



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490





Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☐

☒

**1** Briefly describe the organization’s mission

THE ORGANIZATIONS ARE COMMITTED TO IMPROVING THE HEALTH AND WELL-BEING OF THE RESIDENTS OF NEW JERSEY BY PROVIDING QUALITY, PATIENT-CENTERED HEALTH CARE SERVICES DELIVERED IN HOSPITAL, COMMUNITY AND IN-HOME SETTINGS, AND TO ADVANCING MEDICINE THROUGH CLINICAL EDUCATION AND RESEARCH THE ORGANIZATIONS FOSTER A CULTURE OF EXCELLENCE WITHIN A COLLABORATIVE ENVIRONMENT THEY ACTIVELY SEEK INNOVATIVE SOLUTIONS, TECHNOLOGIES AND PARTNERSHIPS TO SUPPORT SUSTAINABLE FINANCIAL GROWTH AND TO ENSURE THE COMMUNITIES THE ORGANIZATIONS SERVE HAVE ACCESS TO A COMPREHENSIVE CONTINUUM OF INTEGRATED SERVICES THAT MEET THEIR PRESENT AND FUTURE HEALTH CARE NEEDS PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT

**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

<b>4a</b>	(Code ) (Expenses \$ 196,969,000 including grants of \$ 0 ) (Revenue \$ 210,306,000 )
EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY CARDIAC SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY DURING 2013 THE ORGANIZATION SERVICED 33,872 CARDIAC CASES FOR A TOTAL OF 52,911 PATIENT DAYS PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT	

<b>4b</b>	(Code ) (Expenses \$ 120,087,000 including grants of \$ 0 ) (Revenue \$ 121,258,000 )
EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY ONCOLOGY SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY DURING 2013 THE ORGANIZATION SERVICED 55,691 ONCOLOGY CASES FOR A TOTAL OF 22,697 PATIENT DAYS PLEASE REFER TO SCHEDULE O FOR ORGANIZATION'S COMMUNITY BENEFIT STATEMENT	


















<b>4c</b>	(Code ) (Expenses \$ 109,733,000 including grants of \$ 0 ) (Revenue \$ 106,948,000 )
EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY ORTHOPEDIC/REHABILITATION SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY DURING 2013 THE ORGANIZATION SERVICED 25,098 ORTHOPEDIC/REHABILITATION CASES FOR A TOTAL OF 35,251 PATIENT DAYS PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT	

<b>4d</b>	Other program services (Describe in Schedule O )
(Expenses \$ 783,988,857 including grants of \$ 0 ) (Revenue \$ 1,101,816,258 )	

<b>4e</b>	Total program service expenses	1,210,777,857
-----------	--------------------------------	---------------

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 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	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 Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? 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 other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV 	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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 or note to any line in this Part V

☒

		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	476		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	31		
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	12,923		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes		
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b	Yes		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No	
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No	
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		No	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	Yes		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No	
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> 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	<b>Sponsoring organizations maintaining donor advised funds.</b>				
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	<b>Section 501(c)(7) organizations.</b> 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	<b>Section 501(c)(12) organizations.</b> 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	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> 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	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>				
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> 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 or note to any line 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 . . . . .	23	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	13	
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
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body? . . . . .	8a	Yes
8b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filedNJ
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 JOSEPH LEMAIRE 1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 (732) 751-7500

Check if Schedule O contains a response or note to any line in this Part VII ☒

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount 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

[illegible]



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	▼			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	▼			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	▼	17,498,366	2,618,296	3,308,111

1,006

<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .
<b>4</b>	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .
<b>5</b>	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .

## Section B. Independent Contractors

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
UMDNJ, PO BOX 2685 LIBERTY PLAZA NEW BRUNSWICK NJ 089032685	MEDICAL	3,713,744
EMERACUTE CARE MEDICAL CO-NE INC, 440 STEVENS AVE SUITE 150 SOLANA BEACH CA 92075	MEDICAL	9,008,620
QUALCARE INC, 30 Knightsbridge Rd PISCATAWAY NJ 08854	CLAIMS ADMIN	4,260,148
TORCON, 328 Newman Springs ROAD RED BANK NJ 07701	CONSTRUCTION	20,097,986
Siemens Medical Solutions USA Inc, PO Box 7777 W3580 PHILADELPHIA PA 19175	Systems Support	4,357,006

\$100,000 of compensation from the organization ►188

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . . . 1a				
	b	Membership dues . . . . . 1b				
	c	Fundraising events . . . . . 1c	1,449,354			
	d	Related organizations . . . . . 1d	2,499,706			
	e	Government grants (contributions) 1e	6,507,593			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	14,533,697			
	g	Noncash contributions included in lines 1a-1f \$	803,754			
	h	Total. Add lines 1a-1f . . . . .	24,990,350			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	541900	1,390,332,492	1,390,272,394	60,098
	b	OTHER HEALTHCARE RELATED REVENUE	541900	33,523,666	33,523,666	
	c	MH REALTY PROGRAM SERVICE REVENUE	541900	16,659,827	16,659,827	
	d	PHARMACY REVENUE	900099	18,525,950	18,525,950	
	e	LABORATORY REVENUE	621500	5,469,434	4,520,673	948,761
	f	All other program service revenue		76,822,592	76,807,592	15,000
	g	Total. Add lines 2a-2f . . . . .	1,541,333,961			
	g	Total. Add lines 2a-2f . . . . .	1,541,333,961			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .	29,484,404	2,556		29,481,848
	4	Income from investment of tax-exempt bond proceeds . . . . .	0			
	5	Royalties . . . . .	0			
	6a	Gross rents	(i) Real 4,183,558	(ii) Personal		
	b	Less rental expenses	1,306,137			
	c	Rental income or (loss)	2,877,421	0		
	d	Net rental income or (loss) . . . . .	2,877,421	15,600	62,389	2,799,432
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) . . . . .	0			
	8a	Gross income from fundraising events (not including \$ 1,449,354 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a 1,013,827			
	b	Less direct expenses . . . . . b	1,013,827			
	c	Net income or (loss) from fundraising events . . . . .	0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a			
	b	Less direct expenses . . . . . b				
	c	Net income or (loss) from gaming activities . . . . .	0			
	10a	Gross sales of inventory, less returns and allowances . . . . .	a			
	b	Less cost of goods sold . . . . . b				
	c	Net income or (loss) from sales of inventory . . . . .	0			
		Miscellaneous Revenue	Business Code			
	11a	DAY CARE	624410	1,782,732	640,786	1,141,946
	b	CAFETERIA	722514	2,177,400		2,177,400
	c	MANAGEMENT FEE INCOME	900099	2,314,514		2,314,514
	d	All other revenue . . . . .		2,900,141	383,733	2,516,408
	e	Total. Add lines 11a-11d . . . . .	9,174,787			
	12	Total revenue. See Instructions . . . . .	1,607,860,923	1,540,328,258	2,095,767	40,446,548

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 or note to any line 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.	357,120	357,120		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	273,500	273,500		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	17,732,734	15,959,461	1,773,273	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	592,996,124	493,978,449	96,567,097	2,450,578
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	34,082,468	27,638,484	6,443,984	
9	Other employee benefits.	75,717,254	58,881,889	16,531,942	303,423
10	Payroll taxes.	43,321,556	32,145,096	10,972,701	203,759
11	Fees for services (non-employees):				
a	Management.	3,112,000		3,112,000	
b	Legal.	2,482,082	2,613	2,479,469	
c	Accounting.	598,275		598,275	
d	Lobbying.	603,981		603,981	
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	86,724,689	83,105,994	3,618,695	
12	Advertising and promotion.	8,859,502	251,111	8,608,391	
13	Office expenses.	157,129,997	154,208,702	2,881,081	40,214
14	Information technology.	5,298,318	1,033,897	4,264,421	
15	Royalties.	2,773,062	834,799	1,938,263	
16	Occupancy.	42,496,139	12,027,506	30,239,372	229,261
17	Travel.	2,035,189	1,270,292	728,082	36,815
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	1,269,704	689,174	567,684	12,846
20	Interest.	32,649,920	26,327,058	6,322,862	
21	Payments to affiliates.	14,746,651	5,043,423	9,279,861	423,367
22	Depreciation, depletion, and amortization.	64,271,702	50,546,757	13,645,648	79,297
23	Insurance.	31,696,226	25,650,390	5,997,125	48,711
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES	142,989,922	120,065,995	22,923,927	
b	BAD DEBT/HOSPITAL ASSESSMENTS	11,076,804	8,037,275	3,228,898	-189,369
c	CONSULTING & PROF. FEES	42,878,219	42,878,219		
d	PURCHASED SERVICES	29,593,395	19,003,883	10,005,948	583,564
e	All other expenses	50,599,421	30,566,770	20,062,316	-29,665
25	Total functional expenses. Add lines 1 through 24e.	1,498,365,954	1,210,777,857	283,395,296	4,192,801
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☒

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			12,539,675	1	9,965,649
	2	Savings and temporary cash investments . . . . .			214,376,753	2	239,683,018
	3	Pledges and grants receivable, net . . . . .			16,498,055	3	16,357,214
	4	Accounts receivable, net . . . . .			143,406,541	4	133,776,909
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .			0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .			0	6	0
	7	Notes and loans receivable, net . . . . .			5,741,840	7	2,308,819
	8	Inventories for sale or use . . . . .			23,079,602	8	25,796,374
	9	Prepaid expenses and deferred charges . . . . .			13,238,746	9	8,854,078
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,715,251,707			
	b	Less accumulated depreciation . . . . .	10b	880,099,084	782,983,290	10c	835,152,623
	11	Investments—publicly traded securities . . . . .			641,944,423	11	684,958,759
	12	Investments—other securities See Part IV, line 11 . . . . .			45,738,686	12	50,582,619
	13	Investments—program-related See Part IV, line 11 . . . . .			98,100,570	13	107,420,196
	14	Intangible assets . . . . .			6,391,100	14	6,360,290
	15	Other assets See Part IV, line 11 . . . . .			48,019,791	15	65,116,304
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			2,052,059,072	16	2,186,332,852
Liabilities	17	Accounts payable and accrued expenses . . . . .			137,815,595	17	139,837,821
	18	Grants payable . . . . .			0	18	0
	19	Deferred revenue . . . . .			1,448,734	19	1,314,557
	20	Tax-exempt bond liabilities . . . . .			627,570,614	20	603,621,835
	21	Escrow or custodial account liability Complete Part IV of Schedule D . . . . .			0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			6,118,992	23	2,442,722
	24	Unsecured notes and loans payable to unrelated third parties . . . . .			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .			404,003,866	25	345,542,854
	26	Total liabilities. Add lines 17 through 25 . . . . .			1,176,957,801	26	1,092,759,789
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			746,152,298	27	949,241,471
	28	Temporarily restricted net assets . . . . .			86,734,776	28	101,352,291
	29	Permanently restricted net assets . . . . .			42,214,197	29	42,979,301
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			875,101,271	33	1,093,573,063
	34	Total liabilities and net assets/fund balances . . . . .			2,052,059,072	34	2,186,332,852

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . .

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	1,607,860,923
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	1,498,365,954
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	109,494,969
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	875,101,271
5	Net unrealized gains (losses) on investments . . . . .	5	57,835,521
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	51,141,302
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,093,573,063

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . .

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



Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Marie G Tambaro TRUSTEE	3 0	X						0	0	0
Peter Raben CHAIRPERSON, TRUSTEE	6 0	X		X				0	0	0
Mans Lown TRUSTEE	6 0	X						0	0	0
Robert R Stohrer TRUSTEE	9 0	X						0	0	0
Janice Sweeney TRUSTEE	6 0	X						0	0	0
Bernard Natelson TRUSTEE	6 0	X						0	0	0
Georgina E Petillo TRUSTEE	6 0	X						0	0	0
Martin M Barger Esq CHAIRPERSON, TRUSTEE	3 0	X		X				0	0	0
Peter S Falvo Jr Esq VICE CHAIR, TRUSTEE	6 0	X		X				0	0	0
Ronald Schrader SECRETARY, TRUSTEE	3 0	X		X				0	0	0
Christopher Carton TREASURER, TRUSTEE	3 0	X		X				0	0	0
John K Lloyd FACHE PRES MHS, TRUSTEE	60 0	X		X				1,794,054	0	665,827
Maunce Meyer III TRUSTEE	3 0	X						0	0	0
Barry Weshnak TRUSTEE	6 0	X						0	0	0
John A Giunco Jr Esq TRUSTEE	3 0	X						0	0	0
Kenneth Fitzsimmons Esq TRUSTEE	3 0	X						0	0	0
Peter Cancro CHAIRPERSON, TRUSTEE	6 0	X		X				0	0	0
Thomas J Dolan CHAIR, VICE CHAIR, TRUSTEE	6 0	X		X				0	0	0
Serena DiMaso Esq CHAIR, TREAS, TRUSTEE	9 0	X		X				0	0	0
Kevin L Buckelew CHAIR, SECTRY, TRUSTEE	6 0	X		X				0	0	0
Joseph Stampe PRES, TRUSTEE (eff 12/9/13)	55 0	X		X				51,154	0	0
Nancy Seidenstein TRUSTEE	3 0	X						0	0	0
Carol Stillwell TRUSTEE	6 0	X						0	0	0
Eric M Kirsch CFA VICE CHAIR, TRUSTEE	6 0	X		X				0	0	0
Philip L Perricone TREASURER, TRUSTEE	3 0	X		X				0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
William W Wingard SECRETARY, TRUSTEE	3 0	X		X				0	0	0
Anita Roselle TRUSTEE	3 0	X						0	0	0
J Scott Ferguson TRUSTEE	3 0	X						0	0	0
Karen A Goldblatt TRUSTEE	3 0	X						0	0	0
Vincent J Puma TRUSTEE	3 0	X						0	0	0
William S Walsh TRUSTEE	3 0	X						0	0	0
T Burt Barham TRUSTEE	3 0	X						0	0	0
William C Black TRUSTEE	3 0	X						0	0	0
Walter R Earle II TRUSTEE	3 0	X						0	0	0
Kenneth D Nahum DO TRUSTEE	3 0	X						0	5,334	0
Robert L Sweeney DO TRUSTEE	3 0	X						0	20,500	0
Steven G Littleson TRUSTEE, PRES JSUMC	55 0	X						944,641	0	155,121
Joanne Falcone TRUSTEE	3 0	X						0	0	0
Thomas J Gravina CHAIRPERSON, TRUSTEE	6 0	X		X				0	0	0
Joseph Albertelli VICE CHAIR, TRUSTEE	6 0	X		X				0	0	0
Kristen S Bunnell TREASURER, TRUSTEE	3 0	X		X				0	0	0
Nancy Mulheren SECRETARY, TRUSTEE	3 0	X		X				0	0	0
Elizabeth MoodySchmalzFerguson TRUSTEE	3 0	X						0	0	0
William J Marraccini TRUSTEE	3 0	X						0	0	0
Margaret S Riker TRUSTEE	3 0	X						0	0	0
Howard M Ross MD TRUSTEE	3 0	X						0	0	0
Richard J Saker TRUSTEE	3 0	X						0	0	0
Steven M Scopellite TRUSTEE	3 0	X						0	0	0
Negin Noorchashm Griffith TRUSTEE	3 0	X						0	0	0
Lore Macdonald TRUSTEE	3 0	X						0	0	0



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

[illegible]

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Joseph T O'Donnell TREASURER, TRUSTEE	3 0	X		X				0	0	0
Deborah Mathis SECRETARY, TRUSTEE	3 0	X		X				0	0	0
Michael Bleiman MD TRUSTEE	3 0 50 0	X						0	386,049	20,606
Joan M Hart TRUSTEE	3 0	X						0	0	0
Marion A Hergert TRUSTEE	3 0	X						0	0	0
David M Nilsen TRUSTEE	3 0	X						0	0	0
Angela Ominski TRUSTEE	3 0	X						0	0	0
Michael Aaron DO TRUSTEE	3 0	X						0	0	0
Norman Barham TRUSTEE	3 0	X						0	0	0
John Imperato TRUSTEE	3 0	X						0	0	0
Peter S Goldman TRUSTEE	3 0	X						0	0	0
Robert J Simmons TRUSTEE	3 0	X						0	0	0
Joseph P Coyle TRUSTEE, PRES SOMC	55 0 3 0	X						495,830	0	204,551
Suzette Whiting TRUSTEE	3 0	X						0	0	0
Judy Brophy TRUSTEE	3 0	X						0	0	0
Vicki Malone TRUSTEE	3 0	X						0	0	0
Barbara Schmidt TRUSTEE	3 0	X						0	0	0
Martin F Pflieger Esq VICE CHAIR, TRUSTEE	6 0	X		X				0	0	0
Barbara Ganz SECRETARY, TRUSTEE	3 0	X		X				0	0	0
Nicholas R Colisto TRUSTEE	3 0	X						0	0	0
Louis R Czubachowski TRUSTEE	3 0	X						0	0	0
Adrean M Pristas MD TRUSTEE	3 0	X						0	2,500	0
Gregory A Buontempo TRUSTEE	3 0	X						0	0	0
Moon Choo TRUSTEE	3 0	X						0	0	0
Robert O'Donnell TRUSTEE	3 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Wendell Smith Esq TRUSTEE	3 0	X						0	0	0
William Allingham TRUSTEE	3 0	X						0	0	0
Mollie Giamanco TRUSTEE	3 0	X						0	0	0
Philip J Scaduto TRUSTEE	3 0	X						0	0	0
Evaristo Stanziale TRUSTEE	3 0	X						0	0	0
Ross Zimmerman TRUSTEE	3 0	X						0	0	0
Robert Palermo TREASURER, TRUSTEE	50 0 3 0	X		X				391,828	0	69,776
Alan Cabasso MD SECRETARY, TRUSTEE	3 0 50 0	X		X				0	259,170	76,965
Carl M Marchetti MD PRESIDENT, TRUSTEE	27 5 3 0	X		X				220,843	0	56,260
Elliot Frank MD TRUSTEE	3 0 55 0	X						0	470,515	77,053
David Kountz MD TRUSTEE, SR VP MED AFF	55 0 3 0	X						322,217	0	53,774
Mark G Martens MD TRUSTEE	3 0 50 0	X						0	488,646	37,180
Steven Kairys MD TRUSTEE	3 0 50 0	X						0	464,151	66,672
Jerome Vernick MD TRUSTEE	3 0 50 0	X						0	465,674	55,757
Salvatore Incardi VP/SECY, TRUSTEE	55 0			X				662,522	0	102,862
David L Flood PRESIDENT (TERMED 6/30/13)	55 0			X				372,677	0	29,552
Timothy Nolan EXEC VP (EFFECTIVE 9/2/13)	50 0				X			177,121	0	6,329
Ann Gavzy SR VP LEGAL AFFAIRS	55 0				X			562,363	0	136,843
Richard Scott Sr VP Clinical Effectiveness	55 0				X			549,142	0	122,913
Rebecca Weber Sr VP/CIO	55 0				X			581,783	0	76,212
Frank Goldstein VP Physician Services	50 0				X			495,978	0	59,789
Kim Carpenter VP Clinical Effectiveness	50 0				X			396,357	0	61,887
Richard Hader Sr VP Nursing(TERMED 3/25/13)	55 0				X			169,072	0	19,016
James Molloy VP Government Relations	50 0				X			372,025	0	63,498
David Boss VP Clinical Effectiveness	50 0				X			347,750	0	42,167

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Michelle Mendelson	50 0				X			309,574	0	59,767
VP Meridian Home Care					X					
Marilyn Koczan	50 0				X			338,399	0	66,611
VP Patient Financial Services					X					
Richard Hand	50 0				X			307,669	0	55,096
VP Finance					X					
Sr VP Human Resources	50 0				X			466,659	0	76,053
Joseph Reichman	50 0					X		433,858	0	25,618
VP Clinical Effectiveness						X				
Ramon Solhkah	50 0					X		368,164	0	29,604
Medical Chair						X				
Terry Manna	50 0					X		352,967	0	51,250
VP Managed Care						X				
Anthony Cava	50 0					X		343,949	0	51,360
VP/COO						X				
Margaret Quinn	50 0					X		341,203	0	62,661
Chief Med Information Officer						X				

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization MERIDIAN HEALTH SYSTEM INC - SUBORDINATES	Employer identification number 01-0649794
---	--

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<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )
- 10

☐

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

☐

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

a

☐

Type I 

b

☐

Type II 

c

☐

Type III - Functionally integrated 

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2013

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. 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—2013. 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—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions						▶

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. 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—2012. 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.** 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	
Return Reference	Explanation
SCHEDULE A, PART I	THE PUBLIC CHARITY STATUS REFLECTED ON SCHEDULE A, PART I IS FOR MERIDIAN HOSPITALS CORPORATION, THE LARGEST SUBORDINATE ORGANIZATION INCLUDED IN THE GROUP EXEMPTION RULING AND IN THIS CONSOLIDATED GROUP FORM 990 OUTLINED BELOW IS THE PUBLIC CHARITY STATUS FOR ALL OTHER ORGANIZATIONS INCLUDED IN THE GROUP EXEMPTION HEALTH INNOVATIONS UNLIMITED, INC , SCHEDULE A, PART I, LINE 9, INTERNAL REVENUE CODE SECTION 509(a)(2) ORGANIZATION, JERSEY SHORE UNIVERSITY MEDICAL CENTER FOUNDATION, INC , SCHEDULE A, PART I, LINE 7, INTERNAL REVENUE CODE SECTION 509(a)(1) ORGANIZATION, OCEAN MEDICAL CENTER FOUNDATION, INC , SCHEDULE A, PART I, LINE 7, INTERNAL REVENUE CODE SECTION 509(a)(1) ORGANIZATION, MERIDIAN HEALTH FOUNDATION, INC , SCHEDULE A, PART I, LINE 7, INTERNAL REVENUE CODE SECTION 509(a)(1) ORGANIZATION, MERIDIAN HEALTH REALTY CORPORATION, SCHEDULE A, PART I, LINE 11, INTERNAL REVENUE CODE SECTION 509(a)(3) ORGANIZATION, MERIDIAN HOME CARE SERVICES, INC , SCHEDULE A, PART I, LINE 9, INTERNAL REVENUE CODE SECTION 509(a)(2) ORGANIZATION, MERIDIAN NURSING AND REHABILITATION, INC , SCHEDULE A, PART I, LINE 9, INTERNAL REVENUE CODE SECTION 509(a)(2) ORGANIZATION, MERIDIAN PRACTICE INSTITUTE, INC , SCHEDULE A, PART I, LINE 9, INTERNAL REVENUE CODE SECTION 509(a)(2) ORGANIZATION, RIVERVIEW MEDICAL CENTER FOUNDATION, INC , SCHEDULE A, PART I, LINE 7, INTERNAL REVENUE CODE SECTION 509(a)(1) ORGANIZATION, SOUTHERN OCEAN MEDICAL CENTER FOUNDATION, INC , SCHEDULE A, PART I, LINE 7, INTERNAL REVENUE CODE SECTION 509(a)(1) ORGANIZATION BAYSHORE COMMUNITY HOSPITAL FOUNDATION, INC , SCHEDULE A, PART I, LINE 7, INTERNAL REVENUE CODE SECTION 509(a)(1) ORGANIZATION



SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

▶ **See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public  
Inspection

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

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

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

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

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

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

Name of the organization MERIDIAN HEALTH SYSTEM INC - SUBORDINATES	Employer identification number 01-0649794
---	--

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

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

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

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

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

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

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

Part II-A

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)	603,981	603,981												
c Total lobbying expenditures (add lines 1a and 1b)	603,981	603,981												
d Other exempt purpose expenditures	1,499,068,110	1,502,012,148												
e Total exempt purpose expenditures (add lines 1c and 1d)	1,499,672,091	1,502,616,129												
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000												
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000												
h Subtract line 1g from line 1a If zero or less, enter -0-														
i Subtract line 1f from line 1c If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	453,530	484,645	534,345	603,981	2,076,501
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures					

Part II-B

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

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

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation

## Part IV

[illegible]

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.** ▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2013

Open to Public Inspection

**Name of the organization**  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

**Employer identification number**  
01-0649794

**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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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	
d Additions during the year	
e Distributions during the year	
f Ending balance	
- 2a

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

☐ Yes

☐ No
- b

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

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	44,107,000	40,932,000	39,461,000	35,346,000	31,191,000
b Contributions	167,000	561,000	1,868,000	1,630,000	550,000
c Net investment earnings, gains, and losses	1,620,653	2,754,000	-252,000	2,613,000	3,763,000
d Grants or scholarships					
e Other expenditures for facilities and programs	140,000	140,000	145,000	128,000	158,000
f Administrative expenses					
g End of year balance	45,754,653	44,107,000	40,932,000	39,461,000	35,346,000

- 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 endowment47100%
- c

Temporarily restricted endowment52900%
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

No
- b

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

3b
- 4

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

**Part VI Land, Buildings, and Equipment.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		51,997,390		51,997,390
b Buildings		861,862,779	341,234,688	520,628,091
c Leasehold improvements		5,090,868	3,068,703	2,022,165
d Equipment		662,590,109	529,398,244	133,191,865
e Other		133,710,561	6,397,449	127,313,112
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				835,152,623



Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

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

Return Reference	Explanation
SCHEDULE D, PART V	
SCHEDULE D, PART X	THE ORGANIZATIONS ARE AFFILIATES WITHIN MERIDIAN HEALTH SYSTEM, INC ("SYSTEM"), A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM THE SYSTEM ISSUES CONSOLIDATED FINANCIAL STATEMENTS AUDITED BY PRICEWATERHOUSE COOPERS, L L P , AN INDEPENDENT CPA FIRM, WHICH INCLUDE ALL RELATED ENTITIES, INCLUDING THESE ORGANIZATIONS THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS ALSO CONTAIN CONSOLIDATING SCHEDULES ON AN ENTITY BY ENTITY BASIS THE FIN 48 (ASC 740) DISCLOSURE BELOW IS FROM THE SYSTEM'S INCOME TAX FOOTNOTE INCLUDED IN THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOOTNOTE OF ITS 2013 CONSOLIDATED AUDITED FINANCIAL STATEMENTS ALL OF THE NOT-FOR-PROFIT ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE CORPORATIONS AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE ("CODE") AND ARE EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE THESE ENTITIES ARE ALSO EXEMPT FROM STATE INCOME TAXES PER THE REQUIREMENT TO ASSESS FOR TAX UNCERTAINTY MANAGEMENT HAS DETERMINED THAT IT DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS REQUIRED TO BE ACCRUED OR REPORTED IN ADDITION, PRICEWATERHOUSE COOPERS, L L P AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF MERIDIAN HOSPITALS CORPORATION AND MERIDIAN NURSING AND REHABILITATION, INC FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY THE FOLLOWING DISCLOSURE IS INCLUDED IN THE ORGANIZATION'S INCOME TAX FOOTNOTE INCLUDED IN THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOOTNOTE OF THE 2013 AUDITED FINANCIAL STATEMENTS THAT REPORTS THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 (ASC 740) THE CORPORATIONS ARE NOT-FOR-PROFIT CORPORATIONS AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE ("CODE") AND ARE EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME THE CORPORATIONS ARE ALSO EXEMPT FROM STATE INCOME TAXES PER THE REQUIREMENT TO ASSESS FOR TAX UNCERTAINTY, MANAGEMENT HAS DETERMINED THAT IT DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS REQUIRED TO BE ACCRUED OR REPORTED IN ADDITION, PARENTE RANDOLPH, L L C , AN INDEPENDENT CPA FIRM, AUDITIED THE FINANCIAL STATEMENTS OF MERIDIAN HOME CARE SERVICES, INC ("HOME CARE") AND ITS CONTROLLED ENTITY, HEALTH INNOVATIONS UNLIMITED, INC ("HIU"), FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY THE FOLLOWING DISCLOSURE IS INCLUDED IN THE ORGANIZATION'S INCOME TAX FOOTNOTE INCLUDED IN THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOOTNOTE OF THE 2013 AUDITED FINANCIAL STATEMENTS THAT REPORTS THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 (ASC 740) HOME CARE ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD IS MET MANAGEMENT DETERMINED THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION THRESHOLD IN 2013 AND 2012



[illegible]

Additional Data

Software ID:  
Software Version:  
EIN: 01-0649794  
Name: MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Book Value
	PARTY PAYORS	40,222,156
	ACCRUED PENSION & RETIREMENT	48,577,817
	OTHER HEALTHCARE BENEFITS	10,200,000
	DUE TO RELATED PARTIES	4,398,276
	RESIDENT DEPOSITS	363,471
	ACCRUED INTEREST PAYABLE	12,509,151
	OTHER LONG-TERM LIABILITIES	122,198,383
	RESTRICTED USE ASSETS	1,405,073
	CHARITABLE GIFT ANNUITY	446,699
	CHARITABLE REMAINDER TRUST	16,574
	OTHER CURRENT LIABILITIES	35,894,214
	FAIR VALUE OF DERIVATIVE INSTR	50,232,579
	SECURITY DEPOSITS	2,500
	NOTES PAYABLE	19,075,961

SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
► Attach to Form 990. ► See separate instructions.  
► Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
( 1 ) Central America and the Caribbean			Program Services	FINANCIAL VEHICLE	15,506,859
( 2 ) Central America and the Caribbean			Investments		1,197,785
( 3 )					
( 4 )					
( 5 )					
3a Sub-total					16,704,644
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					16,704,644

Part II

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

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
( 1 )									
( 2 )									
( 3 )									
( 4 )									

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

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
( 1 )							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							
( 17 )							
( 18 )							

**Part IV Foreign Forms**

- 1

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

☐

Yes

☒

No
- 2

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

☐

Yes

☒

No
- 3

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

☐

Yes

☒

No
- 4

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

☐

Yes

☒

No
- 5

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

☐

Yes

☒

No
- 6

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

☐

Yes

☒

No

**Part V**

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

**990 Schedule F, Supplemental Information**

Return Reference	Explanation
PART IV, FOREIGN FORMS	Meridian Health System, Inc (EIN 22-3474145) is the sole member of Meridian Hospitals Corporation (EIN 22-3471515) and Coastal Medical Insurance Limited (EIN 98-0166769) Pursuant to an alternative risk financing arrangement, Meridian Hospitals Corporation made payments to Coastal Medical Insurance Limited that did not qualify as insurance premiums for federal tax purposes In accordance with federal tax principles, such payments were treated as constructive dividends by Meridian Hospitals Corporation to Meridian Health System, Inc followed by constructive capital contributions by Meridian Health System, Inc to Coastal Medical Insurance Limited under Code Section 351

SCHEDULE G  
(Form 990 or 990-EZ)

Supplemental Information Regarding  
Fundraising or Gaming Activities

OMB No 1545-0047

2013

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I Fundraising Activities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☐ Mail solicitations

e ☐ Solicitation of non-government grants

b ☐ Internet and email solicitations

f ☐ Solicitation of government grants

c ☐ Phone solicitations

g ☐ Special fundraising events

d ☐ In-person solicitations
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?
- ☐ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total . . . . . ▶						

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



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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		MHF GALA (event type)	SPORTS CLASSIC (event type)	12 (total number)	(add col (a) through col (c))
Revenue	1	Gross receipts . . . .	848,756	381,576	1,232,849
	2	Less Contributions . . . .	462,036	260,289	727,029
	3	Gross income (line 1 minus line 2) . . . .	386,720	121,287	505,820
Direct Expenses	4	Cash prizes . . . .	13,500	2,930	26,240
	5	Noncash prizes . . . .			
	6	Rent/facility costs . . . .			
	7	Food and beverages . . . .	173,622	53,490	246,776
	8	Entertainment . . . .	9,700	32,215	41,915
	9	Other direct expenses . . . .	189,898	64,867	200,589
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			
	11	Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶			

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue . . . . .			
	2	Cash prizes . . . . .			
Direct Expenses	3	Non-cash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
	6	<div>Volunteer labor . . . . .</div> <div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	
	7	Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶			
	8	Net gaming income summary Subtract line 7 from line 1, column (d) . . . . . ▶			

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

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

b If "No," explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

b If "Yes," explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

**13** Indicate the percentage of gaming activity operated in

<b>a</b> The organization's facility	<b>13a</b>	%
<b>b</b> An outside facility	<b>13b</b>	%

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

Name ▶

Address ▶

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

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

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

Name ▶

Address ▶

**16** Gaming manager information

Name ▶

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

**17** Mandatory distributions

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

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

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

Return Reference	Explanation
------------------	-------------

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.  
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," was it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care  <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____ 500 %  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"? . . . . .	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	5b	Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

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) . . . . .		51,319	58,811,644	11,824,393	46,987,251	3 760 %
b Medicaid (from Worksheet 3, column a) . . . . .		55,248	100,616,805	82,854,292	17,762,513	1 420 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .		106,567	159,428,449	94,678,685	64,749,764	5 180 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			1,606,589		1,606,589	0 130 %
f Health professions education (from Worksheet 5) . . . . .			33,856,446	7,432,251	26,424,195	2 120 %
g Subsidized health services (from Worksheet 6) . . . . .		30,138	86,222,974	65,742,755	20,480,219	1 640 %
h Research (from Worksheet 7) . . . . .			1,488,590	732,198	756,392	0 060 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			360,786		360,786	0 030 %
j <b>Total</b> Other Benefits . . . . .		30,138	123,535,385	73,907,204	49,628,181	3 980 %
k <b>Total.</b> Add lines 7d and 7j . . . . .		136,705	282,963,834	168,585,889	114,377,945	9 160 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

Yes

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

76,480,460

3Enter 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

17,915,628

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

374,853,688

6Enter Medicare allowable costs of care relating to payments on line 5.

