Authority — Series 2008A Fixed Rate Bond Discount	(3,206)	(3,293)
Obligations to Idaho Health Facilities Authority — Series 2005 Fixed Rate Bonds	108,990	111,770
Obligations to Idaho Health Facilities Authority Series 2000 Fixed Rate Bonds	79,000	82,100
Obligations to Idaho Health Facilities Authority — Series 2000 and Series 2005 Fixed Rate Bond Premium	4,719	4,936
Capital leases	2,518	2,041
Notes payable	38,728	39,552
Line of credit	4,889	2,821
Total debt	659,937	637,060
Less current portion	18,260	14,842
Total long-term debt	$641,677	$622,218

As of September 30, 2013, the maturity schedule of long-term debt is as follows

Years Ending September 30	Long-Term Debt	Capital Lease	Total
2014	$ 17,485	$ 888	$ 18,373
2015	11,436	450	11,886
2016	11,860	287	12,147
2017	12,310	184	12,494
2018	10,418	189	10,607
Thereafter	593,910	869	594,779
	$657,419	2,867	660,286
Less amount representing interest		(349)	(349)
		$2,518	$659,937

Obligations to Idaho Health Facility Authority

Series 2000 — Represents Fixed Rate Revenue Bonds, payable in annual payments ranging from $2,800 to $29,700, beginning July 2011 through July 2030. The Series 2000 bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360 day year comprised on 12 30-day months and are payable on July 1 and January 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2013 was 4.80%.

The Series 2000 bonds maturing on or after July 1, 2021, are subject to redemption prior to maturity at the option of the Health System.

The Series 2000 Bonds are secured with a mortgage on the Health System's hospital located in Boise, Idaho.

Series 2005 — Represents Fixed Rate Revenue Bonds, payable in annual payments ranging from $2,690 to $51,710, beginning July 2011 through July 2035. The Series 2005 bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360 day year comprised on 12 30-day months and are payable on July 1 and January 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2013 was 4.62%.

The Series 2005 bonds maturing on or after July 1, 2021, are subject to redemption prior to maturity at the option of the Health System. In addition, Series 2005 bonds maturing on or after July 1, 2025, are subject to redemption prior to maturity at the option of the Health System on or after July 1, 2015.

The Series 2005 Bonds are secured with a mortgage on the Health System's hospital located in Boise, Idaho.

Series 2008A — Represents Fixed Rate Revenue Bonds, payable in annual payments ranging from $1,130 to $21,655 beginning November 2009 through 2037. The Series 2008A bonds bear interest at a fixed rate ranging from 4.00% to 6.75% per annum calculated on the basis of a 360 day year comprised of 12 30-day months and are payable on May 1 and November 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2013 was 6.84%.

The Series 2008A bonds maturing on or after November 1, 2019, are subject to redemption prior to maturity at the option of the Health System, on or after November 1, 2018.

Series 2012A — Represents Fixed Rate Revenue Bonds payable in annual payments ranging from $23,780 to $26,220, beginning March 2045 through March 2047. The Series 2012A Bonds bear interest at a fixed rate ranging from 4.50% to 5.00% per annum calculated based on a 360 day calendar year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2013 was 4.84%.

The Series 2012A bonds are subject to redemption prior to maturity at the option of the Health System, on or after March 1, 2022.

Series 2012B — Represents Variable Rate Direct Purchases with Union Bank, N.A. in a privately placed transaction. The principal of the Series 2012B Bonds is payable in annual installments ranging from $2,160 to $5,160 between March 2013 and March 2032. The interest on the Series 2012B Bonds is currently payable monthly, as the Series 2012B Bonds are currently held in the Index Rate Mode (and the Health System has currently elected to use the one-month LIBOR Index Interest Period in connection with such Index Rate Mode). At the conclusion of the initial Index Rate Mode (i.e. July 30,

2019), and at the option of the Health System, the Series 2012B Bonds may be converted to the Daily Mode, the Weekly Mode, the Adjustable Long Mode, the Commercial Paper Mode, another Index Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The interest payment dates, interest calculation methods, and terms, if any, upon which each Series 2012B Bond may or must be tendered for purchase in each Mode, are more fully set forth in the bond documents The average interest rate (which includes amortization of costs of issuance) during 2013 was 1.20%.

