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Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**Return of Organization Exempt From Income Tax**  
**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)**  
 Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.  
 Information about 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**

**A For the 2013 calendar year, or tax year beginning 01-01-2013, 2013, and ending 12-31-2013**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization WSNCHS NORTH INC Doing Business As ST JOSEPH HOSPITAL Number and street (or P O box if mail is not delivered to street address) Room/suite 4295 HEMPSTEAD TURNPIKE Suite City or town, state or province, country, and ZIP or foreign postal code BETHPAGE, NY 117145713 <b>F</b> Name and address of principal officer ALAN D GUERCI MD 4295 HEMPSTEAD TURNPIKE BETHPAGE, NY 117145713	<b>D</b> Employer identification number 11-3438973 <b>E</b> Telephone number (516) 520-2250 <b>G</b> Gross receipts \$ 105,756,811
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number <input type="checkbox"/> 0928
<b>J</b> Website: <input type="checkbox"/> WWW.STJOSEPHHOSPITAL.NY.ORG		<b>L</b> Year of formation 1999 <b>M</b> State of legal domicile NY
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities CHSLI AND ITS MEMBERS, AS A MINISTRY OF THE CATHOLIC CHURCH, CONTINUE CHRIST'S HEALING MISSION, BY PROMOTING EXCELLENCE IN CARE AND COMMITTING ITSELF TO THOSE IN NEED				
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets				
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>		10	
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>		7	
<b>5</b>	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>		932	
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>		42	
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>		0	
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>			
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>		<b>Current Year</b>	
	<b>9</b> Program service revenue (Part VIII, line 2g)	208,014		8,022,331	
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	95,546,505		94,450,855	
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	23,169		79,254	
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,958,628		3,113,105	
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	98,736,316		105,665,545	
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	137,191		609,489	
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0		0	
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	62,675,135		61,756,496	
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0				
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0		0	
<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	44,888,722		47,522,884		
<b>19</b> Revenue less expenses Subtract line 18 from line 12	107,701,048		109,888,869		
<b>Net Assets or Fund Balances</b>		-8,964,732		-4,223,324	
		<b>Beginning of Current Year</b>		<b>End of Year</b>	
	<b>20</b> Total assets (Part X, line 16)	67,445,177		57,734,681	
<b>21</b> Total liabilities (Part X, line 26)	68,118,106		59,417,176		
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	-672,929		-1,682,495		

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer _____ RON STEIMEL EVP/CAO Type or print name and title	Date 2014-11-09
<b>Paid Preparer Use Only</b>	Prnt/Type preparer's name Preparer's signature Date Check <input type="checkbox"/> if self-employed PTIN	
	Firm's name <input type="checkbox"/> PricewaterhouseCoopers LLP Firm's EIN <input type="checkbox"/>	
	Firm's address <input type="checkbox"/> 300 Madison Avenue New York, NY 10017 Phone no	

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

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III  Yes  No

**1** Briefly describe the organization's mission  
ST JOSEPH HOSPITAL, A MEMBER OF CATHOLIC HEALTH SERVICES OF LONG ISLAND(CHS), AS A MINISTRY OF THE CATHOLIC CHURCH, CONTINUES CHRIST'S HEALING MISSION, PROMOTES EXCELLENCE IN CARE, AND COMMITS ITSELF TO THOSE IN NEED CHS AFFIRMS THE SANCTITY OF LIFE, AND ADVOCATES FOR THE POOR AND UNDERSERVED, AND SERVES THE COMMON GOOD IT CONDUCTS ITS HEALTHCARE PRACTICE, BUSINESS, EDUCATION AND INNOVATION WITH JUSTICE, INTEGRITY AND RESPECT FOR THE DIGNITY OF EACH PERSON