6

396,166,401

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-21,312,713

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "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 IVManagement 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 %
1HEALTH VILLAGE IMAG	RADIOLOGY MEDICAL SERVICES	50.000 %		50.000 %
2SOUTHERN OCEAN CTY				
3DIALYSIS CLINIC LLC	DIALYSIS MEDICAL SERVICES	24.500 %		24.500 %
4SOUTHERN OCEAN HLTH				
5ALLIANCE INC	MEDICAL SERVICES	57.100 %		42.900 %
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?  
5

Name, address, primary website address, and state license number

		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
	See Additional Data Table										

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 )  
MERIDIAN HOSPITALS CORP & SUB

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A )15

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	<b>1</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
<b>3</b> In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 . . . . .	<b>3</b> Yes	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	<b>4</b> Yes	
<b>5</b> Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<b>5</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW.MERIDIANHEALTH.COM</u>		
<b>b</b> <input type="checkbox"/> Other website (list url) _____		
<b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
<b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b> <input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b> <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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 . . . . .	<b>7</b>	No
<b>8a</b> 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)? . . . . .	<b>8a</b>	No
<b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	<b>8b</b>	
<b>c</b> If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care 500 % If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Residency		
i	<input checked="" type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance? . . . . .	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
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 individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills
- d

☒

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

☒

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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





Part V

Facility Information (continued)

Section D. 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? 30

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

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 3C	NOT APPLICABLE THE ORGANIZATION USES FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILITY FOR FREE OR DISCOUNTED CARE
SCHEDULE H, PART I, LINE 6A	MERIDIAN HOSPITALS CORPORATION AND the ORGANIZATIONS INCLUDED IN THIS GROUP FORM 990, PREPARE AN ANNUAL COMMUNITY BENEFIT REPORT WHICH IS MADE AVAILABLE TO THE PUBLIC ON ITS WEBSITE WWW.MERIDIANHEALTH.COM AT MERIDIAN HEALTH, WE RECOGNIZE THAT THE CARE WE PROVIDE THROUGH OUR HOSPITALS AND PARTNER COMPANIES REACHES FAR BEYOND THE BOUNDARIES OF OUR FACILITIES OUR MISSION TO IMPROVE THE HEALTH STATUS OF THE COMMUNITIES WE SERVE IS AT THE HEART OF OUR CHARITABLE ROOTS IN THIS NEW ERA OF HEALTH CARE REFORM, COMMUNITY BASED PREVENTION AND WELLNESS ACTIVITIES WILL PLAY A CRITICAL ROLE IN KEEPING OUR LOCAL COMMUNITIES HEALTHY AND KEEPING HEALTH CARE COSTS DOWN MERIDIAN REMAINS COMMITTED TO STRENGTHENING ITS MISSION AND IN 2013 DEVOTED MORE THAN \$114 MILLION IN COMMUNITY BENEFITS IN ADDITION, AS REFLECTED IN SCHEDULE H, PART III THE ORGANIZATION INCURRED BAD DEBT EXPENSE OF \$17.9 MILLION ASSOCIATED WITH PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE AND INCURRED MEDICARE SHORTFALL OF \$21.3 MILLION WHICH IS NOT INCLUDED AS COMMUNITY BENEFIT MERIDIAN'S 2013 COMMUNITY BENEFIT REPORT CAN BE FOUND ONLINE AT WWW.MERIDIANHEALTH.COM OR BY REQUEST THROUGH ANY ONE OF OUR FACILITIES

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7	THE BAD DEBT EXPENSE SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$76,480,460, THE BAD DEBT EXPENSE FOR MERIDIAN HOSPITALS CORPORATION MERIDIAN HOSPITALS CORPORATION USES THE SIEMENS COST ACCOUNTING SYSTEM TO DETERMINE THE COST OF CHARITY CARE AND OTHER COMMUNITY BENEFITS A LEVEL OF COST METHODOLOGIES ARE APPLIED IN ORDER FOR EXAMPLE, THE FIRST LEVEL IS THE DIRECT ASSIGNMENT METHODOLOGY (I E , NURSING FLOORS), THE SECOND LEVEL IS THE RELATIVE VALUE UNIT METHODOLOGY, USING MEDICARE'S NATIONAL RVUS (I E , EMERGENCY DEPARTMENT, RADIOLOGY, LAB), AND THE THIRD LEVEL IS THE RATIO COST TO CHARGE METHODOLOGY (I E , DRUGS, MEDICAL SUPPLIES) INDIRECT COSTS FOR SUPPORT AND ADMINISTRATIVE SERVICES ARE CALCULATED USING THE MEDICARE STEP-DOWN PRINCIPLES
SCHEDULE H, PART III, LINE 2	Accounts that reach the end of the self pay billing cycle without payments or financial assistance approval are transferred to bad debt Uninsured patient charges are discounted 65% Balances after insurance, such as deductibles, co-pays and coinsurance are not discounted Schedule H, Part III, Line 3 Through the financial assistance program, all self pay patients are interviewed The amount reflected on line 3 represents those that are not compliant with documentation requirements and those who cannot be contacted, such as the homeless or patients who give erroneous information Patients non-eligible because they are over income limits are not included The patients that fall into this category have no means of paying their bill Schedule H, Part III, Line 4 BAD DEBT EXPENSE WAS CALCULATED USING THE PROVIDER'S BAD DEBT EXPENSE FROM THE FINANCIAL STATEMENT, NET OF ACCOUNTS WRITTEN OFF AT CHARGES THE ORGANIZATION INCLUDED IN THIS GROUP FORM 990 FOR WHICH THIS SCHEDULE H IS BEING FILED, MERIDIAN HOSPITALS CORPORATION, RECEIVES AN AUDITED FINANCIAL STATEMENT THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF MERIDIAN HOSPITALS CORPORATION COLLECTABILITY OF ACCOUNTS RECEIVABLE THE PROCESS FOR ESTIMATING THE ULTIMATE COLLECTION OF RECEIVABLES INVOLVES SIGNIFICANT ASSUMPTIONS AND JUDGMENTS THE CORPORATION HAS IMPLEMENTED A MONTHLY STANDARDIZED APPROACH TO ESTIMATE AND REVIEW THE COLLECTABILITY OF RECEIVABLES BASED ON THE PAYOR CLASSIFICATION AND THE PERIOD FROM WHICH THE RECEIVABLES HAVE BEEN OUTSTANDING ACCOUNT BALANCES ARE WRITTEN OFF AGAINST THE ALLOWANCE WHEN MANAGEMENT FEELS IT IS PROBABLE THE RECEIVABLE WILL NOT BE RECOVERED HISTORICAL COLLECTION AND PAYOR REIMBURSEMENT EXPERIENCE IS AN INTEGRAL PART OF THE ESTIMATION PROCESS RELATED TO RESERVES FOR DOUBTFUL ACCOUNTS IN ADDITION, THE CORPORATION ASSESSES THE CURRENT STATE OF ITS BILLING FUNCTIONS IN ORDER TO IDENTIFY ANY KNOWN COLLECTION OR REIMBURSEMENT ISSUES AND ASSESS THE IMPACT, IF ANY, ON RESERVE ESTIMATES THE CORPORATION BELIEVES THAT THE COLLECTABILITY OF ITS RECEIVABLES IS DIRECTLY LINKED TO THE QUALITY OF ITS BILLING PROCESSES, MOST NOTABLY THOSE RELATED TO OBTAINING THE CORRECT INFORMATION IN ORDER TO BILL EFFECTIVELY FOR THE SERVICES IT PROVIDES REVISIONS IN RESERVE FOR DOUBTFUL ACCOUNTS ESTIMATES ARE RECORDED AS AN ADJUSTMENT TO BAD DEBT EXPENSE CHARITY CARE THE CORPORATION PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA DEFINED BY THE NEW JERSEY DEPARTMENT OF HEALTH AND SENIOR SERVICES WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES THE CORPORATION MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED THE CORPORATION RECEIVES PARTIAL REIMBURSEMENT FOR THE UNCOMPENSATED CARE IT PROVIDES OF THE CORPORATION'S \$1 2 BILLION AND \$1 2 BILLION OF TOTAL EXPENSES REPORTED FOR 2013 AND 2012 RESPECTIVELY, AN ESTIMATED COST OF \$62,820,000 AND \$57,587,000 FOR 2013 AND 2012 RESPECTIVELY IS ATTRIBUTABLE TO PROVIDING SERVICES TO CHARITY PATIENTS THE ESTIMATED COSTS OF PROVIDING CHARITY SERVICES ARE BASED ON A CALCULATION WHICH APPLIES A RATIO OF COST TO CHARGES TO THE GROSS UNCOMPENSATED CHARGES ASSOCIATED WITH PROVIDING CARE TO CHARITY PATIENTS THE RATIO OF COST TO CHARGES IS CALCULATED BASED ON THE CORPORATION'S TOTAL EXPENSES, EXCLUDING BAD DEBT EXPENSE, DIVIDED BY GROSS PATIENT SERVICE REVENUE MERIDIAN UTILIZED A COST TO CHARGE RATIO METHODOLOGY IN CALCULATING THE BAD DEBT EXPENSE REFLECTED IN SCHEDULE H, PART III MERIDIAN RETAINED THE SERVICES OF AN OUTSIDE INDEPENDENT CONSULTANT TO ACQUIRE DOCUMENTATION FROM NON-COMPLIANT CHARITY CARE PATIENTS THE CONSULTANT DETERMINES AND RECORDS, AT GROSS CHARGES, THE AMOUNT OF THE NON-COMPLIANT CHARITY CARE PATIENTS FOR WHICH THEY DO NOT RECEIVE ANY DOCUMENTATION MERIDIAN APPLIES ITS COST TO CHARGE RATIO TO THE GROSS CHARGE AMOUNT DOCUMENTED BY THE CONSULTANT TO CALCULATE THE AMOUNT DISCLOSED ON SCHEDULE H, PART III, SECTION A, LINE 3

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 8	<p>MEDICARE COSTS WERE DERIVED FROM THE 2013 MEDICARE COST REPORT THE ORGANIZATION BELIEVES THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS SHOULD BE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I AS OUTLINED MORE FULLY BELOW THE ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE IRS THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") 501(C)(3)</p> <p>AMERICAN HOSPITALS ASSOCIATION "AHA" REPORT ON COMMUNITY BENEFIT - APRIL 2013 ----- Improving the health of their communities is at the heart of every hospitals mission For two consecutive years, the American Hospital Association (AHA) has collected the community benefit information that tax-exempt hospitals file with the Internal Revenue Service (IRS) On Schedule H, and asked Ernst &amp; Young to analyze and report on it Schedule H forms were obtained directly from MORE THAN 900 hospitals AROUND THE NATION that filed them with IRS Hospitals provide benefits to their communities in a multitude of ways They not only provide financial assistance and absorb underpayments from means-tested government programs such as Medicaid, but also incur losses due to unreimbursed Medicare expenses and bad debt expenses that are attributable to charity care In addition, they offer programs and activities to fund community health improvement programs, underwrite health professions education, conduct medical research, subsidize certain health services, and make cash and in-kind contributions to community groups In 2010, 74 percent of participating hospitals and systems reported having Medicare shortfalls, which compares with 75 percent in 2009 Medicare reimbursement shortfalls occur when the Federal government reimburses the hospitals less than their costs for treating Medicare patients Most hospitals described why their Medicare shortfall should be treated as community benefit - They explained on their Schedule H forms that non-negotiable Medicare rates are sometimes out-of-line with the true costs of treating Medicare patients - By continuing to treat patients eligible for Medicare, hospitals alleviate the federal government's burden for directly providing medical services The IRS recently acknowledged that lessening the government burden associated with providing Medicare benefits is a charitable purpose [IRS Notice 2011-20] - Additionally, many hospitals pointed to IRS Rev Rul 69-545 in their explanation of Medicare shortfall as a community benefit IRS Rev Rul 69-545 states that if a hospital serves patients with government health benefits, including Medicare, then this is an indication that the hospital operates to promote the health of the community BOTH THE AHA AND THIS ORGANIZATION FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS - A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOMES BELOW 200% OF THE FEDERAL POVERTY LINE " - A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS - THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE, THE EXPERIENCE OF HOSPITALS AROUND THE NATION REINFORCES THAT THEY ARE GENERALIZABLE DESPITE THE HOSPITALS' BEST EFFORTS AND DUE DILIGENCE, PATIENT BAD DEBT IS A PART OF THE HOSPITAL'S MISSION AND CHARITABLE PURPOSES BAD DEBT REPRESENTS PART OF THE BURDEN HOSPITALS SHOULDER IN SERVING ALL PATIENTS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY IN ADDITION, THE HOSPITAL INVESTS SIGNIFICANT RESOURCES IN SYSTEMS AND STAFF TRAINING TO ASSIST PATIENTS THAT ARE IN NEED OF FINANCIAL ASSISTANCE</p>
SCHEDULE H, PART III, LINE 9B	<p>MERIDIAN HANDLES ALL COLLECTION OF DEBT IN THE SAME FASHION REGARDLESS OF TYPE OF PAYER MERIDIAN UTILIZES THE FAIR ISAAC BAD DEBT MANAGEMENT SYSTEM FOR ITS COLLECTION PRACTICES MERIDIAN ALSO ROUTINELY REFERS UNPAID PATIENT ACCOUNTS TO VARIOUS COLLECTION AGENCIES WHEN THE ACCOUNTS HAVE AGED AND ATTEMPTS TO COLLECT HAVE BEEN UNSUCCESSFUL BELOW IS THE PROCESS FOR THE COLLECTION OF BAD DEBT - Current Accounts Receivable that reach the end of the self pay billing cycle without payment or financial assistance approval are transferred to bad debt - ACCOUNTS OVER \$25,000 ARE APPROVED BY THE VICE PRESIDENT OF PATIENT FINANCIAL SERVICES - Reasonable efforts are made to determine Financial Assistance Program eligibility This includes notification to the individual, written notice describing additional information/documentation required to complete a determination, including a plain-language summary of the Financial Assistance Program, and written notice at least 30 days before completion deadline, describing extraordinary actions that may be taken if application is not completed by the deadline - Primary bad debt collection agencies work the accounts for 180 days - Accounts that remain unpaid at the end of the 180 days are automatically reassigned to a secondary agency for an additional 180 days - Primary and secondary agencies do not pursue legal action on accounts - Secondary agency placement accounts that remain unpaid after 180 days are referred to attorneys - Attorneys can engage in extraordinary collection actions - Extraordinary collection actions are suspended if the patient submits a financial assistance application - The hospitals continue to accept and process any financial assistance application for up to 18 months after the original date of service - If the patient meets the eligibility requirements, any payments paid by the patient are refunded to the patient</p>

Form and Line Reference	Explanation
SCHEDULE H, PART VI, QUESTION 2	<p>IN ADDITION TO THE BELOW, PLEASE ALSO REFER TO OUR RESPONSES IN SCHEDULE H, PART V, QUESTIONS 1 THROUGH 8</p> <p>Tuned in to Community Health -----</p> <p>Providing the community with access to reliable health information, opportunities to participate in health promotion activities and support for managing chronic conditions are central to the goal of improving community health and well-being Our brand promise of providing the best health care experience, whether within the walls of our facilities or out in our surrounding communities, is delivered by a committed staff of physicians, nurses, health care specialists, and community educators, along with dedicated community members who help Meridian identify, strategize, and implement initiatives that positively impact the health of the community Meridian Health played a lead role in working with many different organizations throughout Monmouth and Ocean counties to identify and address the health issues that impact our community the most This collaborative effort, referred to as a Community Health Needs Assessment The Community Health Needs Assessment and its findings are posted on Meridians Web site @ www.meridianhealth.com Findings from the assessment highlighted several health concerns for our community, including risk factors for heart disease and stroke, cancer, pediatric asthma, Alzheimers disease, obesity and diabetes, access to care, immunizations and infectious diseases, and oral health With the Community Health Needs Assessment as our guide, Meridian prepares its annual community benefits plan, part of Meridians overall strategic plan, aligning activities and resources toward those priority health needs, as well as engaging a variety of community organizations for collaboration on interventions Each hospital, as well as Shore Rehabilitation Institute, has prepared an implementation strategy that contains the specific programs and resources that are deployed against each health concern</p> <p>Community Advisory Committees -----</p> <p>Meridian convenes several Community Advisory Committees whose mission is to assist us in identifying and addressing local health care needs Over 150 committee members represent a cross-section of the community in terms of age, gender, religion, ethnicity, interests, and professional status Our Partners in Health and Unidos committees are comprised of African American and Hispanic civic and community leaders, respectively, and are focused on addressing health issues and disparities affecting those communities All the Ways We Support the Community -----</p> <p>In 2013, Meridian devoted more than \$189 million toward community benefits An estimated 100,000 community members participate in health promotion activities each year These programs include preventive health screenings, support groups, and health awareness events, as well as lectures and presentations by physicians and other health care professionals who volunteer their time to educate our community These programs are delivered in a culturally competent manner to targeted communities with available language interpreters as needed Some of these health promotion activities include</p> <ul style="list-style-type: none"><li>-Providing nearly 40,000 preventive health screenings, including AngioScreen(tm) stroke risk assessments, blood pressure, cholesterol, glucose, BMI, memory, hearing, vision, colorectal cancer, skin cancer, and more</li><li>Participants receive individualized testing from medical professionals and are counseled by nurse educators who provide information about their results and referrals for follow-up care when necessary</li><li>-Educating over 13,000 children on how to eat right, stay fit, be safe, and act responsibly</li></ul> <p>These programs include classroom-based presentations from Doctor Bernard, Hopscotch, and Picatso - mascots for K Hovnanian Childrens Hospital at Jersey Shore University Medical Center Other programs include SafeSitter with CPR babysitting training, asthma awareness and management, injury prevention programs, distracted driving, sports and concussion injury prevention, among others</p> <ul style="list-style-type: none"><li>-Managing chronic disease</li></ul> <p>Take Control of Your Health is an evidence-based chronic disease self-management program Complementing a physicians plan of care, this educational program provides participants with the tools, resources and support to live a healthier life Studies have shown that participants who completed the training report improved health status and quality of life, greater energy, fewer social limitations, as well as reduced hospitalizations and fewer emergency room visits</p> <ul style="list-style-type: none"><li>-Providing opportunities to learn</li></ul> <p>Educational programs are made available at our hospitals as well as a variety of accessible community locations, including senior centers and active adult communities, places of worship, libraries, schools and employers Led by physicians and other health care professionals, these programs address a wide variety of health issues and diseases with a focus on preventing disease and managing chronic conditions In addition, Meridian is proud to offer support through charitable donations to a host of local, not-for-profit organizations Meridian also encourages our leaders, physicians, and team members to serve on boards and community groups dedicated to improving the quality of life in our neighborhoods In 2013, Meridian provided \$360,000 in cash and in-kind support</p> <p>Creating a Community of LifeSavers -----</p> <p>Cardiac arrest can happen to anyone at any time, including our youth In fact, the American Heart Association estimates that there are approximately 100 student athlete fatalities each year from sudden cardiac arrest While the incidence remains low, the impact on families and the surrounding community is devastating Thats why Meridian Health has partnered with the American Heart Association in a landmark, multi-year initiative to create a Community of LifeSavers When ordinary people are equipped with the skills to perform CPR, survival rates can double or even triple This is Taking Care of New Jerseys children Our goal is to train at least 5,000 high school students in the first year, as well as equip schools with the skills and tools that will enable them to carry out this important training and assist with compliance for Janets Law, a law which requires public schools to have automated external defibrillators for youth athletic events and to establish certain plans related to sudden cardiac arrest events</p> <p>Take the Church Challenge -----</p> <p>Together, heart disease and stroke are among the most widespread and costly health problems facing the nation and our communities today Fortunately, they are also among the most preventable Meridian aims to tackle the growing problem of stroke by teaching local residents to take charge of their health, especially within the African American community, where there is a higher incidence of stroke In the Church Challenge, local congregations compete against one another to see which group can improve its health the most Meridian assesses members weight, body mass index, blood pressure, cholesterol, glucose, and other lifestyle habits during the challenge, which includes smoking Members also attend programs that teach them how to make long-lasting changes to their health In its first year, 150 people from four congregations participated in the Challenge Results were encouraging as members lost weight, quit smoking, improved their diet, and began to exercise</p> <p>Training the Next Generation of Health Care Providers -----</p> <p>-----</p> <p>Training the next generation of health care providers is vital to providing a foundation for sound health in our community Meridian encourages the development of physicians, nurses, medical technologists, and those entering allied health professions by supporting their education and offering clinical experience in our hospitals In 2013, Meridian provided \$27 million in benefits, which supports medical training</p> <p>Caring for All Members of the Community -----</p> <p>-----</p> <p>As a not-for-profit health care provider, Meridian Health is the regional leader in providing innovative and accessible health care programs and services to individuals, families, and communities throughout Monmouth and Ocean counties Everyone deserves access to quality care regardless of their ability to pay In 2013, Meridian provided \$159 million in charity care and other uncompensated care, serving as a health care safety net for our communitys most vulnerable populations In addition, Meridian dedicated \$1.4 million in subsidizing vital health services, such as outpatient dialysis, behavioral health services, and family health clinics</p> <p>Staying Connected -----</p> <p>-----</p> <p>Meridian regularly publishes two free consumer magazines HealthViews and KidViews to educate and inform residents of Monmouth and Ocean c</p>
SCHEDULE H, PART VI, QUESTION 3	<p>MERIDIAN POSTS NOTICES, IN ENGLISH AND SPANISH, AT EVERY ACCESS POINT OF ITS FACILITIES, VERBALLY INFORMS UNINSURED PATIENTS AT REGISTRATION, FEATURES INFORMATION IN ITS FINANCIAL CONSENT FORM, INCLUDES A SENTENCE AND A PHONE NUMBER FOR ITS FINANCIAL ASSISTANCE OFFICE IN ITS BILLING STATEMENTS, INFORMS INDIVIDUALS IF THEY CALL PATIENT ACCOUNTS CUSTOMER SERVICE AND CONTACTS PATIENTS VIA TELEPHONE AND LETTERS POST BILLING TO INFORM THEM OF THEIR ASSISTANCE OPTIONS In addition, the financial assistance guide, including contact phone numbers, is posted on our website at www.meridianhealth.com</p>

Form and Line Reference	Explanation
SCHEDULE H, PART VI, QUESTION 4	MERIDIAN HEALTH OPERATES 6 HOSPITALS IN MONMOUTH AND OCEAN COUNTIES, NEW JERSEY the following information is based on recent CENSUS ESTIMATES MONMOUTH COUNTY OCEAN COUNTY _____ POPULATION, 2013 629,672 583,414 UNDER 5 YEARS OF AGE, 2012 5 2% 6 6% UNDER 18 YEARS OF AGE, 2012 22 9% 23 2% 65 YEARS OLD AND OVER, 2012 14 7% 21 5% PERSONS BELOW POVERTY LEVEL, 2008-2012 6 6% 10 2% MEDIAN HOUSEHOLD INCOME, 2008-2012 \$ 84,746 \$61,038 RACIAL COMPOSITION, 2012 WHITE 76 4% 85 4% AFRICAN AMERICAN 7 7% 3 4% ASIAN 5 3% 1 9% HISPANIC OR LATINO ORIGIN 10 0% 8 7% OTHER 0 6% 0 6%
SCHEDULE H, PART VI, QUESTION 5	MERIDIAN OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 1 THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS, 2 THE ORGANIZATION OPERATES AN ACTIVE EMERGENCY DEPT FOR ALL PERSONS, WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR, 3 THE ORGANIZATION MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS, 4 CONTROL OF THE ORGANIZATION RESTS WITH ITS BOARD OF TRUSTEES, WHICH IS COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY, AND 5 SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES PLEASE REFER TO SCHEDULE O FOR THE SYSTEM'S COMMUNITY BENEFIT STATEMENT FOR ADDITIONAL INFORMATION ON HOW THE SYSTEM PROMOTES COMMUNITY HEALTH