The Series 2012B Bonds are subject to redemption prior to maturity at the option of the Health System in accordance with the terms set forth in the bond documents. During the initial Index Rate Mode, the Series 2012B Bonds are subject to optional redemption by the Health System on any business day upon payment of all fees required by the Index Rate Agreement.

Series 2012C - - Represents Variable Rate Direct Purchases with Wells Fargo, N.A in a privately placed transaction The Series 2012C Bonds principal is payable in annual payments ranging from $11,820 to $13,195, beginning November 2038 through November 2043 The Series 2012C Bonds interest is payable monthly, as the Series 2012C Bonds are currently held in the Index Rate Mode (with interest being calculated using the SIFMA Index Rate). At the conclusion of the initial Index Rate Mode (i e October 24, 2015), and at the option of the Health System, the Series 2012C Bonds may be converted to the Daily Mode, the Weekly Mode, the Adjustable Long Mode, the Commercial Paper Mode, another Index Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The interest payments, interest calculations methods, and terms, if any, upon which each Series 2012C Bond may or must be tendered for purchase in each Mode are more fully set forth in the bond documents. The average interest rate (which includes amortization of costs of issuance) during 2013 was .74%.

The Series 2012C Bonds are subject to redemption prior to maturity at the option of the Health System in accordance with the terms set forth in the bond documents. During the initial Index Rate Mode, the Series 2012C Bonds are subject to optional redemption on any business day upon payment of the principle amount thereof, accrued interest thereon, and all fees required by the Index Rate Agreement.

Series 2012D — Represents Variable Rate Direct Purchases with Wells Fargo Municipal Capital Strategies, LLC in a privately placed transaction The Series 2012D Bonds principal is payable in annual payments ranging from $11,810 to $13,220, beginning November 2038 through November 2043. The Series 2012D Bonds interest is payable monthly, as the Series 2012D Bonds are currently held in the Index Rate Mode (with interest being calculated using the LIBOR Index Rate) At the conclusion of the initial Index Rate Mode (i.e. October 24, 2017), and at the option of the Health System, the Series 2012D Bonds may be converted to the Daily Mode, the Weekly Mode, the Adjustable Long Mode, the Commercial Paper Mode, another Index Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The interest payments, interest calculations methods, and terms, if any, upon which each Series 2012D Bond may or must be tendered for purchase in each Mode are more fully set forth in the bond documents. The average interest rate (which includes amortization of costs of issuance) during 2013 was .92%.

The Series 2012D Bonds are subject to redemption prior to maturity at the option of the Health System in accordance with the terms set forth in the bond documents. During the initial Index Rate Mode, the Series 2012D Bonds are subject to optional redemption on any business day upon payment of the principle amount thereof, accrued interest thereon, and all fees required by the Index Rate Agreement

The Series 2000, Series 2005, Series 2008A, Series 2012A, Series 2012B and Series 2012CD bonds provide, among other things, restrictions on annual debt additions that the Health System may incur The agreements also require that sufficient fees and rates be charged so as to provide net income available for debt service, as defined, in an amount not less than 125% of the annual principal and interest due on the Bonds. For the years ended September 30, 2013 and 2012, net income available for debt service, as defined, exceeded the minimum coverage required.

Notes Payable — These notes are secured by medical office buildings and guaranteed by a third party. Principal and interest are payable on a monthly basis. Per the agreements, the notes mature in 2023. Interest is fixed at 4.25%.

In July 2011, the Health System entered into an unsecured note payable agreement with an unrelated third party for the purchase of land. The amount of the note is for $350 payable over three years. Interest is fixed at 5.0%.