Form and Line Reference	Explanation
SCHEDULE H, PART VI, QUESTION 6	<p>MERIDIAN HEALTH SYSTEM, INC ----- MERIDIAN HEALTH SYSTEM, INC ("MERIDIAN") IS THE TAX-EXEMPT PARENT OF THE MERIDIAN HEALTH SYSTEM, INC AND AFFILIATES SYSTEM ("SYSTEM") THIS INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS THE SOLE MEMBER OR STOCKHOLDER OF EACH ENTITY IS EITHER MERIDIAN OR ANOTHER SYSTEM AFFILIATE CONTROLLED BY MERIDIAN THE SYSTEM IS AN INTEGRATED NETWORK OF HEALTHCARE PROVIDERS THROUGHOUT MONMOUTH AND OCEAN COUNTIES AND SURROUNDING AREAS MERIDIAN IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A SUPPORTING ORGANIZATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) AS THE PARENT ORGANIZATION OF A LARGE TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM IN NEW JERSEY, MERIDIAN STRIVES TO CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF MONMOUTH AND OCEAN COUNTIES AND SURROUNDING COMMUNITIES MERIDIAN ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES THE SYSTEM'S ACTIVE HOSPITALS INCLUDE JERSEY SHORE UNIVERSITY MEDICAL CENTER, RIVERVIEW MEDICAL CENTER, OCEAN MEDICAL CENTER, SOUTHERN OCEAN MEDICAL CENTER, BAYSHORE COMMUNITY HOSPITAL AND K HOVNANIAN CHILDREN'S HOSPITAL EACH OF THESE HOSPITALS OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 MERIDIAN HOSPITALS CORPORATION -----</p> <p>----- MERIDIAN HOSPITALS CORPORATION ("HOSPITALS") IS A NOT FOR-PROFIT CORPORATION THAT OPERATES AN ACUTE CARE HOSPITAL SYSTEM, WHICH PROVIDES PRIMARY AND TERTIARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY HOSPITALS ALSO PROVIDES PROGRAMS FOR MEDICAL TRAINING, RESEARCH, EDUCATION AND CONDUCTS ACTIVITIES ESTABLISHED TO IMPROVE THE HEALTH OF ITS COMMUNITIES HOSPITALS INCLUDES JERSEY SHORE UNIVERSITY MEDICAL CENTER, RIVERVIEW MEDICAL CENTER, OCEAN MEDICAL CENTER, SOUTHERN OCEAN MEDICAL CENTER, BAYSHORE COMMUNITY HOSPITAL and K HOVNANIAN CHILDREN'S HOSPITAL JERSEY SHORE UNIVERSITY MEDICAL CENTER -----</p> <p>----- JERSEY SHORE UNIVERSITY MEDICAL CENTER ("JSUMC") IS A 612-BED NON-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN NEPTUNE, MONMOUTH COUNTY, NEW JERSEY It is the region's only University-level, Academic Medical Center and Regional Truama Center It is home to an extensive Cardiac program including cardiac surgery, valve replacement and heart rhythm center, as well as a comprehensive stroke center JSUMC OPERATES AS AN EXEMPT HOSPITAL UNDER MERIDIAN HOSPITALS CORPORATION'S 501(C)(3) DETERMINATION PURSUANT TO ITS CHARITABLE PURPOSES, JSUMC PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, JSUMC OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 RIVERVIEW MEDICAL CENTER -----</p> <p>----- RIVERVIEW MEDICAL CENTER ("RMC") IS A 325-BED NON-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN RED BANK, MONMOUTH COUNTY, NEW JERSEY It has been five times distinguished by J D Powers AND Associates and rated one of the top hospitals for quality in New Jersey It is also home to the region's first Cyberknife radiosurgery center, Booker Cancer Center, Riverview Rehabilitation Center, Pimary Stroke Center, and Chest Pain Center RMC OPERATES AS AN EXEMPT HOSPITAL UNDER MERIDIAN HOSPITALS CORPORATION'S 501(C)(3) DETERMINATION PURSUANT TO ITS CHARITABLE PURPOSES, RMC PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, RMC OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 OCEAN MEDICAL CENTER -----</p> <p>----- OCEAN MEDICAL CENTER ("OMC") IS A 321-BED NON-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN BRICK, OCEAN COUNTY, NEW JERSEY It recently was rated one of the five safest hospitals in New Jersey by Forbes Magazine Also offering advanced diagnostic, surgical, and vascular services, the region's only Acute Care for the Elderly Unit, as well as a Primary Stroke Center, Chest Pain Center, the Meridian Pharmacology Institute, and the state's first satellite emergency department - Ocean Care Center in Point Pleasant OMC OPERATES AS AN EXEMPT HOSPITAL UNDER MERIDIAN HOSPITALS CORPORATION'S 501(C)(3) DETERMINATION PURSUANT TO ITS CHARITABLE PURPOSES, OMC PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, OMC OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 SOUTHERN OCEAN MEDICAL CENTER -----</p> <p>SOUTHERN OCEAN MEDICAL CENTER ("SOMC") IS A 176-BED NON-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN MANAHAWKIN, OCEAN COUNTY, NEW JERSEY It specializes in oncology, cardiovascular, bariatric and general surgery, joint health and orthopedics, women's health, critical care, transitional care, diagnostics, as well as a wide range of wellness and disease prevention programs SOMC OPERATES AS AN EXEMPT HOSPITAL UNDER MERIDIAN HOSPITALS CORPORATION'S 501(C)(3) DETERMINATION PURSUANT TO ITS CHARITABLE PURPOSES, SOMC PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, SOMC OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 BAYSHORE COMMUNITY HOSPITAL -----</p> <p>----- BAYSHORE COMMUNITY HOSPITAL ("BCH") IS A 238-BED NON-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN HOLMDEL, MONMOUTH COUNTY, NEW JERSEY It is home to several specialized care units for surgical, intensive and transitional care, specialty centers for wound care and balance, the Vassar Eye Center, and it has been continually recognized among top performers for core quality measures in the state BCH IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, BCH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, BCH OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 K HOVNANIAN CHILDREN'S HOSPITAL -----</p> <p>----- K HOVNANIAN CHILDREN'S HOSPITAL ("HOVNANIAN") IS A NON-PROFIT ACUTE CARE CHILDREN'S HOSPITAL LOCATED IN NEPTUNE, MONMOUTH COUNTY, NEW JERSEY As the first and most comprehensive children's hospital in Monmouth and Ocean counties, it is home to the most board certified pediatric subspecialists in the region, as well as a dedicated pediatric emergency and trauma center, pediatric and neonatal intensive care, and specialized programs and centers for asthma, epilepsy, gastroenterolgy, development oncology, behavioral health, and diabetes HOVNANIAN OPERATES AS AN EXEMPT HOSPITAL UNDER MERIDIAN HOSPITALS CORPORATION'S 501(C)(3) DETERMINATION PURSUANT TO ITS CHARITABLE PURPOSES, HOVNANIAN PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL CHILDREN IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, HOVNANIAN OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 SHORE REHABILITATION INSTITUTE, INC -----</p> <p>----- SHORE REHABILITATION INSTITUTE, INC ("SRI") IS A 40-BED NON-PROFIT ACUTE REHABILITATION CENTER LOCATED IN BRICK, OCEAN COUNTY, NEW JERSEY It offers a comprehensive range of inpatient and outpatient services SRI provides individualized rehablitation services to adult and geriatric individuals with disability SRI IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, SRI PROVIDES MEDICALLY NECESSARY REHABILITATIVE CARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, SRI OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 MERIDIAN HOME CARE SERVICES, INC -----</p> <p>----- MERIDIAN HOME CARE SERVICES, INC ("Meridian at Home") is a full-service hom</p>
SCHEDULE H, PART VI, QUESTION 7	<p>NOT APPLICABLE THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED IN NEW JERSEY NO COMMUNITY BENEFIT REPORT IS FILED WITH THE STATE OF NEW JERSEY MERIDIAN HOSPITALS CORPORATION, AN ORGANIZATION INCLUDED IN THIS GROUP FORM 990, PREPARES AN ANNUAL COMMUNITY BENEFIT REPORT WHICH IT MAKES AVAILABLE TO THE PUBLIC ON ITS WEBSITE WWW.MERIDIANHEALTH.COM</p>



Additional Data

Software ID:

Software Version:

EIN: 01-0649794

Name: MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

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

Section D. 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?

Name and address	Type of Facility (describe)
1 THE JANE H BOOKER OP DIALYSIS CENTER 2441 HWY 33 FORTUNATO PLACE NEPTUNE,NJ 07753	OUTPATIENT DIALYSIS
2 OCEAN MEDICAL CENTER DIALYSIS 1640 ROUTE 88 SUITE 102 BRICK,NJ 08724	OUTPATIENT DIALYSIS
3 BOOKER OUTPATIENT DIALYSIS CENTER 48 EAST FRONT STREET RED BANK,NJ 07701	OUTPATIENT DIALYSIS
4 OCEAN CARE CENTER 1517 RICHMOND AVENUE POINT PLEASANT,NJ 08742	OUTPATIENT DIALYSIS
5 MERIDIAN OP REHAB SVCS AT NEPTUNE 2100 CORLIES AVENUE SUITE 2 NEPTUNE,NJ 07753	OUTPATIENT DIALYSIS
6 PARK PLACE COMM MENTAL HEALTH CENTER 1101 BOND STREET ASBURY PARK,NJ 07712	OUTPATIENT DIALYSIS
7 MERIDIAN LIFE FITNESS AND REHABILITATION 801 ARNOLD AVENUE POINT PLEASANT,NJ 08742	OUTPATIENT DIALYSIS
8 JANE H BOOKER FAMILY HEALTH CTR AT JSUMC 1828 WEST LAKE AVENUE NEPTUNE,NJ 07753	OUTPATIENT DIALYSIS
9 THE SLEEP CARE CENTER AT JSUMC 1809 CORLIES AVENUE SUITE 3 NEPTUNE,NJ 07753	OUTPATIENT DIALYSIS
10 SOMC CLINICSLEEP CTR - NAUTILUS HEALTH 53 NAUTILUS DRIVE MANAHAWKIN,NJ 08050	OUTPATIENT DIALYSIS
11 RIVERVIEW OUTPATIENT BEHAVIORAL HEALTH 661 SHREWSBURY AVENUE SHREWSBURY,NJ 07702	OUTPATIENT DIALYSIS
12 MERIDIAN REHABILITATION AT HOLMDEL 100 COMMONS WAY SUITE 120 HOLMDEL,NJ 07733	OUTPATIENT DIALYSIS
13 JSMC OUTPATIENT BEHAVIORAL HEALTH 402 RT 35 NEPTUNE,NJ 07754	OUTPATIENT DIALYSIS
14 MERIDIAN REHABILITATION AT MANALAPAN 195 RT 9 SOUTH MANALAPAN,NJ 07726	OUTPATIENT DIALYSIS
15 OCEAN CLUBFAMILY RESOURCE CENTER ROUTE 9 SOUTH STAFFORD TWP,NJ 08092	OUTPATIENT DIALYSIS
16 JERSEY SHORE OP BEHAVIORAL HEALTH 3535 RT 66M SUITE D PARKWAY 100 NEPTUNE,NJ 07753	OUTPATIENT DIALYSIS
17 MERIDIAN REHABILITATION AT FORKED RIVER 730 LACEY ROAD FORKED RIVER,NJ 08731	OUTPATIENT DIALYSIS
18 CENTER FOR SLEEP DISORDERS 2446 CHURCH ROAD SUITE 3A TOMS RIVER,NJ 08753	OUTPATIENT DIALYSIS
19 MERIDIAN REHAB AT LITTLE EGG HARBOR 279 MATHISTOWN ROAD LITTLE EGG HARBOR,NJ 08087	OUTPATIENT DIALYSIS
20 TRANSITIONAL MEDICATION SERVICE 51 DAVIS AVENUE NEPTUNE,NJ 07753	OUTPATIENT DIALYSIS
21 Shore Rehabilitation Institute 425 Jack Martin Blvd Brick,NJ 08724	OUTPATIENT DIALYSIS
22 Southern Ocean County Dialysis Clinic 1301 Rt 72 W Manahawkin,NJ 08050	OUTPATIENT DIALYSIS
23 Health Village Imaging LLC 1301 Rt 72 W Manahawkin,NJ 08050	OUTPATIENT DIALYSIS
24 Child Eval & Learning Disabilities Ctr 81 Davis Ave Suite 4 Neptune,NJ 07753	OUTPATIENT DIALYSIS
25 OCEAN MEDICAL CTRFAMILY HEALTH CTR 1608 RT 88 SUITE 207 BRICK,NJ 08724	OUTPATIENT DIALYSIS
26 THE CTR FOR SLEEP MEDICINE AT BAYSHORE 678 NORTH BEERS STREET HOLMDEL,NJ 07733	OUTPATIENT DIALYSIS
27 CENTER FOR WOUND HEALING AT BAYSHORE 735 NORTH BEERS STREET HOLMDEL,NJ 07733	OUTPATIENT DIALYSIS
28 SOUTHERN OCEAN MEDICAL CENTER CLINIC 53 NAUTILIS DRIVE MANAHAWKIN,NJ 08050	OUTPATIENT DIALYSIS
29 MERIDIAN FITNESSWELLNESS CTR AT HAZLET 1420 RT 36 HAZLET,NJ 07730	OUTPATIENT DIALYSIS
30 SNORING & SLEEP DISORDER CTR OF HOLMDEL 100 COMMONS WAY SUITE 1 HOLMDEL,NJ 07733	OUTPATIENT DIALYSIS

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

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

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 . . . . .

22

3

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

**Part III**

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) EDUCATIONAL SCHOLARSHIPS	236	273,500			
(2) MERIDIAN DISASTER RELIEF FUND					

**Part IV**

**Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
SCHEDULE I, PART I, QUESTION 2	OVER THE YEARS, MERIDIAN HEALTH HAS BEEN FORTUNATE TO OFFER SUPPORT THROUGH CHARITABLE DONATIONS TO CHARITABLE ORGANIZATIONS IN MERIDIAN HEALTH'S COMMUNITY SERVICE AREA. ADDITIONALLY, MERIDIAN ENCOURAGES ITS LEADERS, PHYSICIANS, AND TEAM MEMBERS TO SERVE ON THESE LOCAL CHARITABLE BOARDS AND COMMITTEES TO ENSURE THAT CONTRIBUTIONS OFFERED THROUGH MERIDIAN ARE UTILIZED APPROPRIATELY. MERIDIAN ESTABLISHES AN ANNUAL AMOUNT TO BE DONATED TO SUPPORT OTHER LOCAL TAX-EXEMPT CHARITIES AND UTILIZES THE FOLLOWING CRITERIA IN EVALUATING THE NUMEROUS REQUESTS RECEIVED FROM LOCAL TAX-EXEMPT CHARITIES: - GROUPS THAT PROMOTE AWARENESS OF HEALTH-RELATED ISSUES - COMMUNITY ASSOCIATIONS THAT HELP THOSE IN NEED OF BASIC NECESSITIES INCLUDING, BUT NOT LIMITED TO, FOOD, CLOTHING, AND SHELTER - ORGANIZATIONS THAT ENCOURAGE YOUNG PEOPLE TO ACHIEVE THEIR POTENTIAL, USE THEIR IMAGINATION, AND KEEP THEM SAFE FROM HARM - SOCIAL SERVICES THAT PROVIDE RELIEF AND COUNSELING TO THOSE SUFFERING FROM ABUSE. MERIDIAN VERIFIES THE USE OF CONTRIBUTED FUNDS BY ATTENDING SUPPORTED EVENTS, REQUESTING COPIES OF JOURNAL ADS OR PROOF OF "FUNDED-BY" SIGNAGE, REVIEWING ORGANIZATIONAL ANNUAL REPORTS, AND VOLUNTEERING WITH THESE ORGANIZATIONS TO ENSURE THE ADVANCEMENT OF THE SUPPORTED MISSION. IN 2013, THE AMOUNT OF GRANTS PAID TO INDIVIDUAL ORGANIZATIONS IN AMOUNTS LESS THAN \$5,000 WAS A TOTAL OF \$127,370. IN ADDITION, IN 2013, MERIDIAN HEALTH DISTRIBUTED \$830,950 IN DISASTER RELIEF PAYMENTS TO 133 INDIVIDUALS IMPACTED BY HURRICANE SANDY. THIS AMOUNT WAS NOT DEDUCTED AS AN EXPENSE ON FORM 990.
SCHOLARSHIPS	SCHOLARSHIPS ARE AWARDED BASED ON AN ANALYSIS OF CRITERIA OF ESTABLISHED POLICY SET BY MERIDIAN HEALTH SYSTEM, INC. THE SCHOLARSHIP RECIPIENT WAS SELECTED BY A COMMITTEE OF THE ORGANIZATION BASED ON AN ANALYSIS OF THE OBJECTIVE AND NONDISCRIMINATORY CRITERIA.
MERIDIAN DISASTER RELIEF FUND	The Meridian Disaster Relief Fund was established to provide financial assistance to Meridian team members severely impacted BY PRESIDENTIAL DECLARED DISASTERS.

Additional Data

Software ID:  
Software Version:  
EIN: 01-0649794  
Name: MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY 1035 HOOPER AVE TOMS RIVER, NJ 08753	16-0743902	501(C)(3)	29,000				RESEARCH SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN HEART ASSOCIATION 208 WEST END AVE BRIDGEWATER, NJ 08807	13-5613797	501(C)(3)	27,000				RESEARCH SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HOLIDAY EXPRESS Inc 1184 OCEAN AVE C-8 SEA BRIGHT,NJ 07760	22-3470019	501(C)(3)	10,000				SAFETY & WELLNESS

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
JUVENILE DIABETES RESEARCH FOUNDATION 3430 SUNSET AVE SUITE 21A OCEAN,NJ 07712	23-1907729	501(C)(3)	6,000				CHILDREN'S HEALTH

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN RED CROSS PO BOX 33093 NEWARK,NJ 071880093	53-0196605	501(C)(3)	7,500				SAFETY & WELLNESS



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
MONMOUTH PARK CHARITY FUND 175 OCEANPORT AVE OCEANPORT, NJ 07757	22-6063135	501(C)(3)	7,500				SAFETY & WELLNESS

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
TWO RIVER THEATER COMPANY Inc 21 BRIDGE AVE RED BANK, NJ 07701	52-1857757	501(C)(3)	12,500				ART & CULTURE

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
MONMOUTH COUNCIL BOY SCOUTS OF AMERICA 705 GINESI DRIVE MORGANVILLE, NJ 07751	21-0634963	501(C)(3)	13,450				CHILDREN'S HEALTH

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
THE COMMUNITY YMCA 113 TINDALL RD MIDDLETOWN, NJ 07748	21-0635051	501(C)(3)	6,500				SAFETY & WELLNESS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MARCH OF DIMES FOUNDATION 1010 EAST PARK BLVD CRANBURY, NJ 08512	13-1846366	501(C)(3)	8,000				HEALTH & WELLNESS

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
GIRL SCOUTS OF THE JERSEY SHORE 242 ADELPHIA RD FARMINGDALE,NJ 07727	21-0731966	501(C)(3)	7,750				SAFETY & WELLNESS

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
BIG BROTHERS BIG SISTERS 174 MAIN STREET EATONTOWN, NJ 07724	22-2155416	501(C)(3)	10,000				CHILDRENS HEALTH SAFETY AND WELLNESS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SUSAN G KOMEN TWO PRINCESS RD SUITE D LAWRENCEVILLE, NJ 08648	73-2052349	501(C)(3)	10,850				RESEARCH SUPPORT



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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BROOKDALE COMMUNITY COLLEGE 765 NEWMAN SPRINGS ROAD LINCROFT,NJ 07738	22-1849485	501(C)(3)	8,500				HIGHER EDUCATION

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
PCORE 1 AAA DRIVE SUITE 102 TRENTON, NJ 08691	22-3699313	501(C)(3)	7,500				AUTISM RESEARCH

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
ALEXANDRA ROSE TOZZI PO BOX 47 SPRING LAKE,NJ 07762	20-6130205	501(C)(3)	5,500				DISEASE AND HEALTH ISSUE RSCH

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
ARC MONMOUTH 1158 WAYSIDE RD TINTON FALLS, NJ 07712	22-2545563	501(c)(3)	13,300				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FOUNDATION FOR HEALTHCARE ADVANCEMENT 120 ALBANY ST TOWER 2 STE 850 NEW BRUNSWICK, NJ 08901	45-4723932	501(c)(3)	10,800				HEALTHCARE

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
HACKENSACK UNIV MEDICAL CTR FOUNDATION 360 ESSEX ST STE 301 HACKENSACK, NJ 07601	22-2339534	501(c)(3)	10,000				HEALTHCARE

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
INTERFAITH NEIGHBORS 810 FOURTH AVENUE ASBURY PARK, NJ 07712	22-2896129	501(c)(3)	6,500				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BEAUTY FOUNDATION FOR CANCER CARE 68 WHITE STREET 113 RED BANK,NJ 07701	26-1726938	501(c)(3)	6,100				HEALTHCARE



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
JFK AUXILIARY 65 JAMES STREET EDISON, NJ 08818	22-2315044	501(c)(3)	5,500				HEALTHCARE

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
GRANTS TO ORGANIZATIONS LESS THAN 5000 c/o Meridian Health 1350 CAMPUS PARKWAY NEPTUNE,NJ 07753			127,370				COMMUNITY SUPPORT

Schedule J  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
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 directors, trustees, officers, including 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		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	Yes
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	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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.

Return Reference	Explanation
SCHEDULE J, PART I, QUESTION 4B	THE AMOUNT REFLECTED IN SCHEDULE J, PART II, COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES PARTICIPATION IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN AS THE AMOUNTS WERE NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2013 FORM W-2, BOX 1, AS TAXABLE WAGES AND WERE REPORTED AS RETIREMENT AND OTHER DEFERRED COMPENSATION ON PRIOR FORMS 990 OF THE ORGANIZATION: MARC H. LORY, \$68,444; JOHN GANTNER, \$1,394,866; SALVATORE INCIARDI, \$154,760; STEVEN G. LITTLESON, \$202,718; TIMOTHY J. HOGAN, \$140,502; ANN B. GAVZY, ESQ., \$117,634; ROBERT PALERMO, \$21,789; MARILYN KOCZAN, \$18,387; AND REBECCA WEBER, \$24,457. THE DEFERRED COMPENSATION AMOUNTS REFLECTED IN SCHEDULE J, PART II, COLUMN (C) FOR THE FOLLOWING INDIVIDUALS INCLUDE UNVESTED BENEFITS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THIS UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN EACH INDIVIDUAL'S 2013 FORM W-2, AS TAXABLE WAGES: ROBERT PALERMO, \$15,000; JOSEPH P. COYLE, \$148,768; REBECCA WEBER, \$19,600; DEAN Q. LIN, \$61,800; RICHARD SCOTT, MD, \$62,400; MARILYN KOCZAN, \$12,500; RICHARD HAND, \$13,000; AND SHERRIE STRING, \$43,900. THE DEFERRED COMPENSATION AMOUNTS REFLECTED IN SCHEDULE J, PART II, COLUMN (C) FOR THE FOLLOWING INDIVIDUALS INCLUDE INTEREST CREDITS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THIS UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN EACH INDIVIDUAL'S 2013 FORM W-2, AS TAXABLE WAGES: JOHN K. LLOYD, \$573,540; MARC H. LORY, \$69,594; STEVEN LITTLESON, \$96,597; JOHN GANTNER, \$86,952; TIMOTHY HOGAN, \$57,483; SALVATORE INCIARDI, \$44,066; ANN GAVZY, \$71,351; AND JOSEPH COYLE, \$33,522.
SCHEDULE J, PART I, QUESTION 5A	THE AMOUNT REFLECTED IN SCHEDULE J, PART II, COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES VARIABLE COMPENSATION WHICH IS CALCULATED BASED ON A PERCENTAGE OF THE ORGANIZATION'S TOTAL REVENUE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2013 FORM W-2, BOXES 1 AND 5 AS TAXABLE WAGES: ALAN CABASSO, MD, \$25,695; ELLIOT FRANK, MD, \$7,038; JEROME VERNICK, MD, \$24,900; MICHAEL BLEIMAN, MD, \$47,637; STEVEN W. KAIRYS, MD, \$21,302; AND MARK MARTENS, MD, \$10,250.
SCHEDULE J, PART I, QUESTION 7	CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2013 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2013 FORM W-2, BOXES 1 AND 5 AS TAXABLE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.
SCHEDULE J, PART II, COLUMN F	THE AMOUNTS REPORTED IN SCHEDULE J, PART II, COLUMN (F) FOR THE FOLLOWING INDIVIDUALS REPRESENT UNVESTED BENEFITS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN THAT BECAME TAXABLE IN 2013 BECAUSE THEY WERE NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE, AND WERE REPORTED AS RETIREMENT AND OTHER DEFERRED COMPENSATION ON PRIOR FORMS 990 OF THE ORGANIZATION. THESE AMOUNTS WERE TREATED AS TAXABLE INCOME AND REPORTED ON EACH INDIVIDUAL'S 2013 FORM W-2, BOX 1, AS TAXABLE WAGES: MARC H. LORY, \$68,444; JOHN GANTNER, \$1,394,866; SALVATORE INCIARDI, \$154,760; STEVEN G. LITTLESON, \$202,718; ANN B. GAVZY, ESQ., \$117,634; TIMOTHY J. HOGAN, \$140,502; ROBERT PALERMO, \$21,789; MARILYN KOCZAN, \$18,387; AND REBECCA WEBER, \$24,457.

Additional Data

Software ID:

Software Version:

EIN: 01-0649794

Name: MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

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				
Marc H Lory PRES MHC, TRUSTEE	(i) (ii)	541,133 0	90,000 0	131,892 0	102,982 0	33,388 0	899,395 0	68,444 0
John Gantner EXEC VP, TRUSTEE TERM 12/31/13	(i) (ii)	695,961 0	255,000 0	1,442,548 0	117,214 0	13,809 0	2,524,532 0	1,394,866 0
Salvatore Inciardi VP/SECY, TRUSTEE	(i) (ii)	320,920 0	160,000 0	181,602 0	81,014 0	21,848 0	765,384 0	154,760 0
John K Lloyd FACHE PRES MHS, TRUSTEE	(i) (ii)	1,017,209 0	700,000 0	76,845 0	632,102 0	33,725 0	2,459,881 0	0 0
Steven G Littleson TRUSTEE, PRES JSUMC	(i) (ii)	542,106 0	170,000 0	232,535 0	125,199 0	29,922 0	1,099,762 0	202,718 0
Timothy J Hogan TRUSTEE, PRES RMC/BCH	(i) (ii)	518,253 0	150,000 0	148,728 0	84,520 0	30,617 0	932,118 0	140,502 0
Jennifer Smith TRUSTEE, EXCE DIR FOUND	(i) (ii)	108,221 0	10,626 0	4,815 0	6,789 0	21,970 0	152,421 0	0 0
James A Clarke MD TRUSTEE, VP CLIN EFF	(i) (ii)	325,334 0	65,000 0	9,894 0	7,650 0	29,289 0	437,167 0	0 0
Dean Q Lin TRUSTEE, PRES OMC	(i) (ii)	410,503 0	123,600 0	23,118 0	69,450 0	18,410 0	645,081 0	0 0
Michael Oakes TRUSTEE, EXEC DIR FOUND	(i) (ii)	137,654 0	12,600 0	12,481 0	4,949 0	28,444 0	196,128 0	0 0
Michael Bleiman MD TRUSTEE	(i) (ii)	0 214,286	0 0	0 171,763	0 14,848	0 5,758	0 406,655	0 0
Joseph P Coyle TRUSTEE, PRES SOMC	(i) (ii)	465,360 0	0 0	30,470 0	174,770 0	29,781 0	700,381 0	0 0
Robert Palermo TREASURER, TRUSTEE	(i) (ii)	281,416 0	65,000 0	45,412 0	38,647 0	31,129 0	461,604 0	21,789 0
Alan Cabasso MD SECRETARY, TRUSTEE	(i) (ii)	0 232,010	0 0	0 27,160	0 49,511	0 27,454	0 336,135	0 0
Carl M Marchetti MD PRESIDENT, TRUSTEE	(i) (ii)	173,762 0	17,281 0	29,800 0	26,478 0	29,782 0	277,103 0	0 0
Elliot Frank MD TRUSTEE	(i) (ii)	0 374,647	0 40,000	0 55,868	0 46,924	0 30,129	0 547,568	0 0
David Kountz MD TRUSTEE, SR VP MED AFF	(i) (ii)	286,066 0	20,000 0	16,151 0	23,765 0	30,009 0	375,991 0	0 0
Mark G Martens MD TRUSTEE	(i) (ii)	0 373,233	0 25,000	0 90,413	0 7,650	0 29,530	0 525,826	0 0
Steven Kairys MD TRUSTEE	(i) (ii)	0 341,601	0 25,000	0 97,550	0 36,538	0 30,134	0 530,823	0 0
Jerome Vernick MD TRUSTEE	(i) (ii)	0 379,572	0 0	0 86,102	0 34,509	0 21,248	0 521,431	0 0

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				
David L Flood PRESIDENT (TERMED 6/30/13)	(i) (ii)	235,281 0	120,000 0	17,396 0	19,249 0	10,303 0	402,229 0	0 0
Timothy Nolan EXEC VP (EFFECTIVE 9/2/13)	(i) (ii)	170,769 0	0 0	6,352 0	5,844 0	485 0	183,450 0	0 0
Ann Gavzy SR VP LEGAL AFFAIRS	(i) (ii)	321,785 0	90,000 0	150,578 0	104,404 0	32,439 0	699,206 0	117,634 0
Richard Scott Sr VP Clinical Effectiveness	(i) (ii)	399,752 0	120,000 0	29,390 0	91,118 0	31,795 0	672,055 0	0 0
Rebecca Weber Sr VP/CIO	(i) (ii)	395,570 0	150,000 0	36,213 0	54,326 0	21,886 0	657,995 0	24,457 0
Frank Goldstein VP Physician Services	(i) (ii)	374,031 0	88,000 0	33,947 0	37,993 0	21,796 0	555,767 0	0 0
Kim Carpenter VP Clinical Effectiveness	(i) (ii)	329,552 0	55,000 0	11,805 0	31,612 0	30,275 0	458,244 0	0 0
Richard Hader Sr VP Nursing(TERMED 3/25/13)	(i) (ii)	165,212 0	0 0	3,860 0	11,617 0	7,399 0	188,088 0	0 0
James Molloy VP Government Relations	(i) (ii)	295,370 0	70,000 0	6,655 0	31,589 0	31,909 0	435,523 0	0 0
David Boss VP Clinical Effectiveness	(i) (ii)	308,747 0	30,400 0	8,603 0	24,306 0	17,861 0	389,917 0	0 0
Michelle Mendelson VP Meridian Home Care	(i) (ii)	233,187 0	57,500 0	18,887 0	29,177 0	30,590 0	369,341 0	0 0
Marilyn Koczan VP Patient Financial Services	(i) (ii)	240,520 0	50,100 0	47,779 0	61,544 0	5,067 0	405,010 0	18,387 0
Richard Hand VP Finance	(i) (ii)	250,053 0	45,000 0	12,616 0	35,429 0	19,667 0	362,765 0	0 0
Sherrie String Sr VP Human Resources	(i) (ii)	348,294 0	90,000 0	28,365 0	51,550 0	24,503 0	542,712 0	0 0
Joseph Reichman VP Clinical Effectiveness	(i) (ii)	348,333 0	65,000 0	20,525 0	23,692 0	1,926 0	459,476 0	0 0
Ramon Solhkhah Medical Chair	(i) (ii)	331,725 0	30,000 0	6,439 0	9,493 0	20,111 0	397,768 0	0 0
Terry Manna VP Managed Care	(i) (ii)	274,439 0	55,200 0	23,328 0	21,706 0	29,544 0	404,217 0	0 0
Anthony Cava VP/COO	(i) (ii)	278,670 0	55,600 0	9,679 0	29,555 0	21,805 0	395,309 0	0 0
Margaret Quinn Chief Med Information Officer	(i) (ii)	288,134 0	38,924 0	14,145 0	34,302 0	28,359 0	403,864 0	0 0

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div> <div>▶ Information about Schedule K (Form 990) and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a>.</div>	OMB No 1545-0047
		2013
		Open to Public Inspection

Name of the organization MERIDIAN HEALTH SYSTEM INC - SUBORDINATES		Employer identification number 01-0649794
---	--	--

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579E7X8	02-20-2003	60,000,000	CONSTRUCT & EQUIP FACILITY		X		X		X
B	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579FDA8	06-24-2004	14,725,000	CONSTRUCT & EQUIP FACILITY		X		X		X
C	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579FCY7	06-24-2004	8,000,000	CONSTRUCT & EQUIP FACILITY		X		X		X
D	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579FHG1	05-18-2006	18,390,000	REFUND 1993 SERIES		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		2,770,000		7,090,000		1,965,000	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	61,213,687		16,032,128		8,261,446		18,390,000	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	436,450		205,792		130,451		365,791	
8	Credit enhancement from proceeds	560,326		62,695		74,500		65,353	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	60,216,911		15,763,641		8,056,495		0	
11	Other spent proceeds	0		0		0		17,958,856	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	2004		2007		2006		2006	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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



Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X			X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 970 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 970 %		0 %		0 %		0 %	
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 %							
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X		X			X	X	
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?	X				X			
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X		X		X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X	X	
b	Name of provider	0		0		0			
c	Term of hedge	5						5	
d	Was the hedge superintegrated?		X						X
e	Was the hedge terminated?		X						X

Part IV Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X		X		X
b	Name of provider	TRANSAMERICA OCCLIFE		0		0		0	
c	Term of GIC	1 4							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
ADDITIONAL SCHEDULES ARE INCLUDED	
THE DIFFERENCE BETWEEN THE ISSUE PRICE AND TOTAL PROCEEDS CONSISTS OF	INVESTMENT EARNINGS
THE DIFFERENCE BETWEEN THE ISSUE PRICE OF \$200,595,000 AND TOTAL PROCEEDS	OF \$215,641,736 FOR THE BOND ISSUED ON 12/21/2011 CONSISTS OF ORIGINAL ISSUE PREMIUM OF \$15,044,485 ORIGINAL ISSUE DISCOUNT OF (\$6,028) AND INVESTMENT PREMIUM OF \$8,279 Proceeds were used to refund the following New Jersey Health Care Facilities Financing Authority Revenue Bond issues - Jersey Shore Medical Center Obligated Group Issue, Series 1994, dated July 1, 1994 - Southern Ocean County Hospital Issue, Series 1997, dated November 15, 1997 - Meridian Health System Obligated Group Issue, Series 1999, dated July 1, 1999 - Southern Ocean County Hospital Issue, Series 2001, dated July 1, 2001
PROCEEDS FROM THE BOND ISSUED ON 10/3/2012 WITH AN ISSUE PRICE OF	\$135,415,000 were used to refund the following New Jersey Health Care Facilities Financing Authority Revenue Bond issues - Meridian Health System Obligated Group Issue, Series 2003B, dated February 20, 2003 - Meridian Health System Obligated Group Issue, Series 2007 Tranche III, dated December 13, 2007 - Meridian Health System Obligated Group Issue, Series 2007 Tranche IV, dated December 13, 2007
THE DIFFERENCE BETWEEN THE ISSUE PRICE OF \$29,525,000 AND TOTAL PROCEEDS	OF \$33,451,652 FOR THE BOND ISSUED ON 5/8/2013 CONSISTS OF ORIGINAL ISSUE PREMIUM OF \$3,926,469 AND INVESTMENT EARNINGS OF \$183 Proceeds were used to refund the New Jersey Health Care Facilities Financing Authority Revenue Bayshore Community Hospital Issue, Series 2002, dated 1/15/2002

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579FJQ7	11-22-2006	5,100,000	CONSTRUCT & EQUIP FACILITY		X		X		X
B	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579FSE4	12-13-2007	242,125,000	CONSTRUCT & EQUIP FACILITY		X		X		X
C	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579FW25	12-21-2011	200,595,000	REFUND PRE-2003 BONDS		X		X	X	
D	NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579F2D4	10-03-2012	135,415,000	REFUND POST-2002 BONDS		X		X	X	

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,160,000		4,625,000		24,695,000		1,600,000	
2	Amount of bonds legally defeased	0		95,400,000		0		0	
3	Total proceeds of issue	5,207,649		246,107,361		215,641,736		135,415,384	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	56,802		1,673,677		1,402,562		13,412	
8	Credit enhancement from proceeds	21,731		4,507,965		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	5,128,862		239,925,703		0		0	
11	Other spent proceeds	0		0		214,239,174		135,401,972	
12	Other unspent proceeds	254		16		0		0	
13	Year of substantial completion	2007		2009		2011		2011	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X	X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X	X					X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 700 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 700 %		0 %		0 %	
7	Does the bond issue meet the private security or payment test?		X		X				X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X				X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X				X	

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X	

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
------------------	-------------

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTH	22-1987084	64579F3H4	05-08-2013	29,525,000	REFINANCE PRE-2003 BOND	X				X	X

Part II Proceeds									
		A	B		C		D		
1	Amount of bonds retired	2,080,000							
2	Amount of bonds legally defeased	0							
3	Total proceeds of issue	33,451,652							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrows	0							
7	Issuance costs from proceeds	435,471							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	0							
11	Other spent proceeds	32,966,091							
12	Other unspent proceeds	50,090							
13	Year of substantial completion	2013							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
	X							

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
------------------	-------------



Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

► 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.  
► Information about Schedule L (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

**Part IV Business Transactions Involving Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

**Part V Supplemental Information**  
Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
SCHEDULE L, PART IV	John K Lloyd, FACHE, President and Chief Executive Officer of Meridian Health System, Inc , is the Chairman of the Board of Trustees of QualCare, Inc John Gantner, Chief Financial Officer of Meridian Health System, Inc is a Board of Trustee member of QualCare, Inc Norman V Buttaci, Trustee of Meridian Hospitals Corporation is a Board of Trustee member of QualCare, Inc Meridian Health and its affiliates utilized the services of QualCare, Inc during 2013 Total fees paid to QualCare, Inc were \$4,237,498 Services were rendered at fair market value rates pursuant to arm's length negotiations

Additional Data

Software ID:  
Software Version:  
EIN: 01-0649794  
Name: MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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) CHRISTINE F HADER	FAMILY MEMBER - KEY EMPL	125,769	EMPLOYEE		No
(2) AURELIA HADER	FAMILY MEMBER - KEY EMPL	73,795	EMPLOYEE		No
(3) QUALCARE INC	OFFICERS - GANTNER/LLOYD	4,260,148	CLAIMS ADMIN - SEE PART V		No
(4) AMY DELANEY	FAMILY MEMBER - Trustee	59,660	EMPLOYEE		No
(5) QUALCARE INC	TRUSTEE - BUTTACI	4,237,498	CLAIMS ADMIN - SEE PART V		No
(6) Christopher Scott	Family Member - Key Empl	97,469	Employee		No
(7) CAITLIN COYLE	Family Member - Key Empl	46,887	Employee		No
(8) PATRICK DELANEY	FAMILY MEMBER - Trustee	80,112	EMPLOYEE		No
(9) Larson Whelan	Fam Mem - Trustee/OFFICER	57,483	Employee		No
(10) Geralynn Koczan	Family Member - Key Empl	44,528	Employee		No

SCHEDULE M  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Noncash Contributions

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

►Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	21	620,072	FMV
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ► ( EMERGENCY PREPAREDNESS )	X	2	183,682	FMV
26 Other ► ( )				
27 Other ► ( )				
28 Other ► ( )				

29

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

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2013)

Part III

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

Return Reference	Explanation
------------------	-------------

2013

Open to Public  
Inspection

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.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number

01-0649794

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>Meridians vision and foresight since its inception has created a comprehensive full continuum of care that is a model in the health care industry. By providing integrated services every step of the way, we ensure that our patients receive coordinated and seamless care from diagnosis to treatment to rehabilitation. The following updates demonstrate how we are tuned into the changing health care environment and remain committed to the optimal health and wellness of those we serve. Maintaining a Strong Beat Through Meridian CardioVascular Network -----</p> <p>----- Meridian CardioVascular Network provides the most comprehensive heart and vascular services in the region. Its an overarching umbrella coordinating all aspects of heart and vascular care from research and education to diagnosis and treatment to rehabilitation and post-hospital care. Meridian became the only health care system in New Jersey to receive the highest designated Chest Pain Center Accreditation by the Society of Cardiovascular Patient Care (SCPC), distinguishing itself by providing the best care available for patients who present with symptoms of a heart attack. The accreditation was received after each of Meridians five hospitals successfully met stringent SCPC criteria, and verifies that Meridian CardioVascular Network provides a seamless, coordinated approach to cardiovascular care, which ensures the best outcomes for our patients. Several other areas of distinction were earned throughout the year, including Heart Failure Accreditation by the Society of Cardiovascular Patient Care for Jersey Shore, Ocean and Riverview Medical Centers, three-star quality designation by the Society of Thoracic Surgeons for cardiac surgery at Jersey Shore University Medical Center, Get with the Guidelines Heart Failure Gold Quality Achievement Award from the American Heart Association for Jersey Shore, Lifeline Silver Quality Achievement Award by the American Heart Association for Riverview Medical Center, and distinction for Jersey Shore as one of only a handful of hospitals around the country performing the FDA-approved LA RIAT(TM) Suture Delivery Device procedure. In 2013, Meridian continued its 365 Days of Heart campaign with engaging programs and services that brought increased attention to critical topics in cardiac and vascular health. Creative initiatives such as the Meridian Health Heart and Sole Cup reached experienced and novice athletes through a series of three 5K races in Monmouth and Ocean counties. More than 1,000 community members participated in the 2013 races, a significant milestone for this annual event. Fighting and Surviving With Meridian Cancer Care -----</p> <p>----- From the beginning, decisions about cancer treatment can be overwhelming for patients and their families. To help patients get back to the life and people they love, Meridian Cancer Care offers every medical advantage through the collaboration of dedicated specialists and a unique multidisciplinary approach to diagnosis, treatment, and recovery. This proactive approach to cancer treatment results in comprehensive, coordinated care throughout all Meridians hospitals, and the first and only "System Partner" of the Rutgers Cancer Institute of New Jersey, Meridians patient-oriented approach provides opportunities for both state-of-the-art care and research trials. In 2013, Xofigo became a new treatment option offered at Ocean Medical Center for men who have been diagnosed with advanced prostate cancer. Recently approved by the FDA and offered at a handful of community hospitals in the United States, this intravenous injection treats metastatic prostate cancer that is resistant to medical or surgical treatments, offering an increase in the patients life expectancy and improving quality of life. Big Care for Little Patients Through Meridian Pediatric Network -----</p> <p>----- Meridian Pediatric Network continues addressing and meeting the needs of our youngest patients and their families. In addition to providing access to more than 100 pediatric specialists and the full continuum of care for children in Monmouth and Ocean counties, enhanced services and programs keep the network evolving. Two brand new Pediatric Care Centers at Southern Ocean Medical Center and Ocean Medical Center were opened and provide a new care environment and guest experience for children and their parents. The Pawssitive Action Team, a team of characters from K Hovnanian Childrens Hospital at Jersey Shore University Medical Center, was introduced in 2008 as a fun and memorable way to educate children about making healthy choices. Since that time, over 50,000 children have been taught to eat right, stay fit, be safe and act responsibly. The Pawssitive Action team includes Doctor Bernard, the director of Fun and Good Health at K Hovnanian Childrens Hospital, Hopscotch, Doctor Bern</p>

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>ard's bouncy buddy who's always on the move, and Picatso, Doctor Bernard's furry pal who keeps his mind healthy and strong through learning and creativity Mind Matters at Meridian Neuroscience -----</p> <p>----- With 15 neurosurgeons on staff, Meridian continues to be among the states largest neuroscience programs Jersey Shore University Medical Center is the only stroke rescue center in the region, performing advanced endovascular neurosurgery (1 of 13 in New Jersey) Illness or injury can happen at any time, and having an exceptional team of specialists available for life changing moments is critical Thanks to Meridian Neuroscience, programs and services are close to home and available to diagnose and treat a range of conditions such as stroke, brain tumors, spine injuries, epilepsy, movement and memory disorders, and even sleep disorders Meridian's facilities continue their focus on excellence in neuroscience, as demonstrated by the following accomplishments throughout the year Jersey Shore, Riverview and Ocean medical centers received the Gold Plus Performance Award from the American Heart Association (AHA)/American Stroke Association (ASA), and the Target Stroke Award from AHA/ASA and Joint Commission recertification as a primary stroke center was granted to Riverview Medical Center and Jersey Shore University Medical Center Harry Carson, Hall of Famer and former New York Giant, continues to be the spokesperson for Meridian Neuroscience Harry writes a monthly blog that can be viewed at MeridianHealth.com/HarryCarson Online Appointments Help Patients Manage Their Health -----</p> <p>In today's digital world, patients are constantly in search of new and better ways to manage their health, let alone their busy lives Meridian Health Resources introduced a new service - ZocDoc instant online appointment scheduling which provides access to 95 of Meridian's primary care, OB/GYN, and Ear, Nose and Throat physicians Patients can utilize their computers, tablets, or mobile devices to use this free service and schedule appointments in the same manner they are accustomed to making restaurant and airline reservations In its first few months, nearly 3,000 appointments were made with participating Meridian physicians ZocDoc offers patients the opportunity to easily manage their care while better meeting their access and convenience expectations Convenient Care, After Hours -----</p> <p>Providing the right level of care, at the right time, are key elements that led Meridian and Ocean Medical Center to pilot a new service called AfterHours Designed to offer a quick and convenient health care solution for non-emergent health needs, AfterHours locations were opened in Toms River in November 2013 and in Brick in March 2014 The model utilizes a nurse practitioner to treat patients of all ages during nights, weekends, and holidays This new service creates enhanced access to after-hours care for patients with non-life threatening needs, while providing an option for physicians burdened by on-call demands AfterHours is part of a larger strategy to improve access to care, which will include the development of Meridian Urgent Care sites in Monmouth and Ocean counties Lighting the Shore After Superstorm Sandy -----</p> <p>----- Hundreds of team members gathered in Jersey Shore's Kurr Atrium to "Light the Shore" a year after Superstorm Sandy, to remember the fortitude and compassion that unified us, and to reflect on our communities continuing journey toward a brighter future The event featured New Jersey Health Commissioner Mary E. O'Dowd, who spoke about the great partnership the Department had with Meridian during the storm What Women Want -----</p> <p>As the primary health care decision makers for their families, women look for resources that are credible, accessible, and can deliver on "what's in it for me?" With that in mind, Mer</p>



Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>Meridian Health Village at Jackson Offers One-Stop Access -----</p> <p>--- Meridian Health created a revolutionary concept that will lead the way for health care delivery in the future with the Meridian Health Village at Jackson. The new 150,000 square-foot facility brings experienced clinicians, medical services, and a world-class fitness center close to home in a modern facility that combines elegant design and old-world charm. This state-of-the-art medical facility is a "one-stop shop" designed to offer both private health care services and services that are traditionally limited to locations within hospitals all under one roof in an easily accessible environment. Physician practices include pediatrics, internal medicine, family care, ob/gyn and women's services. As more components of the health village are added, community members will have access to cardiac diagnostic and rehab services, physical therapy, ambulatory surgery, pharmacy, diagnostic laboratory, and a conference center. There are also plans for comprehensive cancer services in the future. Residents of Jackson and the surrounding communities now have a convenient way to stay healthy, have access to Meridian's continuum, and can fill most medical and wellness needs in one location. Jersey Shore University Medical Center -----</p> <p>New CardioVascular Intensive Care Unit Unveiled -----</p> <p>----- Jersey Shore opened a new CardioVascular Intensive Care Unit (CVICU) a 12-bed critical care unit providing post-operative care for cardiac surgery patients, including those who receive traditional open heart surgery and newer, complex interventional cardiovascular procedures. Jersey Shore is among the three largest programs in the state for cardiac surgery, cath and electrophysiology. Jersey Shore is among less than 100 hospitals in the country performing innovative TAVR surgery. The cardiac surgery program consistently ranks amongst the best in the Northeast and the team performed 831 cases last year. Jersey Shore's new CVICU delivers the most advanced care available for cardiovascular patients requiring intensive monitoring, with an emphasis on patient comfort and convenience. Inpatient Diabetes Care &amp; The Stroke Center Get The Gold! -----</p> <p>----- Jersey Shore earned The Joint Commissions Gold Seal of Approval for its inpatient diabetes program by providing the best care available for patients with diabetes, and successfully meeting The Joint Commissions national standards for health care excellence and safety. Jersey Shore is the first hospital in central New Jersey to receive accreditation, a testament to the quality of Jersey Shore's comprehensive approach towards inpatient diabetes care. The Stroke Center at Jersey Shore also continued to earn top honors as a reflection of the programs commitment to excellence. The Stroke Center received reaccreditation of its Joint Commission Advanced Primary Stroke Certification, and was honored with The American Heart/American Stroke Association 2013 Get with the Guidelines Gold Plus Quality Achievement Award and the Honor Role Target Stroke Award. Recognitions from The American College of Surgeons -----</p> <p>----- The Commission on Cancer (CoC) of the American College of Surgeons accreditation recognizes Jersey Shore's multidisciplinary team approach to diagnosing, treating, and rehabilitating patients with cancer. Only 30 percent of hospitals in the United States have received this designation, marking Jersey Shore as a center of excellence for cancer care. Additionally, Jersey Shore's Trauma Center was recertified by The American College of Surgeons Committee on Trauma as a Level II Trauma Center. This achievement, first received by Jersey Shore in 1991, distinguishes the hospital as the only trauma center in Monmouth and Ocean counties to provide advanced trauma care. Research Advancements -----</p> <p>-- As the home of Meridian Health Research Services, Jersey Shore conducts innovative research through clinical trials dedicated to advancing tomorrow's medical breakthroughs. Jersey Shore was one of the few institutions in the state to participate in groundbreaking vaccine studies focused on eliminating hospital-acquired infection. In collaboration with the Center for Thyroid, Adrenal and Parathyroid Disease at Jersey Shore, the medical center was an international leader in trials investigating genetic changes in patients with endocrine cancers, such as thyroid and pancreatic cancer. Through programs in oncology, cardiology, neuroscience and pediatrics, researchers at Jersey Shore and Meridian provide our community with access to novel therapies, cutting-edge treatment, and new diagnostic possibilities. K. Hovnanian Children's Hospital -----</p> <p>Pediatric Intensive Care Unit Expansion -----</p> <p>-----</p>

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>----- Since 2007, K Hovnanian Childrens Hospital has experienced tremendous growth in the demand for pediatric intensive care services The recently expanded Pediatric Intensi ve Care Unit (PICU), which includes ten private rooms, enables the hospital to provide the most advanced health services for the regions sickest children, close to home The unit s ports a fun, shore-themed look, with state-of-the-art technology and spacious rooms Empha sizing the importance of family support, each room features a convertible couch/bed for pa rents Convient amenities, such as a conference room and pantry, are also available With access to more than 100 pediatric specialists, the PICUs new home provides a healing space for caregivers to ensure that the critical needs of children are met The Newest Arrival Center for Breastfeeding ----- With the Center for Breastfeeding, Jersey Shore became the first hospital in the state to open an outpatient center providing lactation consultation and education services As a Baby-Friendly designa ted hospital, Jersey Shore is recognized by the World Health Organization as providing opt imal care for mothers and babies, and remains a leading state advocate in promoting and su pporting mother-infant bonding practices as evidenced-based medicine with proven health be nefits A Sign of More Great Things to Come -----</p> <p>----- Bright, ne w K Hovnanian Childrens Hospital signs welcome guests, and hint at big things happening f or the smallest patients So w hats next for the childrens hospital? A completed expansion that includes more private rooms for kids and their families, a grow ing pediatric specialt y care center, a continued expansion of intensive care services and more eye-catching si gns to match We now have 44 pediatric beds, 10 pediatric intensive care unit beds and 21 neonatal intensive care unit beds - making us among the largest in the state In terms of inpatient volume K Hovnanian Childrens Hospital is the fourth largest in the state As th e first and most comprehensive provider of health care for kids in Monmouth and Ocean coun ties, K Hovnanian Childrens Hospital continues to grow with the community, and the new ca mpus look is a "sign" of more great things to come!</p>

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>Ocean Medical Center ----- Improving Access to Care ----- - As we work towards helping the population better manage their health, Ocean Medical Center achieved several milestones that are focused on providing easier and earlier access to care. The launch of two AfterHours sites now offers local residents a convenient place to get health care during evenings and weekends, with locations in Toms River and Brick. This new service creates enhanced access to after-hours care for patients with non-life threatening needs, and avoids unnecessary visits to the Emergency Department. For those patients with true emergencies, the opening of the Hirair and Anna Hovnanian Emergency Care Center established a new environment of care based upon tranquility, comfort, privacy and efficiency. This \$82 million project tripled the footprint of the Center, increasing from 12,075 square feet to 44,300 square feet, featuring 49 large private emergency bays, a Pediatric Care Center with eight bays in a private observation area, and dedicated Emergency Behavioral Health and Express Care areas. This helps Ocean better meet current and projected patient demand, which is expected to increase with population aging and more residents acquiring health insurance through reform. Likewise, as health reform increases the need for primary care physicians (PCP) to manage an individual's health and wellness, Ocean successfully recruited 16 new PCPs for its service area.</p> <p>Surgical Services Expansion, Excellence ----- Several new surgical services were introduced at Ocean Medical Center in 2013. Early in the year, cardiac services were expanded when a pacemaker program was introduced, providing a critical service at a very local level for community members. By mid-year, Ocean implemented a bariatric surgery program, where experienced experts perform gastric banding, sleeve gastrectomy, and gastric bypass surgeries for patients seeking surgical weight loss solutions. And, at the end of the year, Ocean acquired the da Vinci Si Surgical System, adding the newest robotic technology for surgery to the medical center's robust services. These new services build upon a comprehensive surgical services program that has a keen focus on quality. In fact, Ocean was named one of the top four hospitals in New Jersey for surgical excellence in Consumer Reports magazine in 2013.</p> <p>Imaging Excellence Across All Modalities ----- With more than 143,000 imaging procedures performed, Ocean Medical Center earned the elite status of being accredited by the American College of Radiology (ACR) in all nine modalities, the only hospital in Ocean and Monmouth counties to achieve such an accomplishment in 2013. The breast MRI accreditation at Ocean completed the spectrum of ACR accreditations that an imaging facility can earn, with other modalities including breast ultrasound, Computed Tomography (CT), Magnetic Resonance Imaging (MRI), mammography, nuclear medicine, Positron Emission Tomography (PET), stereotactic breast biopsy, and ultrasound. This level of recognition is synonymous with exceptional performance, quality, and patient care delivered by Ocean's entire team of board-certified radiologists, qualified technical staff, and management.</p> <p>Riverview Medical Center ----- Surgical Renaissance ----- The investment in bringing the very best in surgery continues at Riverview Medical Center. Upon the successful completion of the Life Changing Campaign for Surgical Excellence, which raised \$20 million to support the construction of Riverview's new 22,000 square foot center for surgical excellence, Riverview has also recently added the da Vinci Si Surgical System. The Meridian Center for Robotic Surgery at Riverview now provides even more options for minimally invasive surgery, allowing physicians to use the small incisions associated with traditional laparoscopic surgery, but with improved visualization and range of motion through robotically-assisted surgery. Today, more than 200 surgeons choose to perform their surgical procedures at Riverview.</p> <p>Imaging Makeover for Service and Technology ----- The Diagnostic Imaging Department at Riverview recently finished the complete renovation and installation of a new interventional radiology suite, along with reconstruction and expansion of the patient preparation and recovery area, providing better service for patients. This enhanced service is one of the many imaging modalities offered at our comprehensive and fully ACR-accredited Center. A new, state-of-the-art interventional suite will allow the Riverview Medical Center Diagnostic Imaging team to expand access to a wide range of diagnostic and therapeutic procedures such as embolizations, paracentesis, thoracentesis, biopsies and arthrograms.</p> <p>A New Vision for Womens Health at Riverview and Bayshore -----</p>

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>----- Bayshore and Riverview continue to enhance and coordinate services for the residents of Northern Monmouth County region. Over the past year, we introduced a new regional approach for care provided at the Womens Centers at Riverview Medical Center and Bayshore Community Hospital. Today, both Centers share clinical protocols, offer the latest technology, including Tomosynthesis or 3D mammography, as well as a fully fellowship-trained team of radiologists that cover both hospitals. This model, led by medical director, Bokran Won, M.D., provides consistent and exceptional care and evening and weekend hours that accommodate the varying lifestyles of women in our community.</p> <p>Bayshore Community Hospital ----- Bayshores Heart Continues to Grow ----- Incredible things are happening in the heart of Holmdel. In October of 2013, Bayshore qualified as a Primary Percutaneous Coronary Intervention hospital and is now approved to provide primary angioplasty procedures to patients experiencing a heart attack. Even more impressive, our team members and physicians have worked hard to maintain a door-to-balloon time well below the national average. As part of the Meridian CardioVascular Network, Bayshore joined the other hospitals of Meridian Health as an Accredited Chest Pain Center. Finally, as part of an effort to significantly improve Bayshores service capabilities, work is currently underway on the construction of two state-of-the-art OR-compatible labs that will perform complex endovascular, cardiovascular intervention, and interventional radiology procedures.</p> <p>An Awakening for Sleep and Wound Healing Services -----</p> <p>----- In 2013, Bayshore Community Hospital made significant additions to its array of services by opening the Center for Wound Healing and the Center for Sleep Medicine. As an outpatient wound management program, the Center for Wound Healing provides a larger and more modern healing environment that includes hyperbaric oxygen (HBO) treatment to better meet the needs of patients suffering from chronic and non-healing wounds. Lauding a wound healing rate consistently over 95 percent, the Center received the Center of Distinction Award. Additionally, a new six-bed Center for Sleep Medicine was opened and provides enhanced sleep medicine services in a larger, home-like environment that better meets the needs of adults and children. The Center is led by board-certified sleep medicine physicians and staffed by a team of trained sleep technologists who employ a comprehensive approach to diagnosing and treating sleep disorders.</p> <p>Southern Ocean Medical Center -----</p> <p>----- A New Era of Emergency Care ----- August 2013 marked the opening of a new, expanded Emergency Department at Southern Ocean Medical Center. This \$22 million project expanded the facility to triple the size of the former Emergency Department and is the largest building project in the history of the medical center. The Center features 22 large and private emergency bays, raising emergency care to a new level with a renewed focus on privacy, convenience, and the guest experience. The facility includes space designed for behavioral health patients that is discreet, separate, and secure, and children have their own area within the Martin Truex Jr. Pediatric Care Center. Expanded triage and fast track areas provide better care and better service, thus improving the emergency experience for patients and family members, as well as for the doctors and nurses who deliver care.</p> <p>Hometown Hero Dedicates Pediatric Care Center ----- NASCAR driver and hometown hero Martin Truex Jr. joined with hospital team members and friends of the medical center to officially dedicate the Martin Truex Jr. Pediatric Care Center at Southern Ocean Medical Center in September 2013. The Pediatric Care Center</p>

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>Partner Companies ----- Meridians partner companies continue to distinguish Meridians unique continuum of care that extends beyond the reach of our six hospitals. By integrating care across different geographic sites, Meridian succeeds in delivering multiple clinical services that are coordinated seamlessly for our patients. Meridian partner companies include ambulatory services, physician primary care network, Alert Ambulance, Meridian At Home, Meridian Nursing and Rehabilitation, Shore Rehabilitation Institute, Meridian Occupational Health, and more. A Strong Move With Meridian Fitness &amp; Wellness ----- It is Meridians goal to have a fitness and wellness center within a reasonable distance to every resident in Monmouth and Ocean counties. In December 2013, Meridian expanded its partnership with Tilton Fitness Management, a regional leader in health club operation, putting us well on our way to achieving our goal. The current partnership includes a network of five fitness centers in Manahawkin, Hazlet, Northfield, Galloway and Jackson. The Jackson location is the newest of the sites, featuring a 32,000 square foot state-of-the-art facility in the new Meridian Health Village. The center was so anticipated that it opened with over 2,000 members. Plans are now under way for a brand new facility in Brick. Care in the Comfort of Home ----- In 2013, Meridian At Home continued its leadership as the largest provider of home health services in Monmouth and Ocean counties. Over 150,000 home health visits were made last year providing care, rehabilitation, and therapy to over 17,000 patients and their families allowing them to receive care in the comfort of their home. Meridian At Homes care team includes over 380 certified home health aides, 140 skilled nursing professionals, 80 licensed therapists, and 14 social workers. Meridian Hospice provided care and comfort to over 2,300 patients and their families. Strengthening Meridians Provider Network and Infrastructure ----- Meridian continues to grow its physician enterprise, which now includes more than 300 employed doctors, including our faculty physicians at Jersey Shore University Medical Center. Meridian is recruiting additional primary care physicians to further build upon our extensive reach in Monmouth and Ocean counties to provide access to care in light of the shortage of primary care physicians. New infrastructure requirements for advanced quality and access initiatives were developed to support Patient Centered Medical Homes (PCMH) and achieved the highest level of National Committee for Quality Assurance (NCQA) PCMH Recognition for two practice locations. The Patient Centered Medical Home standards emphasize the use of systematic, patient-centered, coordinated care that supports access, communication, and patient involvement. Additionally, 17 clinicians received National Committee for Quality Assurance Diabetes Recognition for providing high quality care, bringing the total number of NCQA recognized clinicians to 24. Meridian Nursing &amp; Rehab is Seeing Stars ----- Every day, families across the country are faced with the difficult decision of finding a nursing home to care for their loved one. Area residents can rest assured knowing that they have quality facilities close by with Meridian Nursing &amp; Rehab. U.S. News &amp; World Report, with data collected from the Centers for Medicare &amp; Medicaid Services, awarded Meridian Nursing and Rehab facilities at Brick, Shrewsbury, Manor By the Sea in Ocean Grove, and Wall with the highest possible overall rating of five stars in their 2014 Best Nursing Homes report. Meridian Nursing and Rehab at Brick Awarded Advanced Certification in Heart Failure -----</p> <p>----- The Joint Commission, in conjunction with The American Heart Association, recognized Meridian Nursing and Rehab at Brick as the only skilled nursing facility in New Jersey to receive the Advanced Certification in Heart Failure. Achievement of this certification signifies an organizations dedication to fostering better outcomes for patients in its heart failure program. The Advanced Certification in Heart Failure has demonstrated that Meridian Nursing and Rehab at Bricks services have met critical elements of performance to achieve long term success in improving outcomes for patients diagnosed with and being treated for heart failure. Shore Rehab among the Best in the Country -----</p> <p>----- Shore Rehabilitation Institute, located on the campus of Ocean Medical Center, was named among the Best of 2013 Rehab Hospitals, Institutions, &amp; Facilities in the nation by Rehab Management, which annually profiles the industrys top rehab hospitals and facilities based on the nominees recognized excellence in rehabilitation care and ser</p>