In December 2010, the Health System entered into an unsecured note payable for the acquisition of the remaining membership interest in a joint venture. The amount of the principal balance of the note was $3,563 with annual principal and interest payments payable over three years. The interest rate is fixed at 3.25% based on a published prime rate reported in the Wall Street Journal as of November 1, 2010

Line of Credit - In September 2011, the Health System entered into an unsecured credit agreement with Key Bank, N.A. The agreement allows for borrowings up to $60,000 and has a maturity date of September 15, 2016 In the event that principal amounts are outstanding, interest is incurred at a rate that is variable at the Prime Rate. The line of credit, among other things, contains an annual commitment fee of $30 as well as a non-usage fee on the actual daily un-borrowed portion of the principal amount available at the rate of one-fifth of 1% per annum. As of September 30, 2013, there was no outstanding balance on the line of credit.

In January 2010, the Health System entered into an unsecured credit agreement with Wells Fargo Bank, N A The agreement allows for borrowings up to $7,000 and has a maturity date of August 1, 2014. The line of credit is to be utilized for working capital payments related to a cash payment program the Health System operates in connection with payments to vendors. Principal amounts are advanced as vendor payments are made, and are required to be repaid on a monthly basis. As principal is paid in full on a monthly basis, no interest costs have been incurred. In the event that principal is outstanding in excess of 30 days, interest is variable at daily three month LIBOR plus 1.75% The outstanding balance as of September 30, 2013 and 2012 was $4,889 and $2,821, respectively

Interest Costs - - During the years ended September 30, 2013 and 2012 the Health System incurred total interest costs of $25,923 and $23,034, respectively. During 2013 and 2012, $969 and $2,233, respectively, has been capitalized and is reflected as a component of property, plant, and equipment. During the years ended September 30, 2013 and 2012, the Health System made cash payments for interest of $26,077 and $22,047, respectively, and cash payments for bond fees of $700 and $1,071, respectively.

10. NONCONTROLLING INTEREST

The following table shows the allocation of controlling and noncontrolling interest within net assets as of September 30:

	Total Net Assets	Controlling Interest	Noncontrolling Interest
Net assets September 30, 2011	$712,014	$706,020	$ 5,994
Unrestricted net assets			
Revenue in excess of expenses	72,698	72,277	421
Change in noncontrolling interests	(1,666)		(1,666)
Change in net unrealized gains on investments	(127)	(127)	
Net assets released from restrictions — capital acquisitions	2,997	2,997	
Change in funded status of pension plan	(12,845)	(12,845)	
Increase in unrestricted net assets	61,057	62,302	(1,245)
Temporarily restricted net assets	6,664	6,664	
Permanently restricted net assets	3,275	3,275	
Increase in net assets	70,996	72,241	(1,245)
Net assets — September 30, 2012	783,010	778,261	4,749
Unrestricted net assets			
Revenue in excess of expenses	19,394	19,562	(168)
Change in noncontrolling interests	(1,234)		(1,234)
Change in net unrealized gains on investments	(2,029)	(2,029)	
Net assets released from restrictions — capital acquisitions	3,624	3,624	
Change in funded status of pension plan	49,540	49,540	
Increase in unrestricted net assets	69,295	70,697	(1,402)
Temporarily restricted net assets	4,215	4,215	
Permanently restricted net assets	1,485	1,485	
Increase in net assets	74,995	76,397	(1,402)
Net assets — September 30, 2013	$858,005	$854,658	$ 3,347

11. EMPLOYEE RETIREMENT PLANS

Defined Benefit Plans — The St. Luke's Regional Medical, Ltd. Basic Pension Plan (the "SLRMC Plan") covers substantially all eligible employees employed by the Health System (with the exception of St. Luke's Magic Valley, Ltd. employees) on or before December 31, 1994. The SLRMC Plan was amended and restated effective January 1, 1995, to exclude employees hired on or after that date from participation in the SLRMC Plan; however, the SLRMC Plan remains in effect for those participants who qualify and were hired prior to January 1, 1995. Employees eligible for the SLRMC Plan with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 62 with 25 years of service, equal to a percentage of their highest five-year average annual compensation, not to exceed a certain maximum The Health System makes annual contributions to the SLRMC Plan as necessary