Return Reference	Explanation	
	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>vice to the community they serve. As one of the largest providers of inpatient and outpatient rehabilitation in the state, Meridian continues to deliver the best patient experience while helping individuals with disability attain optimal function.</p> <p>Foundation ----- Exemplary Performance in Fundraising ----- Meridian Health Affiliated Foundations was honored by the Association for Healthcare Philanthropy (AHP) for its exemplary performance in raising funds for its local communities health care needs. Meridian Health is one of 12 organizations throughout the United States and Canada that have received this designation of a sustaining high performer for three or more years over a six-year period. In fact, for the past five years, Meridian Health Affiliated Foundations has contributed to about 20 percent of Meridian's bottom line. Some of the most recent significant contributions were aligned with the emergency department projects at Southern Ocean and Ocean Medical Centers. The campaign at Southern Ocean Medical Center raised more than \$7.6 million for the new Emergency Department. At Ocean Medical Center, the foundation completed the matching gift from a donor, propelling Ocean to raise more than \$10 million for the emergency department expansion. The generosity of the communities we serve allows Meridian Health Affiliated Foundations to ensure that everyone Meridian serves receives the highest level of care. Donor support enables us to raise funds that create and maintain new services and facilities, including advanced medical treatments, technologies, and environments that provide the best medical care in the region.</p> <p>Awards ----- Five in a Row! Meridian Makes FORTUNE's "100 Best Places to Work For" List -----</p> <p>----- Meridian has been given the "high five" by FORTUNE Magazine, earning a coveted spot on the leading industry publications "100 Best Companies to Work For" list for an incredible five years in a row. Coming in at number 62 on FORTUNE's 2014 best companies list, Meridian continues to earn FORTUNE 100 acclaim for accomplishments that include low staff turnover and a remarkable 15 years or more of service for more than twenty percent of our team members. Meridian is also one of only ten health care organizations across the country to make this prestigious list.</p> <p>Meridian Health Among the Top New Jersey Employers 10 Years Running -----</p> <p>----- The NJBiz "Best Places to Work in New Jersey" program was designed to identify, recognize, and honor the best places of employment in New Jersey who show a dedication to employee growth and quality of life. Meridian Health was recently honored for the tenth consecutive year as one of the few organizations in the state to be consistently recognized as an outstanding employer.</p> <p>Most Wired for the 14th Consecutive Year ----- Meridian Health was named to the 2013 "Most Wired" survey for the 14th year in a row, an honor that Meridian has received more times than any other existing health system in the state of New Jersey. Having received this award for 14 years is a reflection on the Meridian's commitment to make the necessary investments to be at the leading edge of health care technology and care delivery.</p> <p>Meridian Health Ranked #1 on the Healthcare IT News List of Where to Work: Best Hospital IT Departments -----</p> <p>Meridian's IT Department recently received recognition for their collaborative work environment. The more than 200 members demonstrated their excellence by ranking first in this year's Healthcare IT News Where to Work: Best Large Hospital IT Departments. Were "Exemplar" at Caring for Older Patients -----</p> <p>----- Meridian has achieved "Exemplar" status for our NICHE (Nurses Improving Care for Healthsystem Elders).</p>

Return Reference	Explanation
CORE FORM, PART III, LINE 4D	EXPENSES INCURRED IN PROVIDING VARIOUS OTHER MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY PLEASE REFER TO THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT INCLUDED IN SCHEDULE O

Return Reference	Explanation
CORE FORM, PART I, SUMMARY	THE TOTAL VOTING AND INDEPENDENT VOTING MEMBERS DISCLOSED IN THE CORE FORM IS FOR MERIDIAN HOSPITALS CORPORATION, THE LARGEST SUBORDINATE ORGANIZATION INCLUDED IN THE GROUP EXEMPTION RULING AND IN THIS CONSOLIDATED GROUP FORM 990 OUTLINED BELOW IS THE VOTING AND INDEPENDENT VOTING DISCLOSURE INFORMATION FOR ALL OTHER ORGANIZATIONS INCLUDED IN THE GROUP EXEMPTION RULING - MERIDIAN NURSING AND REHABILITATION, INC , 6 VOTING, 4 INDEPENDENT, - MERIDIAN HOME CARE SERVICES, INC , 10 VOTING, 7 INDEPENDENT, - HEALTH INNOVATIONS UNLIMITED, INC , 10 VOTING, 7 INDEPENDENT, - MERIDIAN HEALTH FOUNDATION, INC , 14 VOTING, 10 INDEPENDENT, - JERSEY SHORE UNIVERSITY MEDICAL CENTER FOUNDATION, INC , 18 VOTING, 12 INDEPENDENT, - RIVERVIEW MEDICAL CENTER FOUNDATION, INC , 22 VOTING, 16 INDEPENDENT, - OCEAN MEDICAL CENTER FOUNDATION, INC , 20 VOTING, 13 INDEPENDENT, - SOUTHERN OCEAN MEDICAL CENTER FOUNDATION, 23 VOTING, 18 INDEPENDENT, - BAYSHORE COMMUNITY HOSPITAL FOUNDATION, 20 VOTING, 16 INDEPENDENT, - MERIDIAN PRACTICE INSTITUTE, INC , 12 VOTING, 2 INDEPENDENT, - MERIDIAN HEALTH REALTY CORPORATION, 11 VOTING, 10 INDEPENDENT,



Return Reference	Explanation
CORE FORM, PART VI, SECTION A, QUESTION 2	JOHN GANTNER, JOHN K LLOYD, FACHE and Norman Buttaci - BUSINESS RELATIONSHIP - BOARD MEMBERS OF QUALCARE, INC

Return Reference	Explanation
CORE FORM, PART VI, SECTION A, QUESTIONS 6 & 7	MERIDIAN HEALTH SYSTEM, INC ("MHS") IS THE SOLE MEMBER OF ALL ORGANIZATIONS INCLUDED IN THIS CONSOLIDATED GROUP FORM 990 OTHER THAN HEALTH INNOVATIONS UNLIMITED, INC ("HIU") MHS HAS THE RIGHT TO ELECT THE MEMBERS OF EACH SUBORDINATE ORGANIZATION'S BOARD OF TRUSTEES AND HAS CERTAIN RESERVED POWERS AS DEFINED IN EACH SUBORDINATE ORGANIZATION'S BYLAWS MERIDIAN HOME CARE SERVICES, INC HAS THE RIGHT TO ELECT THE MEMBERS OF HIU'S BOARD OF TRUSTEES AND HAS CERTAIN RESERVED POWERS AS DEFINED IN HIU'S BYLAWS

Return Reference	Explanation
CORE FORM, PART VI, SECTION B, QUESTION 11b	<p>THE FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE GOVERNING BODY OF MERIDIAN HEALTH, THE PARENT ORGANIZATION OF THE SUBORDINATES, AND MERIDIAN HOSPITALS CORPORATION ("MHC") PRIOR TO FILING THE PROCESS FOR REVIEWING THE FORM 990 IS AS FOLLOWS MERIDIAN HEALTH RETAINED A FIRM OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS WITH EXPERIENCE AND EXPERTISE IN HEALTHCARE AND NOT FOR PROFIT TAX RETURN PREPARATION ("CPA FIRM") TO REVIEW AND FILE THE FORM 990 Meridian PREPARED A DRAFT OF THE FORM 990, WHICH WAS THEN REVIEWED BY OTHER APPROPRIATE INTERNAL STAFF FOR ACCURACY, GENERAL COUNSEL AND OUTSIDE TAX COUNSEL THE DRAFT WAS THEN REVIEWED BY THE CPA FIRM AND PRESENTED TO THE GOVERNING BODY'S COMPLIANCE AND AUDIT COMMITTEE FOR REVIEW AND RECOMMENDATION TO THE GOVERNING BODY AFTER THE COMPLIANCE AND AUDIT COMMITTEE MEETING, ANY SUGGESTED REVISIONS TO THE FORM 990 WERE MADE, AND THE REVISED FORM 990, IN FINAL FORM, WAS PROVIDED TO EACH VOTING MEMBER OF MERIDIAN HEALTH'S GOVERNING BODY FOR REVIEW AT A MEETING PRIOR TO FILING OF THE FORM 990 WITH THE IRS</p>

Return Reference	Explanation
CORE FORM, PART VI, SECTION B, QUESTION 12	<p>MERIDIAN HEALTH, THE PARENT ORGANIZATION, HAS ADOPTED A SYSTEM CONFLICT OF INTEREST POLICY WHICH IS APPLICABLE TO ALL OF ITS SUBSIDIARY ORGANIZATIONS. THE ORGANIZATIONS REGULARLY MONITOR AND ENFORCE COMPLIANCE WITH THE SYSTEM'S CONFLICT OF INTEREST POLICY. ANNUALLY, ALL MEMBERS OF THE BOARD OF TRUSTEES, OFFICERS AND KEY EMPLOYEES OF EACH ORGANIZATION ARE REQUIRED TO REVIEW THE EXISTING CONFLICT OF INTEREST POLICY AND COMPLETE A QUESTIONNAIRE WITH RESPECT TO ANY APPLICABLE TRANSACTIONS AND RELATIONSHIPS. THE COMPLETED QUESTIONNAIRES ARE RETURNED TO THE SYSTEM'S SENIOR VICE PRESIDENT AND GENERAL COUNSEL FOR REVIEW. THE SENIOR VICE PRESIDENT AND GENERAL COUNSEL THEN PREPARES A SUMMARY OF THE COMPLETED QUESTIONNAIRES, AND PRESENTS THE SUMMARY TO THE SYSTEM'S EXECUTIVE COMMITTEE FOR ITS REVIEW, DISCUSSION AND ACTION (IF NEEDED). DURING THE YEAR, THE SENIOR VICE PRESIDENT AND GENERAL COUNSEL ALSO MONITORS ON-GOING TRANSACTIONS IN LIGHT OF THE SUMMARY TO ENSURE THAT ANY POTENTIAL CONFLICTS OF INTEREST ARE APPROPRIATELY HANDLED IN COMPLIANCE WITH THE POLICY.</p>

Return Reference	Explanation
CORE FORM 990, PART VI, SECTION B, QUESTION 15	<p>THE ORGANIZATIONS ARE AFFILIATES WITHIN A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM IN WHICH MERIDIAN HEALTH SYSTEM, INC IS THE SYSTEM'S PARENT ORGANIZATION. THE EXECUTIVE COMPENSATION COMMITTEE ("COMMITTEE") OF THE PARENT ORGANIZATION IS RESPONSIBLE FOR REVIEWING THE EXECUTIVE COMPENSATION OF THE PRESIDENT AND KEY EMPLOYEES (SENIOR MANAGEMENT) OF THE PARENT AND ALL OF THE SUBSIDIARY ORGANIZATIONS. THE COMMITTEE HAS ADOPTED A WRITTEN EXECUTIVE COMPENSATION PHILOSOPHY, APPROVED BY THE EXECUTIVE COMMITTEE AND GOVERNING BODY, WHICH IT FOLLOWS WHEN IT REVIEWS AND APPROVES COMPENSATION AND BENEFITS. THE EXECUTIVE COMPENSATION PHILOSOPHY RECOGNIZES THE SIZE AND COMPLEXITY OF THE HEALTHCARE SYSTEM AND THE CRITICAL NEED TO HAVE AND RETAIN EXECUTIVES THAT CONSISTENTLY DEMONSTRATE SUPERIOR LEVELS OF PERFORMANCE SO THAT THE HEALTH SYSTEM CAN FULFILL ITS CHARITABLE MISSION. THE COMMITTEE REVIEWS THE "TOTAL COMPENSATION" OF THE INDIVIDUALS, INCLUDING BOTH CURRENT AND DEFERRED COMPENSATION AND ALL EMPLOYEE BENEFITS, BOTH QUALIFIED AND NON-QUALIFIED ON AT LEAST AN ANNUAL BASIS TO ENSURE THAT THE "TOTAL COMPENSATION" OF THE PRESIDENT, OTHER OFFICERS (CFO, COO) AND EACH SENIOR MANAGEMENT KEY EMPLOYEE IS REASONABLE. TO ASSIST WITH THE REVIEW, THE COMMITTEE ENGAGES THE SERVICES OF A NATIONALLY RECOGNIZED INDEPENDENT CONSULTING FIRM SPECIALIZING IN EXECUTIVE COMPENSATION FOR NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS, AND RECEIVES REGIONAL MARKET DATA FOR COMPARABLE ORGANIZATIONS, A REPORT SUMMARIZING SUCH DATA, AND AN OPINION LETTER RELATING TO THE REASONABLENESS OF EACH EXECUTIVE'S TOTAL COMPENSATION AND BENEFITS. ADDITIONALLY, A SENIOR MEMBER OF THE CONSULTING FIRM ATTENDS THE COMMITTEE'S MEETINGS TO PROVIDE INFORMATION AND TO RESPOND TO QUESTIONS BY THE MEMBERS OF THE COMMITTEE. THE INDEPENDENT COMMITTEE UTILIZES THE OUTSIDE MARKET DATA COMPARABILITY AND BASED UPON THE ORGANIZATION'S PERFORMANCE, BUSINESS JUDGMENT CONSIDERATIONS, AND THE INDIVIDUAL'S PERFORMANCE ESTABLISHES COMPENSATION FOR EACH INDIVIDUAL. THE COMPREHENSIVE REVIEW PROCESS UTILIZED BY THE COMMITTEE QUALIFIES FOR THE REBUTTABLE PRESUMPTION UNDER SECTION 4958 OF THE INTERNAL REVENUE CODE OF 1986. 1. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION, WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A CONFLICT OF INTEREST WITHIN THE MEANING OF THE REGULATIONS UNDER SECTION 4958. 2. THE AUTHORIZED BODY OBTAINS AND RELIES UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION, WHICH COMPARABILITY DATA IS PROVIDED AND ANALYZED BY SULLIVAN COTTER AND ASSOCIATES, INC., A WELL-REGARDED EXPERT IN THE AREA OF NOT-FOR-PROFIT HEALTHCARE COMPENSATION, AND 3. THE AUTHORIZED BODY ADEQUATELY DOCUMENTS THE BASIS FOR ITS DETERMINATION CONCURRENTLY WITH MAKING THAT DETERMINATION, AGAIN AS REQUIRED IN THE REGULATIONS. AS APPROPRIATE, THE AUTHORIZED BODY SUPPLEMENTS THE COMPARABILITY DATA WITH OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THE REASONABLENESS OF THE COMPENSATION PAID, INCLUDING AN ANALYSIS OF INDIVIDUAL GOALS AND OBJECTIVES, ORGANIZATIONAL PERFORMANCE, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS, AND WRITTEN OFFERS FROM COMPETING ORGANIZATIONS. THE APPROVED COMPENSATION ARRANGEMENTS BY THE EXECUTIVE COMMITTEE ARE REPORTED IN EXECUTIVE SESSION TO THE GOVERNING BOARD BY THE SENIOR MEMBER OF THE CONSULTING FIRM.</p>

Return Reference	Explanation
CORE FORM, PART VI, SECTION C, QUESTION 19	THE ORGANIZATIONS ARE PART OF MERIDIAN HEALTH SYSTEM, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. ORGANIZATIONS INCLUDED IN THIS GROUP RETURN HAVE ISSUED TAX-EXEMPT BONDS TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE ORGANIZATION'S FINANCIAL STATEMENTS WERE INCLUDED WITH EACH TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. ALSO, EACH ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY. IN ADDITION, THE ORGANIZATIONS MAKE AVAILABLE TO THE PUBLIC VIA THEIR WEBSITE, WWW.MERIDIANHEALTH.COM, THEIR CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY.

Return Reference	Explanation
CORE FORM, PART VII, SECTION A, COLUMN B	THE ORGANIZATIONS included in this group return are PART OF MERIDIAN HEALTH System, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM") THE SYSTEM INCLUDES BOTH FOR-PROFIT AND NOT FOR-PROFIT ORGANIZATIONS CERTAIN BOARD OF TRUSTEE MEMBERS, OFFICERS AND/OR Key Employees LISTED ON CORE FORM, PART VII AND SCHEDULE J OF THIS FORM 990 MAY HOLD SIMILAR POSITIONS WITH more than one ORGANIZATION WITHIN THE SYSTEM THE HOURS SHOWN ON THIS FORM 990 REPRESENT THE ESTIMATED HOURS DEVOTED PER WEEK FOR all of the ORGANIZATIONs included on this return TO THE EXTENT THESE INDIVIDUALS SERVE AS A MEMBER OF THE BOARD OF TRUSTEES OF RELATED ORGANIZATIONS IN THE SYSTEM, THEIR RESPECTIVE HOURS PER WEEK PER ORGANIZATION ARE APPROXIMATELY three to five HOURS PER WEEK THE HOURS REFLECTED ON PART VII OF THIS FORM 990 FOR PAID OFFICERS AND KEY EMPLOYEES REFLECT TOTAL HOURS WORKED PER WEEK ON BEHALF OF MERIDIAN HEALTH, NOT SOLELY The ORGANIZATIONs included in this return

Return Reference	Explanation
CORE FORM, PART VII AND SCHEDULE J	PART VII AND SCHEDULE J REFLECT CERTAIN INDIVIDUALS, JOHN K LLOYD, JOHN GANTNER AND MARC H LORY , WHO ARE PART OF THE SENIOR MANAGEMENT TEAM AT MERIDIAN HEALTH SYSTEM, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM THESE INDIVIDUALS WORK FULL-TIME FOR MERIDIAN HEALTH SYSTEM AND RECEIVE COMPENSATION AND BENEFITS FROM MERIDIAN HOSPITALS CORPORATION, AN ENTITY INCLUDED IN THIS GROUP FORM 990, FOR SERVICES RENDERED TO THE ENTIRE MERIDIAN HEALTH SYSTEM PLEASE NOTE THAT THIS FORM 990 REFLECTS THE FINANCIAL ACTIVITY AND OTHER INFORMATION OF CERTAIN AFFILIATES WITHIN THE MERIDIAN HEALTH SYSTEM BUT DOES NOT INCLUDE ALL OF THE RELATED ORGANIZATIONS



Return Reference	Explanation
CORE FORM, PART XI, QUESTION 9	OTHER INCREASE (DECREASE)IN NET ASSETS OR FUND BALANCE INCLUDE - CHANGES IN PENSION BENEFITS AND PLAN ASSETS, \$49,524,000 - NET TRANSFERS TO/FROM RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS, \$(4,430,000) - NET ASSETS RELEASED FROM RESTRICION, \$5,751,301 - OTHER CHANGES IN NET ASSETS, \$296,001

Return Reference	Explanation
CORE FORM, PART XII, QUESTION 2	<p>MERIDIAN HOSPITALS CORPORATION IS THE LARGEST ENTITY OF THE MERIDIAN HEALTH SYSTEM GROUP EXEMPTION RULING WHICH COMPRISES THIS CONSOLIDATED GROUP FORM 990 PRICEWATERHOUSE COOPERS, L L P , AN INDEPENDENT CPA FIRM, AUDITED THE FINANCIAL STATEMENTS OF MERIDIAN HOSPITALS CORPORATION AND SUBSIDIARY FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY PRICEWATERHOUSE COOPERS, L L P ISSUED AN UNQUALIFIED OPINION WITH RESPECT TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS ADDITIONALLY, PRICEWATERHOUSE COOPERS, L L P AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF MERIDIAN HEALTH SYSTEM, INC AND AFFILIATES FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY, INCLUDING THOSE ENTITIES INCLUDED IN THIS FORM 990 PRICEWATERHOUSE COOPERS, L L P ISSUED AN UNQUALIFIED OPINION WITH RESPECT TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS IN ADDITION, PARENTE RANDOLPH, L L C , AN INDEPENDENT CPA FIRM, AUDITED THE FINANCIAL STATEMENTS OF MERIDIAN HOME CARE SERVICES, INC AND ITS CONTROLLED AFFILIATE HEALTH INNOVATIONS UNLIMITED, INC FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY PARENTE RANDOLPH, L L C ISSUED AN UNQUALIFIED OPINION WITH RESPECT TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS THE MERIDIAN HEALTH SYSTEM, INC COMPLIANCE AND AUDIT COMMITTEE HAS ASSUMED RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDITS OUTLINED HEREIN WITH RESPECT TO THE ORGANIZATIONS INCLUDED IN THIS CONSOLIDATED GROUP FORM 990, AND THE SELECTION OF AN INDEPENDENT AUDITOR</p>

Return Reference	Explanation	
	PART VII	<p>PART VII INCLUDES, AS OF DECEMBER 31, 2013, THE MEMBERS OF THE BOARD OF TRUSTEES, OFFICERS , AND KEY EMPLOYEES OF EACH OF THE ORGANIZATIONS INCLUDED IN THIS CONSOLIDATED GROUP FORM 990 IN ADDITION, PART VII INCLUDES THE REMAINING TOP FIVE HIGHEST PAID EMPLOYEES AMONGST ALL ENTITIES COMBINED AFTER OFFICERS AND KEY EMPLOYEES OF ALL ORGANIZATIONS INCLUDED IN TH E MERIDIAN HEALTH SYSTEM GROUP EXEMPTION RULING AND THIS CONSOLIDATED GROUP FORM 990 THES E MEMBERS ARE LISTED IN ORDER OF TRUSTEE, OFFICER, KEY EMPLOYEE, HIGHEST PAID AND FORMER MEMBER OUTLINED BELOW IS A SUMMARY OF THE BOARD OF TRUSTEES BY ORGANIZATION[* indicates t he member serves on more than one board reported on this group return]</p> <p>Meridian Hospitals Corporation -----</p> <p>Thomas J Kononowitz (Chairperson)* -Willia m Lawless, PhD (Vice Chairperson) -Joseph Mancini (Treasurer)* -Meredyth Armitage (Secreta ry)* -Marc H Lory (President)* -Peter S Reinhart, Esq (IMMEDIATE PAST CHAIRPERSON) -Ant hony T Scardella, MD -John Flynn -Serena DiMaso, Esq * -Frank Sharp, MD -John D Gumina, MD -Richard Amdur, Esq -Kathleen T Ellis -Maureen Murphy, PhD -Peter S Falvo, Jr , Esq * -Douglas W Chudzik, MD -John K Lloyd, FACHE* -Norman V Buttaci -Joseph Cauda, MD- Joseph P Lattanzi, MD * -Raymond M Masterson, MD -Edward Rittweger, MD -Thomas White, DO Meridian Health Realty Corporation -----</p> <p>----- -Martin M Barger , Esq (Chairperson) -Peter S Falvo, Jr , Esq (Vice Chairperson)* -Ronald Schrader (Secr etary) -Christopher Carton (Treasurer)* -John K Lloyd, FACHE (President)* -Edw ard R McGlynn, Esq * -Maurice Meyer III -Barry Weshnak * -John A Giunco, Jr , Esq -Kenneth Fitzs immons, Esq -William Himelman, Esq * Meridian Home Care Services -----</p> <p>----- -Peter Raben (Chairperson)* -John Gantner (President)* -Salvatore Inciardi (Vice Pre sident and Secretary)* -Meredyth Armitage (Treasurer)* -Maris Low n * -Robert R Stohrer * -John K Lloyd, FACHE* -Janice Sweeney * -Bernard Natelson * -Georgina E Petillo * Healt h Innovations Unlimited -----</p> <p>----- -Peter Raben (Chairperson)* -John G antner (President)* -Salvatore Inciardi (Vice President and Secretary)* -Meredyth Armitage (Treasurer)* -Maris Low n * -Robert R Stohrer * -John K Lloyd, FACHE* -Janice Sweeney * -Bernard Natelson * -Georgina E Petillo * Meridian Nursing &amp; Rehabilitation -----</p> <p>----- -William Himelman, Esq (Chairperson)* -Edw ard R McGlynn, Esq (V ice Chairperson)* -Fern Esposito (Secretary/Treasurer) * -John Gantner (President)* -Brian Roper, MD -Marie G Tambaro, CCRN Meridian Practice Institute -----</p> <p>----- -- -Thomas J Kononowitz (Chairperson)* -Marc H Lory (Vice Chairperson)* -Robert Palermo (Treasurer) -Alan Cabasso, MD (Secretary) -Carl M Marchetti, MD (President) -Eliot Frank , MD -David Kountz, MD -Mark G Martens, MD -Steven G Littleson * -Steven Kairys, MD -Jer ome Vernick, MD -Barry Weshnak * Meridian Health Foundation -----</p> <p>----- - Peter Cancro (Chairperson)* -Thomas J Dolan (Vice Chairperson)* -Serena DiMaso, Esq (Tre asurer)* -Kevin L Buckelew (Secretary)* -Joseph E Stampe (President)* -Nancy Seidenstein -Carol Stillw ell * -Joseph Albertelli * -Thomas J Gravina * -Eric M Kirsch, CFA * -Chri stian T Koerner, MST, CPA, ABV * -John K Lloyd, FACHE* -Joseph Mancini * -Martin F Pfl eger, Esq * Bayshore Community Hospital Foundation -----</p> <p>----- -- -Serena DiMaso, Esq (Chairperson)* -Martin F Pfl eger, Esq (Vice Chairperson)* -Barba ra Ganz (Secretary) -Joseph E Stampe (President)* -Nicholas R Colisto -Louis R Czubachowski -Adrian M Pristas, MD -Gregory A Buontempo -Moon Choo -Robert O'Donnell -Wendell Smith, Esq -William Allingham -Fern Esposito * -Mollie Giamanco -Philip J Scaduto -Evaristo Stanziale -Carol Stillw ell * -Ross Zimmerman -John K Lloyd, FACHE* -Timothy Hogan * Je rsey Shore University Medical Center Foundation -----</p> <p>----- -Peter Cancro (Chairperson)* -Eric M Kirsch, CFA (Vice Chairperson)* -Philip L Perricone (Treasurer) -William W Wingard (Secretary) -Joseph E Stampe (President) * -Ani ta Roselle -J Scott Ferguson -Karen A Goldblatt -Vincent J Puma -William S Walsh -T B urt Barham -William C Black -Walter R Earle II -Kenneth D Nahum, DO -Robert L Sweeney, MD -John K Lloyd, FACHE* -Steven G Littleson * -Joanne Falcone Ocean Medical Center Fo undation -----</p> <p>----- -Kevin L Buckelew (Chairperson)* -Christian T Koerner, MST, CPA, ABV (Vice Chairperson)* -Elizabeth A Kelly (Secretary) -Joseph E Sta mpe (President)* -Thomas R Lake, III MD -Thomas J Sexton -Dale L Wegener -Nina Anuario -James A Clarke, MD -Edward J Dimon, Esq -Holly R Hubbell Lonsdale -Robert A Monaco, MD -Vincent J Vivona, DO, JD, FACP -Joseph Berardo -Richard A Goldman -Joseph Leone Intr ona -James A Urner -John K Lloyd, FACHE* -Dean</p>

Return Reference	Explanation	
	PART VII	Q Lin -Michael Oakes Riverview Medical Center Foundation ----- -Thomas J Gravina (Chairperson)* -Joseph Albertelli (Vice Chairperson)* -Kristen S Bunnell (Treasurer) -Nancy Mulheren (Secretary) -Joseph E Stampe (President)* -Elizabeth Moody Schmalz Ferguson -William J Marraccini -Margaret S Riker -Howard M Ross, MD -Ric hard J Saker -Steven M Scopellite -Negin Noorchashm Griffith -Lore Macdonald -Edward J McKenna, Jr -Robert Rechnitz -Lawrence W Sykoff, EdD -Phillipa G Woodriffe, MD -Mark De Vito -Peter T Roselle -John K Lloyd, FACHE * -Timothy J Hogan * -Jennifer Smith Souther n Ocean Medical Center Foundation ----- -Thomas J Do lan (Chairperson)* -Joseph Mancini (Vice Chairperson)* -Joseph T O'Donnell (Treasurer) -Deborah Mathis (Secretary) -Joseph E Stampe (President)* -Michael Bleiman, MD -Joan M Har t -Marion A Hergert -Joseph P Lattanzi, MD * -David M Nilsen -Angela Ominski -Robert R Stohrer * -Michael Aaron, DO -Norman Barham -John Imperato -Peter S Goldman -Robert J Simmons -John K Lloyd, FACHE * -Joseph P Coyle -Suzette Whiting -Judy Brophy -Vicki Malon e -Barbara Schmidt

Return Reference	Explanation
ADDITIONS TO THE GROUP EXEMPTION	EFFECTIVE FOR 2013, AS A RESULT OF MERGERS, THREE MERIDIAN HEALTH AFFILIATES WERE DELETED FROM THE MERIDIAN HEALTH GROUP EXEMPTION RULING VIA ITS ANNUAL GROUP EXEMPTION RULING UPDATE FILED WITH THE INTERNAL REVENUE SERVICE IN SEPTEMBER 2013. THESE ORGANIZATIONS INCLUDED - BAYSHORE COMMUNITY HOSPITAL - BAYSHORE HEALTH CARE CENTER, INC. - BAYSHORE COMMUNITY HOSPITAL FOUNDATION, INC. ACCORDINGLY, THE ACTIVITIES AND OPERATIONS OF THESE ORGANIZATIONS ARE INCLUDED IN THIS CONSOLIDATED GROUP 990 SINCE THEY WERE MERGED INTO ORGANIZATIONS INCLUDED IN THIS FILING.

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Employer identification number  
01-0649794

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on 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) SOCH PROPERTIES 1 LLC 1140 ROUTE 72 WEST MANAHAWKIN, NJ 08050 33-1035243	REAL ESTATE	NJ	988,903	3,291,005	SOCH PROP
(2) SOCH PROPERTIES 3 CLOCK BLD LLC 1140 ROUTE 72 WEST MANAHAWKIN, NJ 08050 51-0538953	REAL ESTATE	NJ	217,296	1,542,880	SOCH PROP
(3) SOCH PROPERTIES 2 LLC 1140 ROUTE 72 WEST MANAHAWKIN, NJ 08050 26-0838981	REAL ESTATE	NJ	134,073	447,759	SOCH PROP

Part II Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

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

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) COASTAL CO-OP OF NJ  1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 22-3603146	PURCHASING	NJ	MHC					No	0			90 000 %
(2) JFK Meridian Home Care Services Inc  1350 Campus Parkway Neptune, NJ 07753 27-3916732	Home Care	NJ	MHCS					No	0			50 000 %

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

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

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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

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

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

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

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

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

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

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



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

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
SCHEDULE R, GROUP EXEMPTION	OUTLINED BELOW IS A LIST OF ORGANIZATIONS INCLUDED AS SUBORDINATES IN THE MERIDIAN HEALTH SYSTEM GROUP EXEMPTION RULING AND IN THIS CONSOLIDATED GROUP FORM 990 - MERIDIAN HOSPITALS CORPORATION (FEID 22-3471515) - MERIDIAN NURSING AND REHABILITATION, INC (FEID 52-1772578) - MERIDIAN HOME CARE SERVICES, INC (FEID 22-2731440) - HEALTH INNOVATIONS UNLIMITED, INC (FEID 22-2581430) - MERIDIAN HEALTH FOUNDATION, INC (FEID 30-0107825) - JERSEY SHORE UNIVERSITY MEDICAL CENTER FOUNDATION, INC (FEID 22-2342452) - RIVERVIEW MEDICAL CENTER FOUNDATION, INC (FEID 22-2333524) - OCEAN MEDICAL CENTER FOUNDATION, INC (FEID 22-2361311) - SOUTHERN OCEAN MEDICAL CENTER FOUNDATION, INC (FEID 22-2666099) - BAYSHORE COMMUNITY HOSPITAL FOUNDATION, INC (FEID 22-2367109) - MERIDIAN HEALTH REALTY CORPORATION (FEID 22-3200147) - MERIDIAN PRACTICE INSTITUTE, INC (FEID 06-1755235)
SCHDULE R, PART V	MERIDIAN HOSPITALS CORPORATION AND CERTAIN OF ITS AFFILIATES ROUTINELY PAY EXPENSES FOR VARIOUS AFFILIATES WITHIN MERIDIAN HEALTH IN THE ORDINARY COURSE OF BUSINESS, INCLUDING THIS ORGANIZATION THESE RELATED PARTY TRANSACTIONS ARE RECORDED ON THE REVENUE/EXPENSE AND BALANCE SHEET STATEMENTS OF THIS ORGANIZATION AND ITS AFFILIATES THESE ENTITIES WORK TOGETHER TO DELIVER HIGH QUALITY HEALTHCARE AND WELLNESS SERVICES TO THE COMMUNITIES IN WHICH THEY ARE SITUATED
2013 MERGERS	ON APRIL 1, 2013 BAYSHORE COMMUNITY HOSPITAL (EIN 21-0744668) MERGED INTO MERIDIAN HOSPITALS CORPORATION (EIN 22-3471515) AND BAYSHORE HEALTH CARE CENTER, INC (EIN 22-2715789) MERGED INTO MERIDIAN NURSING & REHABILITATION, INC (EIN 52-1772578) ON JULY 29, 2013 COMPASS HEALTHCARE, INC (EIN 22-3357958) MERGED INTO NEW COMPASS HEALTHCARE, INC (EIN 46-3315778) NEW COMPASS HEALTHCARE, INC (EIN 46-3315778) MERGED INTO COMPASS NEWCO, INC (EIN 46-3308111) ON JULY 30, 2013 COMPASS NEWCO, INC (EIN 46-3308111) MERGED INTO MERIDIAN HEALTH MANAGEMENT, INC (EIN 22-2519699) ON AUGUST 1, 2013 THE FOLLOWING ENITIES MERGED - MERIDIAN HEALTH MANAGEMENT, INC (EIN 22-2519699) MERGED INTO HCMC, INC (EIN 22-2620595) HCMC, INC (EIN 22-2620595) CHANGED ITS NAME TO MERIDIAN HEALTH MANAGEMENT, INC - MERIDIAN HEALTHWARES, BRICK (EIN 22-3571926) MERGED INTO BAYSHORE HEALTHCARE MANAGEMENT CORPORATION (EIN 22-2550716) BAYSHORE HEALTHCARE MANAGEMENT CORPORATION (EIN 22-2550716) CHANGED ITS NAME TO MERIDIAN HEALTH VENTURES, INC - SOCH PROPERTIES, INC (EIN 22-3846197) MERGED INTO MERIDIAN HEALTH REALTY CORPORATION (EIN 22-3200147)
2013 DISSOLUTIONS	THE FOLLOWING ENTITIES WERE DISSOLVED IN 2013 - BAYSHORE CENTER FOR REHAB & PHYS THERAPY (EIN 22-3116637) ON JUNE 10, 2013 - ASSISTED LIVING IN COLTS NECK, INC (EIN 22-2567119) ON JULY 25, 2013 - MERIDIAN HEALTHWARES, WEST LONG BRANCH (EIN 22-3571931) ON DECEMBER 5, 2013

Additional Data

Software ID:

Software Version:

EIN: 01-0649794

Name: MERIDIAN HEALTH SYSTEM INC - SUBORDINATES

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) MERIDIAN HEALTH SYSTEM INC  1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 22-3474145	HEALTH SVCS	NJ	501(C)(3)	509(A)(3)	NA		No
(1) MERIDIAN SURGICAL ASSOCIATES PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 06-1755228	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(2) MERIDIAN PEDIATRIC ASSOCIATES PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 06-1755230	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(3) MERIDIAN MEDICAL ASSOCIATES PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 06-1755233	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(4) NORTHERN OCEAN CTY MEDICAL ASSOC PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 14-1981653	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(5) NORTHERN MONMOUTH CTY MED ASSOC PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 14-1981647	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(6) MERIDIAN TRAUMA ASSOCIATES PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 14-1981651	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(7) MERIDIAN OBST & GYN ASSOCIATES PC  1945 STATE ROUTE 33 NEPTUNE, NJ 07753 06-1755239	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(8) MERIDIAN PEDIATRIC SURGICAL ASSOC PC  1200 JUMPING BROOK ROAD BLDG 5 S NEPTUNE, NJ 07753 77-0720131	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(9) SHORE REHABILITATION INSTITUTE INC  425 JACK MARTIN BLVD BRICK, NJ 08724 22-3274755	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MHC	Yes	
(10) SOMC MEDICAL GROUP PC  1140 RT 72 WEST MANAHAWKIN, NJ 08050 27-1412183	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No
(11) MERIDIAN OCCUPATIONAL HEALTH PC  1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 27-2377326	HEALTH SVCS	NJ	501(C)(3)	509(A)(2)	MH SYSTEM		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
COASTAL MEDICAL INSURANCE LTD 44 CHURCH STREET 3RD FLOOR HAMILTON, BERMUDA HA 12 BD 98-0166769	FINANCIAL VEHICLE	BD	NA	FOREIGN CORP					No
Meridian Health Ventures Inc 1350 Campus Parkway Neptune, NJ 07753 22-2550716	HEALTHCARE SVCS	NJ	N/A	C CORP					No
HCMC Inc 1350 Campus Parkway Neptune, NJ 07753 22-2620595	HEALTHCARE SVCS	NJ	N/A	C CORP					No
ASSISTED LIVING AT COLTS NECK INC 3349 HIGHWAY 138 BLDG C SUITE A WALL, NJ 07719 22-2567119	INACTIVE	NJ	NA	C CORP					No
MERIDIAN HEALTH MANAGEMENT INC 1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 22-2519699	HEALTHCARE SVCS	NJ	MH SYSTEM	C CORP					No
MERIDIAN HEALTHWARES BRICK 1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 22-3571926	HEALTHCARE SVCS	NJ	NA	C CORP					No
MERIDIAN HEALTHWARES WEST LONG BRANCH 1350 CAMPUS PARKWAY NEPTUNE, NJ 07753 22-3571931	INACTIVE	NJ	NA	C CORP					No
COMPASS HEALTHCARE INC 1140 ROUTE 72 WEST MANAHAWKIN, NJ 08050 22-3357958	HEALTHCARE SVCS	NJ	MH SYSTEM	C CORP					No
BAYSHORE CENTR FOR REHAB & PHYS THERAPY 1 BETHANY ROAD SUITE 43 HAZLET, NJ 07730 22-3116637	INACTIVE	NJ	NA	C CORP					No

**TY 2013 Affiliated Group Schedule****Name:** MERIDIAN HEALTH SYSTEM INC - SUBORDINATES**EIN:** 01-0649794**Affiliated Group Business Name:** Meridian Health System Inc**Address. Either US or Foreign Type:** 1350 CAMPUS PARKWAY  
NEPTUNE, NJ 07753**EIN:** 22-3474145**Electing Organization Checkbox:** ☐**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 603,891**Total Lobbying Expenditures:** 603,891**Other Exempt Purpose Expenditures:** 1,578,291,147**Total Exempt Purpose Expenditures:** 1,578,895,038**Lobbying Nontaxable Amount:** 1,000,000**Grassroots Nontaxable Amount:** 250,000**Tot Lobbying Grassroot Minus Non Tx:** 0**Tot Lobby Expend Mns Lobbying Non Tx:** 0**Share Of Excess Lobbying:** 0

# **Meridian Hospitals Corporation**

**Financial Statements**

**December 31, 2013 and 2012**

**Meridian Hospitals Corporation**  
**Index**  
**December 31, 2013 and 2012**

---

	<b>Page(s)</b>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6–36



## **Independent Auditor's Report**

To the Board of Trustees  
Meridian Hospitals Corporation

We have audited the accompanying financial statements of Meridian Hospitals Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations and of changes in net assets and of cash flows for the years then ended.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation at December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP*

March 31, 2014



**Meridian Hospitals Corporation**  
**Balance Sheets**  
**December 31, 2013 and 2012**

---

<i>(in thousands)</i>	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 186,941	\$ 168,843
Assets limited as to use and short-term investments	254,960	260,271
Patient accounts receivable, less allowance for uncollectible accounts of \$44,937 in 2013 and \$33,283 in 2012	117,746	126,021
Due from affiliates, net	4,533	1,541
Other current assets	38,238	34,657
Total current assets	<u>602,418</u>	<u>591,333</u>
Assets limited as to use and investments, noncurrent portion		
Under Board of Trustee designation and investments	401,059	355,196
Under bond indenture agreements	-	4,216
Total noncurrent assets limited as to use and investments	<u>401,059</u>	<u>359,412</u>
Property, plant and equipment, net	725,008	684,272
Other assets	67,930	56,216
Interest in net assets balance of foundations	71,564	63,883
Due from affiliates	8,830	8,929
Total assets	<u>\$ 1,876,809</u>	<u>\$ 1,764,045</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Current maturities of long-term debt and capital lease obligations	\$ 16,886	\$ 16,831
Accounts payable and accrued expenses	137,814	135,142
Estimated amounts due to third party payors	37,006	42,508
Due to affiliates, net	4,201	3,279
Other current liabilities	47,431	47,446
Total current liabilities	<u>243,338</u>	<u>245,206</u>
Long-term debt and capital lease obligations, less current maturities	537,849	560,223
Accrued pension liability	30,552	75,550
Other liabilities	190,442	209,443
Total liabilities	<u>1,002,181</u>	<u>1,090,422</u>
<b>Net assets</b>		
Unrestricted	803,037	609,713
Temporarily restricted	50,144	42,844
Permanently restricted	21,447	21,066
Total net assets	<u>874,628</u>	<u>673,623</u>
Total liabilities and net assets	<u>\$ 1,876,809</u>	<u>\$ 1,764,045</u>

The accompanying notes are an integral part of these financial statements

**Meridian Hospitals Corporation**  
**Statements of Operations**  
**Years Ended December 31, 2013 and 2012**

<i>(in thousands)</i>	<b>2013</b>	<b>2012</b>
<b>Unrestricted revenues, gains and other support</b>		
Patient service revenue, net of contractual allowances and discounts	\$ 1,316,851	\$ 1,297,072
Provision for bad debts	76,480	71,538
Net patient service revenue, less provision for bad debts	1,240,371	1,225,534
Other revenue	53,038	38,522
Net assets released from restriction used for operating activities	2,500	1,595
Total operating revenues	1,295,909	1,265,651
<b>Expenses</b>		
Salaries, wages and contracted labor	504,789	500,323
Physician salaries and fees	47,263	45,095
Employee benefits	132,837	127,104
Supplies	239,328	228,265
Other expenses	217,896	215,027
Depreciation and amortization	59,183	61,088
Interest	31,835	34,111
Total operating expenses	1,233,131	1,211,013
Income from operations	62,778	54,638
<b>Nonoperating revenues (losses)</b>		
Investment income	24,271	13,382
Unrealized gain (loss) on derivative instruments	34,708	(391)
Loss on extinguishment of debt	(1,356)	(2,028)
Excess of revenue over expenses	120,401	65,601
Change in net unrealized gains (losses) on investments	22,139	19,611
Net assets released from restriction for capital acquisition	6,951	15,910
Increase in unrestricted net assets before other adjustments	149,491	101,122
Equity transfers to affiliates	(5,969)	(2,400)
Other changes in pension benefits and plan assets	49,524	(7,453)
Other changes in unrestricted net assets	278	181
Increase in unrestricted net assets	\$ 193,324	\$ 91,450

The accompanying notes are an integral part of these financial statements

**Meridian Hospitals Corporation**  
**Statements of Changes in Net Assets**  
**Years Ended December 31, 2013 and 2012**

<i>(in thousands)</i>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total Net Assets</b>
<b>Balances at December 31, 2011</b>	\$ 518,263	\$ 42,071	\$ 20,528	\$ 580,862
Excess of revenues over expenses	65,601	-	-	65,601
Change in net unrealized gain on investments	19,611	-	-	19,611
Increase in interest in affiliated fund raising organizations	-	18,278	538	18,816
Net assets released from restriction for capital acquisition	15,910	(15,910)	-	-
Net assets released from restriction used for operating activities	-	(1,595)	-	(1,595)
Equity transfers to affiliates	(2,400)	-	-	(2,400)
Other changes in pension benefits and plan assets	(7,453)	-	-	(7,453)
Other changes in unrestricted net assets	181	-	-	181
Increase in net assets	91,450	773	538	92,761
<b>Balances at December 31, 2012</b>	609,713	42,844	21,066	673,623
Excess of revenues over expenses	120,401	-	-	120,401
Change in net unrealized gain on investments	22,139	-	-	22,139
Increase in interest in affiliated fund raising organizations	-	16,751	381	17,132
Net assets released from restriction for capital acquisition	6,951	(6,951)	-	-
Net assets released from restriction used for operating activities	-	(2,500)	-	(2,500)
Equity transfers to affiliates	(5,969)	-	-	(5,969)
Other changes in pension benefits and plan assets	49,524	-	-	49,524
Other changes in unrestricted net assets	278	-	-	278
Increase in net assets	193,324	7,300	381	201,005
<b>Balances at December 31, 2013</b>	\$ 803,037	\$ 50,144	\$ 21,447	\$ 874,628

The accompanying notes are an integral part of these financial statements

# Meridian Hospitals Corporation

## Statements of Cash Flows

### Years Ended December 31, 2013 and 2012

<i>(in thousands)</i>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 201,005	\$ 92,761
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Gain on disposal of assets	(72)	(40)
Provision for bad debts	76,480	71,538
Depreciation and amortization	59,104	60,889
Original issue premium on bond issue	3,927	-
Loss on extinguishment of debt	1,356	2,028
Amortization of original issue premium	(1,643)	(826)
Amortization of fair market value adjustment of long term debt	72	199
Change in net realized and unrealized gains on investments	(36,465)	(27,426)
Unrealized (gains) loss on derivative instruments	(34,708)	391
Unrealized (gains) loss on trading securities	(4,691)	1,473
Restricted contributions for capital acquisitions	(6,951)	(15,910)
Other changes in pension benefits and plan assets	(49,524)	7,453
Equity transfers to from affiliates, net	5,969	2,400
Changes in assets and liabilities		
Increase in net patient accounts receivable	(68,205)	(78,581)
Increase in other assets	(25,815)	(7,478)
Increase in accounts payable and accrued expenses	2,672	15,495
(Decrease) increase in estimated amounts due to third party payors	(4,319)	12,313
Increase in other liabilities	13,567	3,480
Net cash provided by operating activities	<u>131,759</u>	<u>140,159</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(93,079)	(66,411)
Proceeds from sale of property and equipment	73	48
Changes in assets limited as to use and investments	4,820	(38,482)
Net cash used in investing activities	<u>(88,186)</u>	<u>(104,845)</u>
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt and capital lease obligations	(17,481)	(19,295)
Early extinguishment of debt	(38,075)	(130,234)
Proceeds from borrowings	29,525	130,249
Restricted contributions for capital acquisitions	6,951	15,910
Financing costs	(426)	(229)
Equity transfers to affiliates, net	(5,969)	(2,400)
Net cash used in financing activities	<u>(25,475)</u>	<u>(5,999)</u>
Increase in cash and cash equivalents	18,098	29,315
<b>Cash and cash equivalents</b>		
Beginning of year	<u>168,843</u>	<u>139,528</u>
End of year	<u>\$ 186,941</u>	<u>\$ 168,843</u>
<b>Supplemental information</b>		
Cash paid for interest	\$ 32,508	\$ 30,468
Construction and retainage payable	6,390	4,818

The accompanying notes are an integral part of these financial statements

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

#### **1. Organization**

Meridian Health System, Inc. ("MH"), a not-for-profit corporation, is the parent organization and sole member of Meridian Hospitals Corporation. MH is also the parent corporation or has equity interest in various other New Jersey health care organizations which provide a comprehensive range of services including long-term nursing care, home care, ambulatory care, ambulance services and other health related services.

Meridian Hospitals Corporation ("MHC") is a not-for-profit corporation that operates an acute care hospital system which provides primary and tertiary care services to the residents of the Monmouth and Ocean County regions of New Jersey. MHC was established for the promotion of health and to serve the public rather than private interest. To further this purpose, MHC also provides various programs for medical training, research, education and conducts activities established to improve the health of the community.

MHC was formed on January 1, 1997 and currently operates five hospital divisions. Jersey Shore University Medical Center ("JSUMC") operates a major teaching, acute care hospital, the K Hovnanian Children's Hospital and regional trauma center located in Neptune, New Jersey. Ocean Medical Center ("OMC") operates an acute care hospital located in Brick, New Jersey and the OMC Care Center, a satellite emergency department in Point Pleasant, New Jersey. Riverview Medical Center ("RMC") operates an acute care hospital and a comprehensive rehabilitation unit located in Red Bank, New Jersey. Southern Ocean Medical Center ("SOMC") operates an acute care hospital located in Manahawkin, New Jersey. Bayshore Community Hospital ("BCH") operates an acute care hospital located in Holmdel, New Jersey. BCH became a subsidiary of MHC as parent organization and sole member as a result of the change in BCH's corporate member in September 2010. Effective April 1, 2013, MH completed the full asset merger of BCH into MHC as a fifth division and BCH ceased to exist as a separate legal entity.

#### **2. Summary of Significant Accounting Policies**

The following is a summary of MHC's (the "Corporation") significant accounting policies.

##### **Basis of Presentation**

The financial statements included only the accounts of the Meridian Hospitals Corporation as of December 31, 2013 and Meridian Hospital Corporation and Subsidiary as of December 31, 2012 and for the year then ended. As detailed above, effective April 1, 2013, Meridian Health completed the full asset merger of BCH into Meridian Hospitals Corporation as a fifth division. In the prior year, all significant inter-affiliate accounts and transactions were eliminated in consolidation of the financial statements.

##### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. These estimates include the collectability of accounts receivable, third party settlement accounts, useful lives for depreciation of fixed assets, long-term asset impairment, investment valuation, insurance, pension and other employee benefit cost, among others. Estimates and assumptions

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary. Actual results may differ from those estimates.

#### **Income Taxes**

The Corporation is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code ("Code") and is exempt from federal income taxes on related income. The Corporation is also exempt from state income taxes. Per the requirement to assess for tax uncertainty, management has determined that it does not have any significant uncertain tax positions required to be accrued or reported.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid instruments with original maturity of three months or less. Cash and cash equivalents exclude assets limited as to use by board designation or under trust agreements.

At December 31, 2013 and 2012 the cash and cash equivalents in major financial institutions exceed the Federal Depository Insurance Limits. Management believes the credit risk related to these deposits is minimal.

#### **Assets Limited as to Use and Investments**

Assets limited as to use principally consist of cash and investments held by trustees under the various indenture agreements and funds set aside by the Board of Trustees over which the Board retains control and may, at its discretion, subsequently use for other purposes. Assets limited as to use and investments are recorded at fair value as described below.

Investment income on investments held under bond indenture agreements is included in other operating revenue. Investment income or losses on all other investments, including realized gains and losses on investments, interest, dividends, changes in values on trading securities, and related investment management fees are included in nonoperating revenues (losses). Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities.

#### **Fair Value Measurements**

Fair Value Accounting establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined as the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. Fair value requires an organization to determine the unit of account, the mechanism of hypothetical transfer, and the appropriate markets for the asset or liability being measured.

# Meridian Hospitals Corporation

## Notes to Financial Statements

### Years Ended December 31, 2013 and 2012

---

(in thousands)

The guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. As a basis for comparing assumptions, accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

- |         |   |
|---------|---|
| Level 1 | Financial instruments for which quoted market prices are available in active markets. Level 1 assets consist of Money Market Funds, Equity Securities, some Mutual Funds, and U.S. Treasury Notes/Bills securities as they are traded in an active market with sufficient volume and frequency of transactions.   |
| Level 2 | Financial instruments for which there are inputs, other than the quoted prices in active markets, that are observable either directly or indirectly. Level 2 assets consist of certain Money Market Funds, Government Backed Securities, Corporate Bonds and Mutual Funds. These investments can also be valued by the investment portfolio managers utilizing a portfolio system, which relies on one of the largest pricing services and is used by many mutual funds. If the pricing service does not have a price, the Bloomberg submitted price is used. The Corporation reviews the results of these valuations in assessing its fair value of investments. |
| Level 3 | Financial instruments for which there are unobservable inputs, in which there is little or no market data, which require the reporting entity to develop its own assumptions.   |

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions the market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors.

The following is a description of the methods and assumptions used to estimate fair value. There have been no changes in valuation methods and assumptions used at December 31, 2013 and 2012.

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

- **Corporate Equity Securities** - Securities listed on national stock exchanges are valued at the last published sales price on the last business day of the year, over-the-counter securities for which no sale was reported on the last business day of the year are valued at the latest reported bid price from a published source
- **Mutual Funds and Money Market Funds** - Fair value estimates for mutual funds are based on net asset values (NAVs) calculated by the funds' independent administrators which are calculated daily. Redemptions from each of the funds can be made daily on the latest reported NAV
- **U S Government Debt and Corporate Debt Securities** - Valued on the basis of the quoted market prices at year-end. If quoted market prices are not available for the investments, these investments are valued based on yields currently available on comparable securities or issuers with similar credit ratings
- **Common/Collective Trust** - Valued based on a net unit value. The net unit value of the trust is derived from the value of the underlying securities as determined by the trust at year-end. The investments of the common/collective trust consist primarily of securities with quoted market prices
- **Interest-bearing Cash Equivalents** - Consist primarily of U S Government debt securities with maturities less than three months from year-end. These investments are valued on the basis of the quoted market prices at year-end. If quoted market prices are not available for the investments, these investments are valued based on yields currently available on comparable securities or issuers with similar credit ratings
- **Derivative Instruments** - Consist of interest rate swap agreements. Value is determined using a market-based interest rate yield curve adjusted specifically to take into account the Corporation's risk of nonperformance

The Corporation has elected to record the alternative investments at cost. Alternative investments include the Real Estate Fund, the Private Equity Fund and the Commodities Fund. The Defined Benefit Cash Balance plan records these investments at fair value as follows:

- **Real Estate Fund** - Value is derived by applying ownership percentage to the value of the fund as determined by the fund's management at year-end. The investments of the real estate fund consist primarily of securities with quoted market prices
- **Private Equity Fund** - Value for investments is derived by applying ownership percentage to the value of the fund as determined by the fund's management at year-end. The investments of the private equity fund consist primarily of investments in limited partnerships. These investments are fair valued at their net asset value as reported by their underlying investment manager. In the event that the partnership is unable to obtain the value of any portfolio investment from the applicable investment manager, the fair value of such portfolio investment shall be determined by the general partner



# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

- **Commodities Fund** - Valued on year-end net asset values of the respective classes of shares, which are determined monthly, or at the date of any subscription to or redemption from the fund. The net asset value is equal to the excess value of the Fund's assets over the sum of its liabilities. Substantially all of the assets of the Fund are invested in shares of a Master Fund. The value of the Fund's assets and liabilities are determined in accordance with accounting principles acceptable in the United States. Futures and forward contracts are valued based upon the settlement price on the exchanges where they are traded, and where there is no settlement price, value will be based upon the last trade price. If the Fund invests in a commingled entity, the value of the Fund's investment will be the value provided by the manager of the entity, unless the investment manager determines such value is not reasonable, in which case the investment manager shall determine the value of the investment.

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

The agreements underlying participation in some of these investments may limit the Corporations' ability to liquidate its interests in such investments for a period of time. While the Corporation has not been informed of any redemption restrictions, some of the more significant restrictions contained in the Board Designated investments and the Pension Plan investments are:

- The TAP Fund generally permits a shareholder to redeem all or any portion of its shares upon five business days. However, distributions may be limited in amount or temporarily suspended in circumstances described in the fund agreement. Shares not redeemed from the fund remain at risk to fund performance until the effective date of the redemption.
- Members may generally withdraw any portion or all of their capital account from the REEF Real Estate Securities Commingled Fund at the end of any month after providing ten business days prior written notice.
- MHC may not redeem any interest in the Portfolio Advisors Private Equity Fund V without the consent of the general partner. As a result, at December 31, 2013 and 2012, MHC had Board Designated investments of \$4,362 and \$4,730, respectively, which are restricted from redemption under this lock-up provision. At December 31, 2013 and 2012, MHC had in Pension Plan investments of \$6,835 and \$6,491, respectively, which are restricted from redemption under this lock-up provision.

#### **Impairment of Investments**

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the fair value of investments below cost will be considered other than temporary. There were no such losses reported for the years ended December 31, 2013 and 2012.

#### **Inventories**

Inventories, primarily supplies, are included in other current assets and are stated at lower of cost or market.

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

#### **Other Assets**

Included in other assets are various Corporation investments in health-related ventures. Investments are accounted for on the cost or equity method depending upon the Corporation's ownership interest and the degree of control exercised.

#### **Financial Instruments**

The Corporation has entered into interest rate swap agreements to manage its exposure to fluctuations in interest rates (interest rate risk) and lower cost of capital. These swap agreements involve the exchange of fixed and variable rate interest payments between the Corporation and counterparties based on common notional principal amounts and maturity dates that correspond to the Corporation's outstanding long-term debt.

The Corporation recognizes all derivatives (interest rate swap agreements) as liabilities in the statement of financial position and measures these instruments at fair value. Changes in fair value of these instruments are reported in the financial statements as discussed in Note 8.

#### **Property, Plant and Equipment**

The Corporation's property, plant and equipment are stated at cost less accumulated depreciation. The Corporation determines depreciation using the straight-line method, over the estimated useful life of each class of depreciable asset. Estimated lives range from 3 to 15 years for equipment and up to 40 years for buildings.

Capitalized leases are recorded at their present value at the inception of the lease. Equipment under capital leases are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Gains and losses resulting from the retirement of property, plant and equipment are included in the results of current operations.

Gifts of long-lived assets such as property, plant and equipment are determined at the fair value at the date of the gift and reported as an increase to unrestricted net assets unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

#### **Impairment of Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount may not be recoverable. If the sum for the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying value of the asset. There were no impairment losses recorded for the years ended December 31, 2013 and 2012.

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

#### **Deferred Financing Costs**

Deferred financing costs represent costs incurred to obtain various capital financings. Deferred financing costs are amortized using the effective interest method or the straight-line method when not materially different over the term of the related debt. Deferred financing costs totaled \$4,736 and \$4,682, net of accumulated amortization of \$1,421 and \$1,021 at December 31, 2013 and 2012, respectively. These amounts are reported within other assets in the accompanying balance sheets.

#### **Professional Liability Insurance**

The Corporation's policy is to accrue an estimate of the ultimate cost of malpractice and workers compensation claims under insurance policies. This accrued liability is included in other liabilities. The Corporation also records an estimate for insurance recoveries associated with these claims. This amount is included in other assets.

#### **Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those funds whose use is limited by donors to a specified time period and/or purpose. Temporary restricted net assets are available for the funding of health care services and capital acquisitions. Permanently restricted net assets have been restricted by donors to be held in perpetuity and the income from permanently restricted net assets is expendable to support various health care services. Resources arising from the results of operations or assets set aside by the Board of Trustees are not considered to be donor restricted.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as the cost basis. 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. The Corporation's policy is to exclude from operating income, net assets released from restrictions for capital acquisitions. Net assets released from restrictions for noncapital purposes are included within operating income. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

The Corporation adopted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). This law governs management and spending of donor-restricted endowment funds and permanently restricted gifts. Disclosure requirements under this act have been adopted by the Corporation.

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

The Boards of Jersey Shore University Medical Center Foundation, Ocean Medical Center Foundation, Riverview Medical Center Foundation, Southern Ocean Medical Center Foundation, Bayshore Community Hospital Foundation and Meridian Health Foundation ("Meridian Foundations"), consistent with regulatory requirements, require the preservation of the fair value as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, Meridian Foundations classify permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporary restricted net assets until those amounts are appropriated for expenditure in accordance with donor intent and in a manner consistent with the standard of prudence prescribed by state laws.

Meridian Foundations have a practice of appropriating for distribution each year 5% of the current earnings on endowment funds. In establishing this practice, Meridian Foundations considered the duration and preservation of the funds, the purposes of both the fund and the Corporation, the general economic conditions including the effects of inflation or deflation, the Corporation's investment policy and expected total income return and appreciation on the investments, and other resources of the Corporation. Accordingly, over the long term, Meridian Foundations expect the current spending practice to allow its endowments to grow at an anticipated rate of 3% annually.

To satisfy its long-term rate-of-return objectives, Meridian Foundations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Meridian Foundations target diversified asset allocation of 50% equity-based investments, 40% fixed income and 10% alternative investments in accordance with the investment policy.

Included in unrestricted net assets are board designated endowment funds of \$24,223 and \$22,959 at December 31, 2013 and 2012, respectively.

#### **Performance Indicator**

The statements of operations include excess of revenues over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include changes in net unrealized gains and losses on investments not classified as trading securities, net assets released from restriction for capital acquisition, equity transfers of assets to and from affiliates for other than goods and services, pension liability adjustments, and contributions of long-lived assets.

The Corporation differentiates its operating activities through the use of income from operations as an intermediate measure of operations. For the purposes of display, certain investment income and other transactions, which management does not consider being components of the Corporation's operating activities, are excluded from the income from operations and reported as nonoperating revenues (losses) in the statements of operations.