The St. Luke's Magic Valley Regional Medical Center, Ltd. Plan (the "SLMVRMC Plan") covers substantially all eligible St. Luke's Magic Valley Regional Medical Center, Ltd. (SLMVRMC) employees employed by SLMVRMC on or before April 1, 2005. The SLMVRMC Plan was amended and restated effective April 1, 2005, to exclude employees hired on or after that date from participation in the SLMVRMC Plan; however, the SLMVRMC Plan remains in effect for those participants whose sum of their age plus years of credited service exceed 65 or who exceeded 10 years of service as of April 1, 2005. Participants are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 60 with 30 years of service, equal to a calculation based on either average annual compensation or credited service. The Health System makes annual contributions to the SLMVRMC Plan as necessary.

The following table sets forth the SLRMC Plan and the SLMVRMC Plan (collectively the "Plans") funded status, amounts recognized in the Health System's consolidated financial statements and other related financial information:

	SLRMC	SLMVRMC	Total 2013	Total 2012
Projected benefit obligation for service rendered to date	$142,760	$43,215	$185,975	$216,644
Plan assets - - at fair value	112,100	35,217	147,317	132,044
Funded status	$ (30,660)	$ (7,998)	$ (38,658)	$ (84,600)
Employer contributions	$ 8,000	$ 2,250	$ 10,250	$ 13,298
Accrued pension liability (all noncurrent)	30,660	7,998	38,658	84,600
Change in funded status	35,354	10,588	45,942	(9,734)
Amortization of prior service cost	13		13	13
Amortization of net loss	7,112	591	7,703	6,606
Net periodic benefit cost	12,545	690	13,235	12,392
Benefits paid	10,152	2,571	12,723	9,488
Accumulated benefit obligation	129,192	43,215	172,407	197,272

Amounts recognized in unrestricted net assets related to the Plans at September 30, consist of:

	SLRMC	SLMVRMC	2013	2012
Prior service cost	$ (29)	$ -	$ (29)	$ (42)
Net actuarial loss	(30,956)	(11,753)	(42,709)	(91,595)

The measurement date used to determine pension benefits is September 30. Contributions to the Plans for the year ending September 30, 2014, are expected to be approximately $3,650.

Investments in the pension trusts are overseen by an Investment Management Subcommittee, which is made up of officers and directors of the Health System and outside experts. The overall investment strategy and policy has been developed based on the need to satisfy the long-term liabilities of the Plans Risk management is accomplished through diversification across asset classes, multiple investment manager portfolios, and both general and portfolio-specific investment guidelines The asset allocation guidelines for the Plans are as follows.

	Target SLRMC	Target SLMVRMC
Investments:		
Large-cap funds	20 %	20 %
Mid-cap funds	10	10
Small-cap funds	10	10
Non-U.S. funds	20	20
Fixed income	29	38
Other	11	2

Managers are expected to generate a total return consistent with their philosophy and outperform both their respective peer group medians and an appropriate benchmark, net of expenses, over a one-, three-, and five-year period. The investment guidelines contain categorical restrictions such as no commodities, short-sales and margin purchases; and asset class restrictions that address such things as single security or sector concentration, capitalization limits and minimum quality standards.

Expected long-term returns on the Plans' assets are estimated by asset classes, and are generally based on historical returns, volatilities and risk premiums. Based upon the Plans' asset allocation, composite return percentiles are developed upon which the Plans' expected long-term return is determined. As of September 30, 2013, the amounts and percentages of the fair value of Plans' assets are as follows:

	SLRMC		SLMVRMC	
Domestic equity	$ 46,510	42 %	$ 16,145	46 %
International equity	22,410	20	6,140	17
Fixed income	31,544	28	12,615	36
Other	11,636	10	317	1
Total	$ 112,100	100 %	$ 35,217	100 %

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the Plans:

	SLRMC	SLMVRMC	Total
2014	$ 11,574	$ 2,270	$ 13,844
2015	11,507	2,349	13,856
2016	11,168	2,399	13,567
2017	11,345	2,587	13,932
2018	11,685	2,717	14,402
2019 2023	56,860	11,952	68,812
	$ 114,139	$ 24,274	$ 138,413