# Meridian Hospitals Corporation

## Notes to Financial Statements

### Years Ended December 31, 2013 and 2012

---

(in thousands)

#### **Net Patient Service Revenue**

Net patient service revenue is accounted for on the accrual basis in the period in which the service is provided. These amounts are net of appropriate allowances to give recognition to differences between the Corporation's charges and reimbursement rates from third party payors. The Corporation is reimbursed from third party payors under various methodologies based on the level of care provided. Certain net revenues received are subject to audit and retroactive adjustment for which amounts are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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

- Medicare – Inpatient acute care services and most outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain outpatient services and related capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Corporation is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of the annual cost report and audits thereof by the Medicare fiscal intermediary. The classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Corporation. Annual net patient service revenue is approximately \$420,000 in 2013 and 2012. The Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary for MHC through December 31, 2007 with the exception of 2005 which has not been finalized by the fiscal intermediary.
- Medicaid – Inpatient acute care services rendered to Medicaid program beneficiaries are reimbursed under a prospective methodology which is based on the former Chapter 83 reimbursement system. Outpatient services are paid based upon a cost reimbursement methodology and certain services are paid based on a Medicaid fee schedule. Annual net patient service revenue is approximately \$20,000 in 2013 and 2012. The Medicaid cost reports have been audited and finalized by the Medicaid fiscal intermediary for JSUMC, OMC, and BCH through December 31, 2009 and for RMC and SOMC through December 31, 2010.
- The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates per patient day or procedure and discounts from established charges. Annual net patient service revenue from these payors is approximately \$500,000 in 2013 and 2012.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation for which action for noncompliance includes fines, penalties and exclusion from the Medicare and Medicaid programs. The Corporation believes that it is currently in compliance with all applicable laws and regulations. The Corporation has established a Corporate Compliance Program to monitor compliance with various regulations.

# Meridian Hospitals Corporation

## Notes to Financial Statements

### Years Ended December 31, 2013 and 2012

---

(in thousands)

#### Functional Expenses

The Corporation provides general health care services and programs. Expenses related to providing these services consist of the following:

	2013	2012
Health care services	\$ 1,032,523	\$ 1,002,811
General and administrative	200,608	208,202
	<u>\$ 1,233,131</u>	<u>\$ 1,211,013</u>

### 3. Charity Care

The Corporation provides care to patients who meet certain criteria defined by the New Jersey Department of Health and Senior Services without charge or at amounts less than its established rates. The Corporation maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished. The Corporation receives partial reimbursement for the uncompensated care it provides (Note 4). Of the Corporation's total operating expenses reported for 2013 and 2012, estimated costs of \$62,820 and \$57,587 for 2013 and 2012, respectively are attributable to providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Corporation's total operating expenses divided by gross patient service revenue.

### 4. Patient Service Revenue and Related Adjustments

The Corporation records gross patient service revenue on an accrual basis at established rates, with contractual and other allowances added to or deducted from such amounts to determine net patient service revenue. The Corporation maintains policies and records to identify and monitor these contractual allowances and its level of charity care. These records include the amount of deductions from gross revenue due to qualified services provided under the State's charity care guidelines. In 2013 and 2012, the Corporation recorded \$12,519 and \$17,437, respectively, in net patient service revenue related to changes in estimates to amounts due to third party payors.

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

The components of net patient service revenue are as follows

	<b>2013</b>	<b>2012</b>
Gross charges	\$ 6,758,260	\$ 6,324,917
Contractual and other allowances	(5,467,844)	(5,059,362)
Provision for bad debts	(76,480)	(71,538)
Change in estimate of prior years' net patient service revenue	12,519	17,437
Charity care subsidy	9,542	9,690
Hospital relief subsidy	4,374	4,390
	<u>\$ 1,240,371</u>	<u>\$ 1,225,534</u>

**Collectability of Accounts Receivables**

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. The Corporation has implemented a monthly standardized approach to estimate and review the collectability of receivables based on the payor classification and the period from which the receivables have been outstanding. Account balances are written off against the allowance when management feels it is probable the receivable will not be recovered. Historical collection and payor reimbursement experience is an integral part of the estimation process related to reserves for doubtful accounts. In addition, the Corporation assesses the current state of its billing functions in order to identify any known collection or reimbursement issues and assess the impact, if any, on reserve estimates. The Corporation believes that the collectability of its receivables is directly linked to the quality of its billing processes, most notably those related to obtaining the correct information in order to bill effectively for the services it provides. Revisions in reserve for doubtful accounts estimates are recorded as an adjustment to bad debt expense.

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

(in thousands)

**5. Assets Limited as to Use and Investments**

The following table provides a summary of the Corporation's assets limited as to use and investments that are measured at fair value on a recurring basis

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance at December 31, 2013
<b>Under bond indenture agreements held by Trustee</b>			
Cash and cash equivalents	\$ 11,813	\$ -	\$ 11,813
Total under bond indenture agreements held by trustee	\$ 11,813	\$ -	\$ 11,813
<b>Under Board of Trustee designation and investments held for available for sale</b>			
Cash and cash equivalents	\$ 12,071	\$ 3,136	15,207
Mutual funds - equity	19,364	225,129	244,493
Corporate debt securities	-	5,515	5,515
Municipal debt securities	-	6,097	6,097
U S government obligations	157,662	66,564	224,226
	\$ 189,097	\$ 306,441	495,538
Alternative investments			16,422
Certificate of deposits			15,815
Accrued interest			461
Total under board of trustee designation and investments held for available for sale			528,236
<b>Under Board of Trustees designation and investments held as trading securities</b>			
Cash and cash equivalents	\$ -	\$ 6,122	6,122
U S government obligations	8,086	9,624	17,710
Corporate debt securities	-	62,943	62,943
Corporate equity securities	26,203	2,641	28,844
	\$ 34,289	\$ 81,330	115,619
Accrued interest			327
Total under board of trustee designation and investments held as trading securities			115,946
Restricted cash			24
Total assets limited as to use			656,019
Less Current portion			254,960
Assets limited as to use and investment noncurrent portion			\$ 401,059



**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

(in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance at December 31, 2012
<b>Under bond indenture agreements held by Trustee</b>			
Cash and cash equivalents	\$ 15,898	\$ -	\$ 15,898
Total under bond indenture agreements held by trustee	\$ 15,898	\$ -	15,898
<b>Under Board of Trustee designation and investments held for available for sale</b>			
Cash and cash equivalents	\$ 8,929	\$ 2	8,931
Mutual funds - equity	16,503	191,501	208,004
Corporate debt securities	-	4,927	4,927
Municipal debt securities	-	6,383	6,383
U S government obligations	168,636	67,823	236,459
	\$ 194,068	\$ 270,636	464,704
Alternative investments			14,944
Certificate of deposits			15,380
Accrued interest			793
Total under board of trustee designation and investments held for available for sale			495,821
<b>Under Board of Trustees designation and investments held as trading securities</b>			
Cash and cash equivalents	\$ -	\$ 2,737	2,737
U S government obligations	5,255	12,377	17,632
Corporate debt securities	-	59,246	59,246
Corporate equity securities	25,626	2,409	28,035
	\$ 30,881	\$ 76,769	107,650
Accrued interest			290
Total under board of trustee designation and investments held as trading securities			107,940
Restricted cash			24
Total assets limited as to use			619,683
Less Current portion			260,271
Assets limited as to use and investment noncurrent portion			\$ 359,412

There were no investments in 2013 or 2012 with unobservable inputs that cannot be corroborated by observable market data and therefore classified as Level 3

There were no transfers between Levels 1 and 2 during 2013 and 2012

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

At December 31, 2013, MHC's remaining outstanding funding commitments to alternative investments approximated \$2,192

Assets under bond indenture agreements held by trustees are maintained in the following accounts

	<b>2013</b>	<b>2012</b>
Debt service fund, principal	\$ 6,947	\$ 6,617
Debt service fund, interest	4,816	5,331
Debt service reserve fund	-	3,939
Cost of issuance fund	50	11
Total assets under bond indenture agreements	<u>\$ 11,813</u>	<u>\$ 15,898</u>

Included in other operating revenue at December 31, 2013 and 2012 is \$4 of interest income on assets under bond indenture agreements

Investment income consists of the following

	<b>2013</b>	<b>2012</b>
Interest income	\$ 6,427	\$ 7,662
Realized gains and losses	14,549	7,815
Net change in unrealized gains and losses	4,691	(1,473)
Investment management fees	(1,448)	(1,255)
Other gains and losses	52	633
	<u>\$ 24,271</u>	<u>\$ 13,382</u>

**6. Property, Plant and Equipment**

Property, plant and equipment including assets held under capital lease obligations consist of the following

	<b>2013</b>	<b>2012</b>
Land	\$ 17,094	\$ 17,093
Land improvements	12,246	12,114
Buildings and fixed equipment	953,927	924,385
Major movable equipment	481,525	459,143
Construction-in-progress	100,489	54,812
	<u>1,565,281</u>	<u>1,467,547</u>
Accumulated depreciation and amortization	<u>(840,273)</u>	<u>(783,275)</u>
Property, plant and equipment, net	<u>\$ 725,008</u>	<u>\$ 684,272</u>

Amortization of assets held under capital lease obligations and total depreciation expense was \$58,732 in 2013 and \$60,548 in 2012

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

**7. Long-Term Debt and Capital Lease Obligations**

Long term debt and capital lease obligations consist of the following

	2013	2012
\$29,525 New Jersey Health Care Facilities Financing Authority ("NJHCFFA") Meridian Health System Obligated Group Issue, Series 2013A Refunding Bonds, in varying maturities through July 1, 2032 at annual interest rates varying between 2.0% and 5.0%. Interest is payable each January 1 and July 1 and principal is payable each July 1 beginning in 2013. The bonds are collateralized by a lien and a security interest on the gross receipts of the Obligated Group.	\$ 27,445	\$ -
\$34,839 NJHCFFA Meridian Health System Obligated Group Issue, Series 2012A maturing on July 1, 2033. The interest on the bonds is payable monthly and the rate is determined monthly based upon market rates. Principal is payable each July 1 beginning in 2013. The bonds were directly placed. As of December 31, 2013, the interest rate on the bonds was 0.68%.	34,404	34,839
\$47,705 NJHCFFA Meridian Health System Obligated Group Issue, Series 2012B maturing on July 1, 2038. The interest on the bonds is payable monthly and the rate is determined monthly based upon market rates. Principal is payable each July 1 beginning in 2013. The bonds were directly placed. As of December 31, 2013, the interest rate on the bonds was 0.80%.	47,155	47,705
\$47,705 NJHCFFA Meridian Health System Obligated Group Issue, Series 2012C maturing on July 1, 2038. The interest on the bonds is payable monthly and the rate is determined monthly based upon market rates. Principal is payable each July 1 beginning in 2013. The bonds were directly placed. As of December 31, 2013, the interest rate on the bonds was 0.82%.	47,155	47,705
\$193,583 NJHCFFA Meridian Health System Obligated Group Issue, Series 2011 Refunding Bonds, in varying maturities through July 1, 2027 at annual interest rates varying between 2.0% and 5.0%. Interest and principal are payable each January 1 and July 1 beginning in 2012. The bonds are collateralized by a lien and a security interest on the gross receipts of the Obligated Group.	169,751	180,207

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

	2013	2012
\$145,125 NJHCFFA Meridian Health System Obligated Group Issue, Series 2007 Revenue Bonds, maturing on July 1, 2038 at an annual interest rate of 5.0%. Interest is payable each January 1 and July 1 and principal is payable each July 1 beginning in 2010. The Series 2007 bonds are insured by Assured Guaranty Corporation. The bonds are collateralized by a pledge on all forms of gross receipts.	140,950	142,675
\$18,390 NJHCFFA Southern Ocean County Hospital issue, Series 2006 Revenue Bonds, maturing on July 1, 2036. The interest on the bonds is payable monthly and interest rate is determined weekly based upon market rates with a 12% per annum maximum. The principal payments are due July 1. The bonds are backed by a letter of credit expiring in May 2016. As of December 31, 2013, the interest rate on the bonds was 0.04%.	16,425	16,745
\$8,000 NJHCFFA variable rate composite revenue bonds Series 2004 A-1, maturing July 1, 2014. The interest on the bonds is payable monthly and the interest rate is determined weekly based on market rates with a 12% per annum maximum. The bonds are collateralized by a letter of credit expiring in July 2014. As of December 31, 2013, the interest rate on the bonds was 0.11%.	910	1,790
\$52,252 NJHCFFA Meridian Health System Obligated Group Issue, Series 2003 Revenue Bonds, maturing on July 1, 2033. The interest on the bonds is payable monthly and the interest rate is determined weekly based on market rates with a 12% per annum maximum. The bonds are collateralized by a letter of credit expiring in November 2016. As of December 31, 2013 the interest rate on the bonds was 0.04%.	52,252	52,252
\$50,885 NJHCFFA Bayshore Community Hospital Issue, Series 2002 Revenue Bonds, in varying maturities through July 2032 at annual interest rates varying between 3.0% and 5.125%. Interest is payable each January 1 and July 1 and principal is payable each July 1. The Series 2002 revenue bonds were insured by Radian Asset Assurance Inc Company. The bonds were collateralized by a security interest and a lien on all BCH's gross receipts and substantially all property, plant and equipment.	-	38,075

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

	2013	2012
Commercial mortgage with a variable interest rate equal to the LIBOR rate for each period plus 1% Principal and interest are paid monthly As of December 31, 2013, the interest rate on the mortgage was 1 17%	507	797
Capital lease obligation with an interest rate of 7 2% This obligation is collateralized by equipment financed through the related lease	1,935	2,130
Total long-term debt and capital lease obligations	538,889	564,920
Original issue premium (discount)	15,846	13,562
Fair market value adjustment	-	(1,428)
Current portion	(16,886)	(16,831)
Long-term debt and capital lease obligations, net of current portion	\$ 537,849	\$ 560,223

MHC and its affiliate Meridian Nursing and Rehabilitation, Inc are defined as the "Obligated Group" under the terms of the Master Trust Indenture related to the NJHCFFA Revenue Bonds The agreements contain provisions whereby certain financial ratios are to be maintained and permit additional borrowings subject to the maintenance of specific financial ratios At December 31, 2013 and 2012, the Obligated Group was in compliance with these financial ratio requirements Effective March 18, 2013, BCH was included in the Obligated Group

In October 2012, the Corporation completed a series of direct placement transactions in which it refinanced \$130,234 of bonds related to the Series 2003B, Series 2007 Tranche III, and Series 2007 Tranche IV issue The Series 2003B bonds were replaced with a new Series 2012A issue The Series 2007 Tranche III bonds were replaced with a new Series 2012B issue The Series 2007 Tranche IV bonds were replaced with a new Series 2012C issue The Corporation incurred a loss on the extinguishment of \$2,028 associated with this transaction

In May 2013, the Corporation refinanced \$38,075 of bonds related to the BCH Series 2002 The BCH Series 2002 bonds were replaced with a new Series 2013A issue The Corporation incurred a loss on the extinguishment of \$1,356 associated with this transaction

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

The future principal payments on long-term debt and payments on capital lease obligations are as follows

	<b>Long-Term Debt</b>	<b>Capital Lease Obligations</b>	<b>Total</b>
2014	\$ 16,663	\$ 350	\$ 17,013
2015	16,202	350	16,552
2016	83,506	350	83,856
2017	13,593	350	13,943
2018	17,187	350	17,537
Thereafter	389,803	697	390,500
	<u>536,954</u>	<u>2,447</u>	<u>539,401</u>
Amounts representing interest on capital lease obligations	-	(512)	(512)
Original issue premium	15,846	-	15,846
Current portion	<u>(16,663)</u>	<u>(223)</u>	<u>(16,886)</u>
Long-term portion	<u>\$ 536,137</u>	<u>\$ 1,712</u>	<u>\$ 537,849</u>

The Corporation estimates the fair value of its NJHCFFA revenue bonds through quoted market prices after taking into account its related risk of nonperformance as determined by a third party valuation specialist. At December 31, 2013, the carrying amount and the fair value of the Corporation's NJHCFFA revenue bonds were approximately \$536,446 and \$550,005, respectively. At December 31, 2012, the carrying amount and the fair value of the Corporation's NJHCFFA revenue bonds were approximately \$560,565 and \$596,982, respectively. The Corporation classified its debt as Level 2 under the fair value measurements.

**8. Interest Rate Swap Agreements**

The Corporation currently has five forward starting pay fixed interest swap agreements which were entered into to mitigate variable rate exposure and take advantage of low interest rates. Under the terms of these agreements, MHC is paying fixed rates ranging from 3.329% to 3.88% in exchange for variable rate payments equal to either 67% or 68% of the one month LIBOR rate. The notional amount on these swap agreements are also tied to the outstanding principal on the underlying bond series.

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

The following table set forth the fair values of the interest rate swap agreements at December 31, 2013 and 2012

Derivatives Reported as Liabilities				
2013			2012	
Balance Sheet Caption	Fair Value		Balance Sheet Caption	Fair Value
<b>Fair values of derivative instruments</b>				
Interest rate swaps not designated as hedging instruments	Other Liabilities	\$ 50,233	Other Liabilities	\$ 85,219

The fair values of the Corporation's swap instruments at December 31, 2013 and 2012 are classified as Level 2 financial instruments and reflect a risk of nonperformance adjustment of \$2,000 and \$10,000, respectively

The following table sets forth the effect of interest rate swap agreements on the statements of operations for the years ended December 31, 2013 and 2012

Classification of Derivative Gain (Loss) in Statement of Operations	Amount of Gain (Loss) Recognized in the Performance Indicator (Ineffective Portion)	
	2013	2012
<b>Derivatives in Cash Flow Nonhedging Relationships</b>		
Interest rate swaps		
Nonoperating revenues - Unrealized gain (loss) on derivative instruments	\$ 34,708	\$ (391)

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

**9. Operating Leases**

The Corporation leases various buildings from Meridian Health Realty Corporation, a subsidiary of MH, under leases that are renewable annually. Rent expense under these leases was \$8,268 and \$8,252 for the years ended December 31, 2013 and 2012, respectively. The Corporation utilizes various types of equipment and space under separate operating leases. The related expenses for the years ended December 31, 2013 and 2012 were approximately \$9,892 and \$11,758, respectively. The following is a schedule of the future minimum payments for the remaining years required under operating leases currently in effect:

2014	\$ 7,103
2015	5,876
2016	4,635
2017	3,332
2018	2,330
Thereafter	28,236
	<u>\$ 51,512</u>

**10. Line of Credit**

The Corporation renewed its line of credit for \$15,000 with a maturity date of July 2014. As of December 31, 2013, the Corporation had letters of credit totaling \$9,250 outstanding against this line as collateral for certain insurance policies; therefore, \$5,750 was available for cash demands. The line is evidenced by a promissory note payable to the order of one of the Corporation's primary banks. Additionally, BCH has letters of credit totaling \$2,180 outstanding as collateral for certain high deductible insurance policies.

**11. Pension Plans, Postretirement Health Care and Postemployment Benefits**

MHC currently provides retirement benefits for employees through a defined benefit cash balance plan and two 403(b) savings plans. In addition, MHC provides certain postretirement and postemployment benefits. The postretirement and postemployment benefit plans provide health care benefits and life insurance coverage to a limited group of employees. Current employees are not eligible for participation in these plans. As of December 31, 2013 and 2012, liabilities totaling \$1,378 were included in other liabilities related to estimated benefits payable under the postretirement and postemployment plans. Benefits under the postretirement and postemployment benefit plans are paid as incurred.

On December 31, 2009, the defined benefit cash balance plan and existing 403(b) plan were effectively frozen. Any employee eligible to participate in either of these plans on December 31, 2009 will continue to accrue benefits under these plans until retirement. All new employees joining MHC after this date will be eligible to participate in a new defined contribution plan.



**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

**Defined Benefit Cash Balance Plan**

The defined benefit cash balance plan was created on January 1, 1998 through the conversion and merger of predecessor defined benefit plans. Benefits calculated based upon the predecessor plans were frozen as of December 31, 1997. Beginning January 1, 1998 benefits are based upon contributions to participants' accounts at a percentage of the employee's salary.

MHC's funding policy provides that payments to the pension plan shall at least be equal to the minimum funding requirement of the Employee Retirement Income Security Act of 1974 ("ERISA") plus additional amounts, which may be approved by MHC from time to time. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. The plan assets consist mainly of cash, mutual funds, fixed income and equities.

The following table sets forth the funded status of the cash balance pension plan as of December 31, 2013 and 2012.

	2013	2012
<b>Change in benefit obligation</b>		
Benefit obligation at beginning of year	\$ 368,359	\$ 322,254
Service cost	18,318	16,598
Interest cost	14,905	15,834
Actuarial loss (gain)	(20,680)	28,637
Benefits paid	<u>(14,822)</u>	<u>(14,964)</u>
Net benefit obligation at end of year	<u>366,080</u>	<u>368,359</u>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	299,053	251,132
Actual return on plan assets	39,740	35,885
Employer contributions	13,300	27,000
Gross benefits paid	<u>(14,822)</u>	<u>(14,964)</u>
Fair value of plan assets at end of year	<u>337,271</u>	<u>299,053</u>
Funded status at end of year	<u>\$ (28,809)</u>	<u>\$ (69,306)</u>

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

	2013	2012
<b>Amounts recognized in the statements of financial position consist of</b>		
Noncurrent liability	\$ (28,809)	\$ (69,306)
<b>Amounts recognized in unrestricted net assets consist of</b>		
Net loss	\$ (55,846)	\$ (101,758)
Prior service cost	(1,358)	(1,822)
	<u>\$ (57,204)</u>	<u>\$ (103,580)</u>
<b>Amounts in unrestricted net assets expected to be recognized in net periodic benefit cost</b>		
Net loss	\$ 6,814	\$ 7,088
Prior service cost (credit)	465	(467)
	<u>\$ 7,279</u>	<u>\$ 6,621</u>
<b>Accumulated benefit obligation</b>	<u>\$ 332,805</u>	<u>\$ 331,821</u>

	2013	2012
<b>Weighted-average assumptions used to determine benefit obligations at December 31</b>		
Discount rate	4.80 %	4.05 %
Rate of compensation increase	4.50 %	4.50 %

	2013	2012
<b>Weighted average assumptions used to determine net periodic benefit cost for years ended December 31</b>		
Discount rate	4.05 %	4.85 %
Expected return on plan assets	7.25 %	7.50 %
Rate of compensation increase	4.50 %	4.50 %

The fair value of plan assets for pension plans was in excess of the accumulated benefit obligation at December 31, 2013. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans at December 31, 2013 and 2012 were as follows:

	2013	2012
Projected benefit obligation, end of year	\$ 366,080	\$ 368,359
Accumulated benefit obligation, end of year	332,805	331,821
Fair value of plan assets, end of year	337,271	299,053

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

The net periodic pension cost includes the following components

	<b>2013</b>	<b>2012</b>
Service cost	\$ 18,318	\$ 16,598
Interest cost	14,905	15,834
Expected return on assets	(21,047)	(18,939)
Amortization of		
Prior service cost (credit)	465	(467)
Actuarial loss	6,814	7,088
Net periodic benefit cost	<u>\$ 19,455</u>	<u>\$ 20,114</u>
	<b>2013</b>	<b>2012</b>
<b>Other changes in benefits and plan assets</b>		
Current year actuarial (gain) loss	\$ (39,098)	\$ 11,691
Recognition of actuarial loss	(6,814)	(7,088)
Recognition of prior service (cost) credit	<u>(465)</u>	<u>467</u>
Total other changes in benefits and plan assets	<u>\$ (46,377)</u>	<u>\$ 5,070</u>
Total net periodic benefit cost and other changes in benefits and plan assets	<u>\$ (26,922)</u>	<u>\$ 25,184</u>

**Investment Policy**

The Pension and Investment Subcommittee is responsible for the formulation and implementation of the investment policy for the assets of the Plan, and the ongoing supervision of the investment process

The investment policy relates to the composite of the portfolios managed by the investment managers recommended by the investment advisors to the Subcommittee from time-to-time. The Subcommittee recommendations are forwarded to the Finance Committee and the Board of Trustees of MH for approval. The Subcommittee has constructed guidelines for the investment managers which collectively serve to enact the investment policy for the Plan. Compliance with these guidelines is monitored on an ongoing basis by MH's investment advisors.

Return objectives are outlined by the investment policy and provide a means to evaluate the performance of each individual asset class and the total portfolio. The investment performance is evaluated against the investment objectives on a current quarter, year to date, three-year and five-year basis.

# Meridian Hospitals Corporation

## Notes to Financial Statements

### Years Ended December 31, 2013 and 2012

---

(in thousands)

The Corporation, in consultation with investment advisors, has selected a long term rate of return on plan assets of 7.25%. The rate was determined based upon review of the capital markets' risks and returns. The key determinants for equities are corporate earnings growth, dividend yield, and changes in valuation levels. The fixed income projected return is based on the current yield curve, with an adjustment for assumed changes in interest rates. Private equity risk and returns are modeled assuming a leveraged position in small capitalization public equities with a 5.0% annualized performance premium. Commodities returns are forecasted by aggregating three projected components of returns: spot return from a basket of commodities, roll return from managing commodities future contracts and the expected return of collateral represented by cash equivalents. The real estate return forecast method is the sum of the current cash yield, anticipated growth in cash returns and the effect of a potential change in valuation levels.

The capital market assumptions are reviewed on an ongoing basis to ensure that the process for deriving assumptions remains current.

The Corporation's asset investment strategy for the Plan focuses on maintaining a diversified portfolio designated to maximize returns while minimizing volatility and risk. The assets are viewed as having a long time horizon with moderate liquidity needs. Therefore, the investment strategy favors a higher commitment to equity securities. Periodically, management completes an asset-liability study for the Plan to determine the optimal asset mix and adjusts investment allocations as needed. The current asset allocation range and targets with actual allocation ranges at December 31, 2013 and 2012 are as follows:

	Allocation Range	Target Allocation	Percentage of Plan Assets at	
			2013	2012
<b>Investment categories</b>				
Large-capitalization US equities	12-32%	22 %	30 %	30 %
Small-capitalization US equities	3-9%	6 %	9 %	8 %
International equities	7-17%	12 %	13 %	16 %
Global equity	5-15%	10 %	10 %	0 %
Fixed income	30-50%	40 %	33 %	40 %
Alternative investments	5-15%	10 %	5 %	6 %

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

**Fair Value Measurements**

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2013

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Inputs Unobservable (Level 3)</b>	<b>Balance at December 31, 2013</b>
Corporate equity securities	\$ 46,836	\$ 3,789	\$ -	\$ 50,625
Mutual funds - equity	-	90,715	-	90,715
Mutual funds - fixed income	-	35,341	-	35,341
Common/collective trust	-	140,801	-	140,801
Alternative investments	-	-	17,815	17,815
Short term fixed income fund	-	1,974	-	1,974
Total assets at fair value	<u>\$ 46,836</u>	<u>\$ 272,620</u>	<u>\$ 17,815</u>	<u>\$ 337,271</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2012

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Inputs Unobservable (Level 3)</b>	<b>Balance at December 31, 2012</b>
Corporate equity securities	\$ 34,209	\$ 3,235	\$ -	\$ 37,444
Mutual funds - equity	-	78,261	-	78,261
Mutual funds - fixed income	-	37,403	-	37,403
Common/collective trust	-	124,475	-	124,475
Alternative investments	-	-	17,899	17,899
Short term fixed income fund	-	3,571	-	3,571
Total assets at fair value	<u>\$ 34,209</u>	<u>\$ 246,945</u>	<u>\$ 17,899</u>	<u>\$ 299,053</u>

At December 31, 2013, the Corporation's remaining outstanding funding commitments to alternative investments approximated \$2,924

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

The table below sets forth a summary of the changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2013 and 2012

	Private Equity Funds	Real Estate Funds	Commodities Funds	Total
<b>Balance at December 31, 2011</b>	\$ 6,299	\$ 5,510	\$ 4,991	\$ 16,800
Realized gains	428	1,110	-	1,538
Unrealized losses relating to instruments still held at the reporting date	(311)	(175)	(28)	(514)
Purchases	723	-	-	723
Sales	-	-	-	-
Distributions	(648)	-	-	(648)
<b>Balances at December 31, 2012</b>	6,491	6,445	4,963	17,899
Realized gains	715	1,187	-	1,902
Unrealized gains (losses) relating to instruments still held at the reporting date	621	(1,225)	(390)	(994)
Purchases	-	-	-	-
Sales	-	-	-	-
Distributions	(992)	-	-	(992)
<b>Balances at December 31, 2013</b>	<u>\$ 6,835</u>	<u>\$ 6,407</u>	<u>\$ 4,573</u>	<u>\$ 17,815</u>

There were no transfers between levels during 2013 and 2012

**Contributions**

The Corporation expects to contribute \$15,000 to its pension plan in 2014

**Estimated Future Benefit Payments**

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

2014	\$ 34,192
2015	22,513
2016	24,497
2017	24,644
2018	27,409
2019–2022	149,772

# **Meridian Hospitals Corporation**

## **Notes to Financial Statements**

### **Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

#### **403(b) Plans**

The Corporation sponsors two 403(b) savings plans. The Meridian 403(b) Savings Plan for Cash Balance Participants was adopted January 1, 1998. An employee of MHC is eligible for participation in the 403(b) if the employee was hired prior to January 1, 2010, after attaining the age of 21 and completion of one year of eligible service. Matching contributions will be received after 15 months of eligible service. Total contributions to the 403(b) were approximately \$5,735 and \$5,116 during 2013 and 2012, respectively. The second 403(b) plan is the Meridian 403(b) Savings Plan. An employee is eligible to participate in this plan if the employee was hired on or after January 1, 2010. All eligible employees who are scheduled to work 20 hours or more per week will be eligible to make elective deferrals beginning on the date of hire. Employer matching contributions will begin after attaining the age of 21 and completion of one year of service. Employees will be eligible to receive employer nonelective contributions equal to 3% of compensation immediately. Total contributions for 2013 and 2012 are estimated at \$6,329 and \$2,231, respectively.