Assumptions used in determining the actuarial present value of net periodic benefit cost of the Plans were as follows:

	2013	2012
Weighted average discount rate	3.75 %	4.75 %
Rate of increase in future compensation levels	2.5–4 00	2.50–4 00
Expected long-term rate of return on assets	6.50	7.00

Assumptions used in determining the actuarial present value of projected benefit obligation of the Plans were as follows:

	2013	2012
Weighted average discount rate	4.90 %	3 75 %
Rate of increase in future compensation levels	4.00	2.5–4.00

The principal cause of the change in the unfunded pension liability is the change in the discount rate at September 30, 2013 and 2012.

Supplemental Retirement Plan for Executives — The Supplemental Retirement Plan for Executives (SERP) is an unfunded retirement plan for certain executives of the Health System. The following table sets forth the funded status, amounts recognized in the Health System's consolidated financial statements, and other SERP financial information:

	2013	2012
Projected benefit obligation for service rendered to date	$ 16,375	$ 15,444
Plan assets — at fair value		
Funded status	$ (16,375)	$ (15,444)
Employer Contributions	$ 588	$ -
Accrued pension liability (noncurrent)	15,552	14,672
Accrued pension liability (current)	823	772
Change in funded status	(931)	(3,220)
Amortization of prior service cost	8	8
Amortization of net loss	732	439
Net periodic benefit cost	2,075	2,075
Accumulated benefit obligation	14,784	14,153

The measurement dates used to determine pension benefits is September 30 Expected contributions to the Plan for the year ending September 30, 2014, are expected to be approximately $823.

Amounts recognized in unrestricted net assets related to the SERP at September 30, consist of:

	2013	2012
Prior service cost	$ (2)	$ (9)
Net actuarial loss	(6,974)	(7,523)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the SERP:

	Benefit Payments
2014	$ 824
2015	842
2016	845
2017	841
2018	835
2019–2023	5,101
	$ 9,288

As of September 30, 2013 and 2012, the accrued pension liability is included in benefit plan liabilities.

Assumptions used in determining the actuarial present value of net periodic benefit cost were as follows:

	2013	2012
Weighted average discount rate	3.60 %	4 75 %
Rate of increase in future compensation levels	4.00	4 00

Assumptions used in determining the actuarial present value of projected benefit obligation were as follows:

	2013	2012
Weighted average discount rate	4.90 %	3 60 %
Rate of increase in future compensation levels	4.00	4 00

Defined Contribution Plan — The Health System sponsors two defined contribution plans (the "contribution plans") that cover substantially all of its employees. The Health System's contributions to these contribution plans are at the discretion of the Health System's Board of Directors Amounts contributed are allocated to participants based on individual compensation amounts, years of service, and the participant's level of participation in tax deferred annuity programs. During 2013 and 2012, contributions to these plans were $30,768 and $17,542, respectively.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, *Financial Instruments*. The Health System accounts for certain assets and liabilities at fair value or on a basis that is approximate to fair value. The estimated fair value amounts have been determined by the Health System using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Health System could realize in a current market exchange.

Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Health System has the ability to access. The level 2 inputs of the Health System include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified or contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability. The determination to measure the asset or liability as a level 3 depends on the significance of the input to the fair value measurement

The asset or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no transfers of assets between any levels during the fiscal year

Following is a description of the valuation methodologies used for the Health System's assets or liabilities measured at fair value.

Cash, Receivables, Accounts Payable, Accrued Liabilities, and Estimated Payable to Medicare and Medicaid Programs — The carrying amounts reported in the balance sheet for cash, receivables, accounts payable, accrued liabilities, and estimated payable to Medicare and Medicaid programs are a reasonable estimate of their fair value.

Assets Whose Use is Limited — These assets consist primarily of cash and cash equivalents, mutual funds, debt and equity securities, and pledges receivable For cash and cash equivalents, pledges receivable and interest receivable, the carrying amount reported in the balance sheet approximates fair value

For mutual funds the fair value is based on the value of the daily closing price as reported by the fund. Mutual funds held by the System are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the System are deemed to be actively traded.

For equities (common stock), the fair value is based on the value of the closing price reported on the active market on which the individual securities are traded.

For government obligations, the fair value is measured using pricing models maximizing the use of observable inputs for similar securities.

The following tables set forth by level within the fair value hierarchy a summary of the Health System's investments measured at fair value on a recurring basis as of September 30:

	Fair Value Measurements as of September 30, 2013, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Cash and cash equivalents	$ 39,203	$ -	$ -	$ 39,203
Certificates of deposit and commercial paper	6,374			6,374
Mutual funds	34,913			34,913
Government and agency securities	103,590	111,735		215,325
Corporate bonds, notes, mortgages and asset-backed securities		65,901		65,901
Foreign government bonds		25,456		25,456
Total	$184,080	$203,092	$ -	$387,172

	Fair Value Measurements as of September 30, 2012, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Cash and cash equivalents	$ 90,807	$ -	$ -	$ 90,807
Mutual funds	28,464			28,464
Government and agency securities	130,286	110,711		240,997
Corporate bonds and notes		52,938		52,938
Foreign government bonds		11,797		11,797
Total	$249,557	$175,446	$ -	$425,003

Fair Value of Pension Plan Assets — In addition to the types of assets listed above as held by the System, the pension plans also hold assets within limited partnerships, limited liability companies, and common collective trusts.

Limited partnerships and limited liability companies are valued at fair value based on the audited financial statements of the partnerships and the percentage ownership in the partnership This method is an accepted practical expedient that is considered equivalent to NAV. The assets held were further considered for level of inputs used. When quoted prices are not available for identical or similar assets, real estate assets are valued under a discounted cash flow or lender survey approach that maximizes observable inputs, but includes adjustments for certain risks that may not be observable, such as such as cap & discount rates, maturities and loan to value ratios.

Common collective trusts are valued at the NAV of units of a bank collective trust The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, based on the hierarchy requirements for fair value guidance outlined previously, a summary of the assets of the Health System's Plans measured at fair value on a recurring basis as of September 30

	Fair Value Measurements as of September 30, 2013, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Pension assets				
Cash and cash equivalents	$ 1,758	$ -	$ -	$ 1,758
Domestic mutual funds	98,176			98,176
International mutual funds	5,745			5,745
Government & agency securities		15,983		15,983
Common collective trusts	5,733	9,727		15,460
Limited partnerships & liability companies		4,506	5,689	10,195
Total	$111,412	$30,216	$5,689	$147,317

	Fair Value Measurements as of September 30, 2012, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Pension assets:				
Cash and cash equivalents	$ 2,297	$ -	$ -	$ 2,297
Domestic mutual funds	94,862			94,862
International mutual funds	15,505			15,505
Collective investment funds		19,380		19,380
Total	$112,664	$19,380	$ -	$132,044

Long-Term Debt — The interest rate on the Health System's Variable Rate Demand Revenue Bonds is reset daily to reflect current market rates. Consequently, the carrying value approximates fair value The carrying amount reported in the balance sheet for capital leased assets approximates its fair value.

The estimated fair value of the Fixed Rate Revenue Bonds as of September 30, 2013 and 2012 was $404,704 and $442,974, respectively. The fair value of debt was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity.

The estimated fair value of the notes payable as of September 30, 2013 and 2012, was $40,349 and $43,045, respectively. The fair value was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity.

The fair value estimates presented herein are based on pertinent information available to management as of September 30, 2013. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

13. COMMITMENTS AND CONTINGENCIES

The Health System leases office space under operating leases, some of which contain renewal options. Rental expense on these during 2013 and 2012 were $15,579 and $11,320, respectively. The Health System also leases out space in medical office buildings under non-cancelable operating leases Rental income on these leases during 2013 and 2012 were $2,501 and $2,594, respectively.