SOMC sponsored a 403(b) for its employees. All full-time and part-time employees were eligible for participation in the plan upon completion of one year of service. Under the plan, vesting percentages increase by increments of 25% per year. SOMC had a full match on employee contributions up to 2% of compensation and a 50% match for amounts contributed above 2% to a maximum of 7%. Total contributions were \$1,161 for the year ended December 31, 2012. Effective December 31, 2012, the SOMC 403(b) plan was merged into the Meridian 403(b) Savings Plan.

#### **BCH Pension Plans**

Employees of the BCH who have attained the age of 21, work more than 1,000 hours per year, and have completed one year of service were eligible to participate in a contributory defined contribution pension plan. BCH made a bi-weekly matching contribution of fifty cents for every dollar an employee contributes in accordance with a scale based on years of service. Employees may contribute from 1% up to 100% of their annual salary up to a maximum of \$15,500 on a pre-tax basis. Total contributions were \$647 for the year ended December 31, 2012. Effective December 31, 2012, the BCH 403(b) plan was merged into the Meridian 403(b) Savings Plan.

BCH is the sponsor of a noncontributory defined benefit pension plan (the "BCH Plan") covering substantially all of BCH's employees. Benefits are based on salary and years of service. As of April 30, 1999, BCH has frozen the Plan to new participants and no benefits will accrue for future services.

BCH recognizes in its balance sheet a liability for the BCH Plan's underfunded status, measures the Plan's assets and obligations as of the end of the fiscal year, and recognizes the periodic change in the funded status of the BCH Plan as a component of changes in unrestricted net assets in the year in which the change occurs. The benefit obligations were \$25,927 and \$27,681 as of December 31, 2013 and 2012, respectively. The fair values of the plan assets were \$24,184 and \$21,162 resulting in the plan being underfunded by \$1,743 and \$6,519, as of December 31, 2013 and 2012, respectively. The Statements of Operations reflect net periodic pension costs of \$379 and \$116 during 2013 and 2012, respectively.

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

The following assumptions were used in determining the benefit obligations and net periodic benefit costs

	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>Weighted-average assumptions used to determine benefit obligations</b>		
Discount rate	4.94 %	4.21 %
<b>Weighted-average assumptions used to determine net periodic benefit cost</b>		
Discount rate	4.21 %	5.10 %
Expected long-term rate of return on plan assets	7.25 %	7.50 %

To develop the expected long-term rate of return on assets assumption, BCH considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This resulted in the selection of the 7.25% expected long-term rate of return on assets. The Plan's asset allocation as of December 31, 2013 was 46% domestic equities, 13% international equities, 39% fixed income and 2% alternative investments, which fall within the permissible asset class ranges outlined in the investment policy. When market conditions are such that the value of the equity portion of the portfolio exceeds its permissible range, investment managers are instructed, under the direction of the Pension and Investment Subcommittee and with the assistance of the investment advisors, to rebalance the portfolios as appropriate.

BCH's funding policy provides that payments to the BCH Plan shall be equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974 plus additional amounts which may be approved by BCH from time to time. BCH expects to contribute approximately \$1,177 to the BCH Plan in 2014.



**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

*(in thousands)*

**12. Transactions With Affiliated Organizations**

The Corporation records transactions with affiliated organizations in the normal course of its operations. The affiliated organizations with significant balances include the following entities: Meridian Health Realty Corporation and Subsidiaries was organized to acquire, construct, finance, operate and own or lease property for the benefit of MH and its affiliated organizations. Meridian Practice Institute, Inc. serves as the management organization for the faculty practice and other physician practice development strategies. Meridian Accountable Care Organization is a partnership among the Corporation's hospitals, partner companies, and over 500 physicians, whose mission includes the promotion of evidence-based medicine, the advocacy of patient engagement, and the development of an infrastructure for network providers to internally report on quality and cost metrics. Meridian Health Foundations have been established to solicit and invest funds for the benefit of the Corporation and any other not-for-profit organization as directed by MH. Meridian Health Management, Inc. ("MHM") is a for-profit company whose primary purposes include providing physician practice management services, development and operation of ambulatory surgery centers, recruitment of physicians, and other support services. Meridian Health Ventures, Inc. is a for-profit company providing support services to MH and is the sole member of MHM. SOCH Properties 1, LLC owns and operates property for the benefit of SOMC and its affiliated organizations.

**Meridian Hospitals Corporation**  
**Notes to Financial Statements**  
**Years Ended December 31, 2013 and 2012**

---

(in thousands)

Amounts due from (to) affiliated organizations consist of the following

	2013	2012
<b>Current receivable (liabilities)</b>		
Health Innovations Unlimited, Inc	\$ (10)	\$ (12)
Meridian Home Care Services, Inc	(66)	(30)
Meridian Health Management, Inc	126	80
Meridian Health Realty Corporation and Subsidiaries	(4,027)	(2,944)
Meridian Health System, Inc	(9)	(112)
Meridian Nursing and Rehabilitation, Inc and Subsidiary	10	301
Meridian Practice Institute, Inc	3,650	736
Affiliated foundations	169	266
Meridian Accountable Care Organization	579	-
Other affiliates	(90)	(23)
	<u>\$ 332</u>	<u>\$ (1,738)</u>
<b>Interest in net asset balances</b>		
Meridian Health Foundation, Inc	\$ 3,952	\$ 3,881
Jersey Shore University Medical Center Foundation, Inc	25,798	25,801
Riverview Medical Center Foundation, Inc	21,118	17,830
Ocean Medical Center Foundation, Inc	14,494	10,130
Southern Ocean Medical Center Foundation, Inc	3,445	3,785
Bayshore Community Hospital Foundation, Inc	2,757	2,456
	<u>\$ 71,564</u>	<u>\$ 63,883</u>
<b>Due from affiliates</b>		
Health Care Management Corporation	\$ -	\$ 8,053
Meridian Health Management, Inc	6,622	-
Meridian Health Ventures, Inc	1,398	-
SOCH Properties 1, LLC	810	876
	<u>\$ 8,830</u>	<u>\$ 8,929</u>
Long-term receivable		

MH maintains a risk financing program (the "Program") for its facilities via a wholly-owned Bermuda corporation, Coastal Medical Insurance Ltd ("Coastal"), that was formed in 1998. The Program provides funding for various risks including Hospital Professional Liability ("HPL"), General Liability ("GL"), Directors and Officers, Property and Workers' Compensation ("WC"). For 2013 and 2012, the Program provided funding for HPL risks of \$1,000 per occurrence subject to an overall aggregate exposure of \$3,000 and GL risks of \$1,000 per occurrence and in the aggregate. For Workers' Compensation, the Program provided funding for the deductible portion of MH's Worker's Compensation exposure, or \$500 per occurrence. The Corporation has recorded an estimated insurance receivable of \$52,515 and \$40,920 included in other assets in the balance sheets as of December 31, 2013 and 2012, respectively. The Corporation has recorded a HPL, GL and WC loss reserve totaling \$55,318 and \$45,380 and a professional liability tail reserve of \$13,017 and

# Meridian Hospitals Corporation

## Notes to Financial Statements

### Years Ended December 31, 2013 and 2012

---

(in thousands)

\$8,765 included in other liabilities in the balance sheets as of December 31, 2013 and 2012, respectively

In 2006, SOMC entered into an agreement with Southern Ocean Imaging Associates, LLC ("Imaging") to form Health Village Imaging, LLC (the "LLC"). Both SOMC and Imaging have a 50% ownership interest in the LLC. In addition, SOMC guarantees 50% of the LLC's debt obligations for capital and financing costs. At December 31, 2013 and 2012 the LLC's total outstanding debt obligations were approximately \$576 and \$879, respectively.

During 2012, BCH made a \$2,400 equity transfer to MHC. In addition, MHC made an equity transfer of \$2,400 to Meridian Health System.

During 2013, MHC received a \$1,231 equity transfer from its affiliated foundations. In addition, MHC made a \$6,000 equity transfer to Meridian Health System and a \$1,200 equity transfer to its affiliated foundations.

#### 13. Concentrations of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third party payor agreements. Concentrations of gross accounts receivable from patients and third party payors were as follows:

	December 31,	
	2013	2012
Medicare and Medicaid	38 %	38 %
Managed Care/HMO	34	33
Other third party payors	13	13
Self-pay patients	15	16
	<u>100 %</u>	<u>100 %</u>

#### 14. Commitments and Contingencies

Various suits, investigations and claims arising in the normal course of operations are pending or are on appeal against the Corporation. Such suits and claims are either specifically covered by insurance or are not material. While the outcome of these suits cannot be determined with certainty at this time, management believes that any loss which may arise from those suits and claims will not have a material adverse effect on the financial position or results of operations of the Corporation.

#### 15. Subsequent Events

The Corporation performed an evaluation of subsequent events through March 31, 2014, which is the date the financial statements were issued. The Corporation has determined that all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles, are included in the financial statements.

**2013 – 2015 Community Health Needs Assessment Implementation Strategy**  
**Bayshore Community Hospital**



Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Heart Disease and Stroke</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plans and Service Line Strategies</li> <li>Strategic Partnership with American Heart Association, American Stroke Association and other national affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Primary Stroke Center</li> <li>Full-service cardiac catheterization designation</li> <li>Access to programs, services and specialists through Meridian Neuroscience</li> <li>Access to programs, services and specialists through Meridian Cardiovascular Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in early heart attack care educational programs and screenings</li> <li>Increase participation in stroke educational programs and screenings</li> <li>Launch AngioScreen vascular screening program</li> <li>Implement ED stroke survey</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>ED survey results tracking time from onset to arrival</li> <li>Chest Pain accreditation</li> <li>ACTION registry outcomes</li> <li>Cath/PCI registry outcomes</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach, education and research plan as well as Service Line Strategies</li> <li>Strategic Partnership with American Cancer Society</li> </ul>	<ul style="list-style-type: none"> <li>Nurse Navigator on staff</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in breast, lung and colorectal educational programs and screenings</li> <li>Participation in CPS-3 Research Study</li> <li>Utilize Komen grants to extend reach</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number of participants enrolled in CPS-3</li> <li>Number of patients navigated</li> </ul>
<b>Pediatric Asthma</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach plan as well as Service Line Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists through Meridian Pediatric Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in healthy living educational programs and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of children reached by Pawsitive Action Team healthy living school presentation</li> <li>ED diagnosis tracking</li> </ul>

Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Alzheimer's Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan as well as Service Line Strategy</li> <li>Strategic Partnership with Alzheimer's Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists through Meridian Neuroscience.</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in memory disorders educational and screening events</li> <li>Implement Memory Disorders Clinic</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number referred for evaluation</li> <li>Memory disorders clinic opened</li> </ul>
<b>Overweight and Diabetes</b>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot</li> <li>Continued prevention and wellness activities as identified in the Community Outreach Plan</li> </ul>		<ul style="list-style-type: none"> <li>Healthy Advantage Pilot is testing ground for potential community based program</li> <li>Increase participation in diabetes education and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot results tracking</li> <li>Number of participants at scheduled events</li> </ul>
<b>Access to Care</b>	<ul style="list-style-type: none"> <li>ED expansion project</li> <li>PCP Medical Manpower Plan</li> <li>Access Services programs and policies</li> </ul>	<ul style="list-style-type: none"> <li>ED expansion project includes designated pediatric and crisis patient areas</li> </ul>	<ul style="list-style-type: none"> <li>Pediatric ED completed 4/2012</li> <li>Achieve PCP recruitment targets</li> <li>Obtain financial assistance to uninsured patients</li> </ul>	<ul style="list-style-type: none"> <li>Adult and pediatric volume increase</li> <li>PCP dashboard</li> </ul>
<b>Immunization &amp; Infectious Disease</b>	<ul style="list-style-type: none"> <li>New hospital admission flu vaccination policy</li> </ul>		<ul style="list-style-type: none"> <li>Vaccination policy implemented 1/2012</li> </ul>	<ul style="list-style-type: none"> <li>% of patients vaccinated</li> </ul>
<b>Oral Health:</b>	<ul style="list-style-type: none"> <li>Hospital does not have expertise to effectively address this need</li> </ul>			



## 2013-2015 Community Health Needs Assessment Implementation Strategy

### Jersey Shore University Medical Center

Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Heart Disease and Stroke</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan and Service Line Strategies</li> <li>Strategic Partnership with American Heart Association, American Stroke Association and other national affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive Stroke Center</li> <li>Joint Commission accredited Primary Stroke Center of Excellence</li> <li>Meridian Stroke Transfer Center</li> <li>Neurosurgeons on staff</li> <li>National Accreditation by the Society of Chest Pain Centers as PCI Center</li> <li>Tertiary center for advanced heart attack care, cardiac surgery, complex PCI and Electrophysiology</li> <li>Cardiovascular Research</li> <li>Cardiology Fellowship with RWJ</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in early heart attack care educational programs and screenings</li> <li>Increase participation in Meridian Women's Heart Connection program</li> <li>Increase participation in stroke educational programs and screenings</li> <li>Launch AngioScreen vascular screening program</li> <li>Implement ED stroke survey</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>ED survey results tracking time from onset to arrival</li> <li>Chest Pain re-accreditation</li> <li>CMS Core Measure Metrics</li> <li>ACTION registry outcomes measures</li> <li>Cath/PCI registry outcomes</li> <li>ICD registry outcomes</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach, education and research plan as well as Service Line Strategies</li> <li>Strategic Partnership with American Cancer Society</li> </ul>	<ul style="list-style-type: none"> <li>Nurse Navigators on staff</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in breast, lung and colorectal educational programs and screenings</li> <li>Participation in CPS-3 Research Study</li> <li>Utilize Komen grants to extend reach</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number of participants enrolled in CPS-3</li> <li>Number of patients navigated</li> <li>Number of free mammograms provided to uninsured</li> </ul>
<b>Pediatric Asthma</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach plan as well as Service Line Strategy</li> <li>Neptune School District Pilot</li> </ul>	<ul style="list-style-type: none"> <li>Additional pulmonologist and associated nursing staff hired at KHCH</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in healthy living educational programs and screening</li> <li>Reduce asthma related visits to ED (Neptune pilot)</li> <li>Reduce school absenteeism</li> </ul>	<ul style="list-style-type: none"> <li>Number of children reached by Pawsitive Action Team healthy living school presentation</li> <li>ED diagnosis tracking</li> <li>School absenteeism</li> </ul>

			due to asthma (Neptune pilot)	tracking
<b>Identified Community Health Need</b>	<b>Response to Community Need</b>	<b>Hospital Specific Programs, Resources and Priorities</b>	<b>Milestone</b>	<b>Method of Evaluation</b>
<b>Alzheimer's Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan as well as Service Line Strategy</li> <li>Strategic Partnership with Alzheimer's Foundation</li> </ul>		<ul style="list-style-type: none"> <li>Increase participation in memory disorders educational and screening events</li> <li>Implement Memory Disorders Clinic</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number referred for evaluation</li> <li>Memory disorders clinic opened</li> </ul>
<b>Overweight and Diabetes</b>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot</li> <li>Continued prevention and wellness activities as identified in the Community Outreach Plan</li> </ul>	<ul style="list-style-type: none"> <li>Meridian Medical Associates, PC diabetes program is ADA recognized</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot is testing ground for potential community based program</li> <li>Increase participation in diabetes education and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot results tracking</li> <li>Number of participants at scheduled events</li> </ul>
<b>Access to Care</b>	<ul style="list-style-type: none"> <li>Jane H. Booker Family Health Center</li> <li>PCP Medical Manpower Plan</li> <li>Access Services programs and policies</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive care</li> <li>Center for medicine &amp; surgery</li> <li>Center for pediatrics</li> <li>Center for obstetrics &amp; gynecology</li> </ul>	<ul style="list-style-type: none"> <li>To provide accessible and affordable family health care services to low income families</li> <li>Achieve PCP recruitment targets</li> <li>Obtain financial assistance to uninsured patients</li> </ul>	<ul style="list-style-type: none"> <li>Number of individuals receiving care at the Family Health Center</li> <li>PCP dashboard</li> </ul>
<b>Immunization &amp; Infectious Disease</b>	<ul style="list-style-type: none"> <li>New hospital admission flu vaccination policy</li> <li>A-Team HIV/AIDS unit</li> </ul>	<ul style="list-style-type: none"> <li>A-Team HIV/AIDS unit</li> </ul>	<ul style="list-style-type: none"> <li>Vaccination policy implemented 1/2012</li> <li>Increase number of patients receiving treatment</li> </ul>	<ul style="list-style-type: none"> <li>% of patients vaccinated</li> <li>Number of patients treated at A-Team</li> </ul>
<b>Oral Health:</b>	<ul style="list-style-type: none"> <li>General practice dental residency program</li> </ul>	<ul style="list-style-type: none"> <li>Department of Dentistry</li> </ul>	<ul style="list-style-type: none"> <li>To provide accessible dental care for the indigent population</li> <li>Happy Teeth for Healthy Tots</li> </ul>	<ul style="list-style-type: none"> <li>Number of people treated</li> </ul>





**2013 – 2015 Community Health Needs Assessment Implementation Strategy**  
**Ocean Medical Center**



Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Stroke and Heart Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan and Service Line Strategies</li> <li>Strategic Partnership with American Heart Association, American Stroke Association and other national affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Joint Commission accredited Primary Stroke Center of Excellence</li> <li>National Accreditation as a PCI Center by the Society of Chest Pain Centers</li> <li>Access to programs, services and specialists through Meridian Neuroscience</li> <li>Access to programs, services and specialists through Meridian Cardiovascular Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in early heart attack care educational programs and screenings</li> <li>Increase participation in stroke educational programs and screenings</li> <li>Launch AngioScreen vascular screening program</li> <li>Implement ED stroke survey</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>ED survey results tracking time from onset to arrival</li> <li>Chest Pain re-accreditation</li> <li>CMS core measure outcomes</li> <li>ACTION registry outcomes</li> <li>Cath/PCI registry outcomes</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach, education and research plan as well as Service Line Strategies</li> <li>Strategic Partnership with American Cancer Society</li> </ul>	<ul style="list-style-type: none"> <li>Nurse Navigators on staff</li> <li>Dedicated Breast Nurse Practitioner on staff</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in breast, lung and colorectal educational programs and screenings</li> <li>Participation in CPS-3 Research Study</li> <li>Utilize Komen grants to extend reach</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number of participants enrolled in CPS-3</li> <li>Number of patients navigated</li> </ul>
<b>Pediatric Asthma</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach plan as well as Service Line Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists through Meridian Pediatric Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in healthy living education programs and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of children reached by Pawsitive Action Team healthy living school presentation</li> <li>ED diagnosis tracking</li> </ul>

Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Alzheimer's Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan as well as Service Line Strategy</li> <li>Strategic Partnership with Alzheimer's Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists available through Meridian Neuroscience</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in memory disorders educational and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number referred for evaluation</li> </ul>
<b>Overweight and Diabetes</b>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot</li> <li>Continued prevention and wellness activities as identified in the Community Outreach Plan</li> </ul>	<ul style="list-style-type: none"> <li>Diabetes management program provided through a partnership with Riverview Medical Center</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot is testing ground for potential community based program</li> <li>Increase participation in diabetes education and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot results tracking</li> <li>Number of participants at scheduled events</li> </ul>
<b>Access to Care</b>	<ul style="list-style-type: none"> <li>Family Health Center relocation plan</li> <li>ED expansion project</li> <li>PCP Medical Manpower Plan</li> <li>Psychiatry/Behavioral health expansion plan</li> <li>Strategic partnership with behavioral health providers in the region</li> <li>Access services programs and policies</li> </ul>	<ul style="list-style-type: none"> <li>Family Health Center services</li> <li>ED expansion includes dedicated areas for pediatrics and crisis patients</li> <li>Ocean Care Center for urgent care</li> </ul>	<ul style="list-style-type: none"> <li>Complete FHC relocation by Q4 2012</li> <li>Begin Phase I construction by Q2 2012</li> <li>Achieve PCP recruitment targets</li> <li>Increase psychiatric medical manpower</li> <li>Establish psychiatry/behavioral health office in Ocean county</li> <li>Obtain financial assistance to uninsured patients</li> </ul>	<ul style="list-style-type: none"> <li>FHC volume</li> <li>Adult and pediatric volume increase</li> <li>PCP Dashboard</li> <li>Volume at new behavioral health office, crisis unit and affiliated programs</li> </ul>
<b>Immunization &amp; Infectious Disease</b>	<ul style="list-style-type: none"> <li>New hospital admission flu vaccination policy</li> </ul>		<ul style="list-style-type: none"> <li>Vaccination policy implemented 1/2012</li> </ul>	<ul style="list-style-type: none"> <li>% of patients vaccinated</li> </ul>
<b>Oral Health:</b>	<ul style="list-style-type: none"> <li>Hospital does not have expertise to effectively address this need</li> </ul>			

**2013 – 2015 Community Health Needs Assessment Implementation Strategy**  
**Riverview Medical Center**



Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Heart Disease and Stroke</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plans and Service Line Strategies</li> <li>Strategic Partnership with American Heart Association, American Stroke Association and other national affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Joint Commission accredited Primary Stroke Center of Excellence</li> <li>C-PORT (elective PCI)</li> <li>National Accreditation as a PCI Center by the Society of Chest pain centers</li> <li>Access to programs, services and specialists through Meridian Neuroscience</li> <li>Access to programs, services and specialists through Meridian Cardiovascular Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in early heart attack care educational programs and screenings</li> <li>Increase participation in stroke educational programs and screenings</li> <li>Launch AngioScreen vascular screening program</li> <li>Implement ED stroke survey</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>ED survey results tracking time from onset to arrival</li> <li>Chest Pain re-accreditation</li> <li>CMS core measure metrics</li> <li>ACTION registry outcomes measures</li> <li>Cath/PCI registry outcomes</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach, education and research plan as well as Service Line Strategies</li> <li>Strategic Partnership with American Cancer Society</li> </ul>	<ul style="list-style-type: none"> <li>Nurse Navigators on staff</li> <li>Access to programs, services and specialists through Meridian Cancer Care</li> <li>Paint the Town Pink</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in breast, lung and colorectal educational programs and screenings</li> <li>Participation in CPS-3 Research Study</li> <li>Utilize Komen grants to extend reach</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number of participants enrolled in CPS-3</li> <li>Number of patients navigated</li> <li>Number of free mammograms provided to uninsured</li> </ul>
<b>Pediatric Asthma</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach plan as well as Service Line Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists through Meridian Pediatric Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in healthy living education programs and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of children reached by Pawsitive Action Team healthy living school presentation</li> <li>ED diagnosis tracking</li> </ul>

<b>Identified Community Health Need</b>	<b>Response to Community Need</b>	<b>Hospital Specific Programs, Resources and Priorities</b>	<b>Milestone</b>	<b>Method of Evaluation</b>
<b>Alzheimer's Disease</b>	<ul style="list-style-type: none"> <li>• Continue prevention and wellness activities as identified in Community Outreach Plan as well as Service Line Strategy</li> <li>• Strategic Partnership with Alzheimer's Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Access to programs, services and specialists through Meridian Neuroscience</li> </ul>	<ul style="list-style-type: none"> <li>• Increase participation in memory disorders educational and screening events</li> <li>• Implement Memory Disorders Clinic by Q3 2012</li> </ul>	<ul style="list-style-type: none"> <li>• Number of participants at scheduled events</li> <li>• Number referred for evaluation</li> <li>• Memory disorders clinic opened</li> </ul>
<b>Overweight and Diabetes</b>	<ul style="list-style-type: none"> <li>• Healthy Advantage Pilot</li> <li>• Continued prevention and wellness activities as identified in the Community Outreach Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Diabetes management program recognized by ADA</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy Advantage Pilot is testing ground for potential community based program</li> <li>• Increase participation in diabetes education and screening events</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy Advantage Pilot results tracking</li> <li>• Number of participants at scheduled events</li> </ul>
<b>Access to Care</b>	<ul style="list-style-type: none"> <li>• PCP Medical Manpower Plan</li> <li>• Access Services programs and policies</li> </ul>		<ul style="list-style-type: none"> <li>• Achieve PCP recruitment targets</li> <li>• Obtain financial assistance to uninsured patients</li> </ul>	<ul style="list-style-type: none"> <li>• PCP dashboard</li> </ul>
<b>Immunization &amp; Infectious Disease</b>	<ul style="list-style-type: none"> <li>• New hospital admission flu vaccination policy</li> </ul>		<ul style="list-style-type: none"> <li>• Vaccination policy implemented 1/2012</li> </ul>	<ul style="list-style-type: none"> <li>• % of patients vaccinated</li> </ul>
<b>Oral Health:</b>	<ul style="list-style-type: none"> <li>• Hospital does not have expertise to effectively address this need</li> </ul>			



**2013- 2015 Community Health Needs Assessment Implementation Strategy**  
**Southern Ocean Medical Center**

Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Heart Disease and Stroke</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plans and Service Line Strategies</li> <li>Strategic Partnership with American Heart Association, American Stroke Association and other national affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Primary Stroke Center</li> <li>Low risk cardiac catheterization service</li> <li>Access to programs, services and specialist through Meridian Neuroscience</li> <li>Access to programs, services and specialists through Meridian Cardiovascular Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in early heart attack care educational programs and screenings</li> <li>Increase participation in stroke educational programs and screenings</li> <li>Launch AngioScreen vascular screening program</li> <li>Implement ED stroke survey</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>ED survey results tracking time from onset to arrival</li> <li>Chest Pain accreditation</li> <li>ACTION registry outcome</li> <li>Cath registry outcomes</li> <li>CMS core measure metrics</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach, education and research plan as well as Service Line Strategies</li> <li>Strategic Partnership with American Cancer Society</li> </ul>	<ul style="list-style-type: none"> <li>Nurse Navigator on staff</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in breast, lung and colorectal educational programs and screenings</li> <li>Participation in CPS-3 Research Study</li> <li>Utilize Komen grants to extend reach</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number of participants enrolled in CPS-3</li> <li>Number of patients navigated</li> </ul>
<b>Pediatric Asthma</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach plan as well as Service Line Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists through Meridian Pediatric Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in healthy living education programs and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of children reached by Pawsitive Action Team healthy living school presentation</li> <li>ED diagnosis tracking</li> </ul>

Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Alzheimer's Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan as well as Service Line Strategy</li> <li>Strategic Partnership with Alzheimer's Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Access to program, services and specialists through Meridian Neuroscience</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in memory disorders educational and screening events</li> <li>Implement Memory Disorders Clinic by Q3 2012</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number referred for evaluation</li> <li>Memory disorders clinic opened</li> </ul>
<b>Overweight and Diabetes</b>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot</li> <li>Continued prevention and wellness activities as identified in the Community Outreach Plan</li> </ul>	<ul style="list-style-type: none"> <li>Diabetes management program is ADA recognized</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot is testing ground for potential community based program</li> <li>Increase participation in diabetes education and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot results tracking</li> <li>Number of participants at scheduled events</li> </ul>
<b>Access to Care</b>	<ul style="list-style-type: none"> <li>ED expansion project</li> <li>PCP Medical Manpower Plan</li> <li>Psychiatry/Behavioral health expansion plan</li> <li>Strategic partnership with behavioral health providers in the region</li> <li>Access Services programs and policies</li> </ul>	<ul style="list-style-type: none"> <li>ED expansion includes dedicated areas for pediatrics and crisis patients</li> </ul>	<ul style="list-style-type: none"> <li>Complete Phase I by 11/12</li> <li>Complete Phase II by 6/13</li> <li>Achieve PCP recruitment targets</li> <li>manpower</li> <li>Establish psychiatry/behavioral health office in Ocean county</li> <li>Obtain financial assistance to uninsured patients</li> </ul>	<ul style="list-style-type: none"> <li>Adult and pediatric volume increase</li> <li>PCP dashboard</li> <li>Volume at new behavioral health office, crisis unit and affiliated programs</li> </ul>
<b>Immunization &amp; Infectious Disease</b>	<ul style="list-style-type: none"> <li>New hospital admission flu vaccination policy</li> </ul>		<ul style="list-style-type: none"> <li>Vaccination policy implemented 1/2012</li> </ul>	<ul style="list-style-type: none"> <li>% of patients vaccinated</li> </ul>
<b>Oral Health:</b>	<ul style="list-style-type: none"> <li>Hospital does not have expertise to effectively address this need</li> </ul>			

--	--	--	--	--

**2013 – 2015 Community Health Needs Assessment Implementation Strategy**  
**Shore Rehabilitation Institute**



Identified Community Health Need	Response to Community Need	Hospital Specific Programs, Resources and Priorities	Milestone	Method of Evaluation
<b>Stroke and Heart Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan and Service Line Strategies</li> <li>Strategic Partnership with American Heart Association, American Stroke Association and other national affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Increasing competency in Neurorehabilitation.</li> <li>Offer educational classes for the community and caregiver on neurorehabilitation.</li> <li>Access to programs, services and specialists through Meridian Neuroscience and Cardiovascular Network</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in stroke and neuro educational programs.</li> <li>Increase awareness of the community about our neuro offerings.</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled neuro educational events.</li> <li>Number of patients served with primary diagnosis of stroke or cardiac.</li> </ul>
<b>Alzheimer's Disease</b>	<ul style="list-style-type: none"> <li>Continue prevention and wellness activities as identified in Community Outreach Plan as well as Service Line Strategy</li> <li>Strategic Partnership with Alzheimer's Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Access to programs, services and specialists available through Meridian Neuroscience</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in memory disorders educational and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> <li>Number referred for evaluation</li> </ul>
<b>Overweight and Diabetes</b>	<ul style="list-style-type: none"> <li>Healthy Advantage Pilot</li> <li>Continued prevention and wellness activities as identified in the Community Outreach Plan</li> </ul>	<ul style="list-style-type: none"> <li>Diabetes management program provided through a partnership with Riverview Medical Center</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation in education and screening events</li> </ul>	<ul style="list-style-type: none"> <li>Number of participants at scheduled events</li> </ul>
<b>Immunization &amp; Infectious Disease</b>	<ul style="list-style-type: none"> <li>New hospital admission flu vaccination policy</li> </ul>		<ul style="list-style-type: none"> <li>Vaccination policy implemented 1/2012</li> </ul>	<ul style="list-style-type: none"> <li>% of patients vaccinated</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>Hospital does not have expertise to effectively address this need</li> </ul>			
<b>Pediatric Asthma</b>	<ul style="list-style-type: none"> <li>Hospital does not have expertise to effectively address this need</li> </ul>			



--	--	--	--	--