As of September 30, 2013, future minimum rental income and payments on these operating leases are as follows:

Years Ending September 30	Minimum Rental Revenue	Minimum Rental Payments
2014	$ 1,346	$ 16,777
2015	1,053	15,300
2016	319	13,721
2017	194	12,868
2018	158	9,187
Thereafter	164	20,102
	$ 3,234	$ 87,955

As of September 30, 2013 and 2012, the Health System had commitments on construction contracts and equipment purchases totaling $8,605 and $5,495, respectively

The Health System maintains professional liability coverage through a "claims made" insurance policy. The policy provides coverage for claims filed within the period of the policy term The current policy period ends December 31, 2013, and includes provisions for purchase of tail coverage in the event a new carrier is selected. The Health System also maintains reserves based on actuarial estimates provided by an independent third party for the portion of its professional liability risks, including incurred but not reported claims, for which it does not have insurance coverage. Reserves for losses and related expenses are estimated using expected loss reporting patterns and are discounted to their present value using a discount rate of 3.0%. There can be no assurance that the ultimate liability will not exceed such estimates. Adjustments to the reserves are included in results of operations in the periods when such amounts are determined.

The Health System is routinely involved in litigation matters and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material effect on the Health System's future financial position, results of operations, or cash flows.

On November 12, 2012, a complaint was filed against the Health System in Idaho federal district court asserting that a planned business transaction between the Health System and an independent medical practice violated state and federal antitrust law. The suit sought money damages, attorney fees, and a preliminary and permanent injunction against the transaction The court denied the request for a preliminary injunction, allowing the transaction to close in December of 2012, but set a trial on plaintiffs' request for an order unwinding the transaction. On March 26, 2013, the Federal Trade Commission and the State of Idaho filed a separate complaint for a permanent injunction requiring the Health System to unwind the transaction and for attorney fees incurred by the Office of the Idaho Attorney General. The public plaintiffs asserted that the transaction violated state and federal antitrust law The court consolidated the actions of the private and public plaintiffs.

By order dated September 24, 2013, the court dismissed the private plaintiffs' claim for money damages. The consolidated actions were tried without a jury in September and October of 2013

On January 24, 2014, the Idaho federal district court issued a Memorandum Decision and Order (the "Order") finding for the plaintiffs and ordered the Health System to unwind the business transaction. The order denied all other request of the plaintiffs. The Health System is evaluating the result of the Order including the rights to appeal or other legal alternatives. As a result the Health System is unable to reasonably estimate the possible loss or range of losses, if any, arising from the litigation.

14. FUNCTIONAL EXPENSES

The Health System provides medical and healthcare services to residents within its geographic location. Expenses related to providing these services for the years ended September 30 are allocated as follows:

	2013	2012
Professional, nursing, and other patient care services	$1,209,867	$1,121,539
Fiscal and administrative support services	267,954	248,644
	$1,477,821	$1,370,183

15. GOODWILL AND OTHER INTANGIBLES

The Health System considered various events and circumstances when it evaluated whether its reporting unit fair values were less than their carrying value. Based on the Health System's assessment of relevant events and circumstances, the Health System has concluded that there was no impairment of goodwill for the fiscal years ended September 30, 2013 and 2012.

As of September 30, 2013 and 2012, the Health System had $37,693 and $31,864, respectively, of goodwill recorded on the consolidated balance sheet The change in goodwill of $5,829 and $1,632 for the years ended September 30, 2013 and 2012, respectively, is from acquisitions occurring during these fiscal years.

Other intangible assets of the Health System include covenants not to compete related to the acquisition of medical practices and are amortized over their useful lives, which typically range from five to seven years. Other intangible assets as of September 30 consist of:

	2013	2012
Covenants not to compete	$ 46,427	$ 39,199
Less accumulated amortization	(26,999)	(18,653)
Total other intangible assets	$ 19,428	$ 20,546

We recorded amortization expense of $8,345 and $7,278 for the years ending September 30, 2013 and 2012, respectively. Expected future amortization expense related to intangible assets as of September 30 is as follows:

Years Ending September 30	Amount
2014	$ 7,793
2015	6,665
2016	3,008
2017	1,612
2018	350
Thereafter	
	$ 19,428

* * * * * *