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ 94,641,722 including grants of \$ 609,489 ) (Revenue \$ 97,465,626 )  
ST JOSEPH HOSPITAL IS A 203-BED, COMMUNITY HOSPITAL THAT PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT MEDICAL, CRITICAL CARE AND SURGICAL SERVICES ITS EMERGENCY DEPARTMENT CARES FOR MORE THAN 33,000 PATIENTS A YEAR OTHER VITAL SERVICES INCLUDE AN AMBULATORY SURGERY UNIT, THE CENTER FOR SLEEP MEDICINE, HYPERBARIC MEDICINE AND WOUND HEALING, A BALANCE CENTER, AN ENDOSCOPY UNIT, A DIABETES EDUCATION CENTER, A FULL SCOPE OF OUTPATIENT RADIOLOGY SERVICES, INCLUDING A CT SCANNER, MRI, AND NUCLEAR CAMERA

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses 94,641,722

**Part IV Checklist of Required Schedules**

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

**Part IV Checklist of Required Schedules** *(continued)*

<b>21</b>	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> . . . . .	<b>21</b>	Yes	
<b>22</b>	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> . . . . .	<b>22</b>		No
<b>23</b>	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> . . . . .	<b>23</b>	Yes	
<b>24a</b>	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> . . . . .	<b>24a</b>		No
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		
<b>25a</b>	<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> . . . . .	<b>25a</b>		No
<b>b</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> . . . . .	<b>25b</b>		No
<b>26</b>	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> . . . . .	<b>26</b>		No
<b>27</b>	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> . . . . .	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>		No
<b>c</b>	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> . . . . .	<b>28c</b>		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>29</b>		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b>	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> . . . . .	<b>32</b>		No
<b>33</b>	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> . . . . .	<b>33</b>		No
<b>34</b>	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> . . . . .	<b>34</b>	Yes	
<b>35a</b>	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<b>35a</b>		No
<b>b</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> . . . . .	<b>35b</b>		
<b>36</b>	<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> . . . . .	<b>36</b>		No
<b>37</b>	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> . . . . .	<b>37</b>		No
<b>38</b>	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 . . . . .	<b>38</b>	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
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
<b>2a</b>	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.		
<b>2b</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).	Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
<b>b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<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?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12.		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders.		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	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.		
<b>13b</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.		
<b>13c</b>	Enter the amount of reserves on hand.		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		No
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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

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

**Section A. Governing Body and Management**

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

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

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

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed  NY
- 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  
 CHS SERVICES INC 992 NORTH VILLAGE AVENUE  
 ROCKVILLE CENTRE, NY 11570 (516) 705-1926

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

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

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

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Sister Elaine Callahan OP Chairperson	2 0	X						0	0	0
(2) Mary Ann Dantuono Esq Director	2 0	X						0	0	0
(3) Gara Edelstein Director	50 0	X						0	419,765	133,421
(4) Alan D Guerci MD PRESIDENT & CEO	50 0	X		X				0	1,320,796	53,241
(5) Ruth Hennessey Director	50 0	X						0	692,429	143,984
(6) JOSEPH TANTILLO Director	2 0	X						0	0	0
(7) Alan Protzel DDS Director	2 0	X						6,718	0	0
(8) Hon Chnstopher Quinn Director	2 0	X						0	0	0
(9) Thomas Ryan Director	2 0	X						0	0	0
(10) JOEL YOHAI MD THRU JULY 2013 EXEC VP MED AFFRS & CMO	2 0	X						0	705,350	38,996
(11) PAUL PELLER MD DIRECTOR	2 0	X						0	0	0
(12) Drew Pallas Exec VP & COO	50 0			X				384,609	0	127,506
(13) William C Armstrong SVP & Chief Financial Officer	50 0			X				0	821,991	125,611
(14) Howard Sussman CMO	50 0				X			293,171	0	46,022
(15) Bernard Stark Physician	38 0					X		455,783	0	34,948
(16) Ihab Ibrahim VP Patient Safety & Clinical P	38 0					X		161,124	0	34,131
(17) Blake Benz Dir of Project Mgt	38 0					X		173,287	0	34,084



**Part VIII Statement of Revenue**

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>					
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>	147,422				
	<b>d</b>	Related organizations . . . . . <b>1d</b>	7,704,967				
	<b>e</b>	Government grants (contributions) <b>1e</b>					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	169,942				
	<b>g</b>	Noncash contributions included in lines 1a-1f \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .	8,022,331				
<b>Program Service Revenue</b>	<b>2a</b>	NET PATIENT SERVICE REVENUE					
		Business Code					
		621990	94,450,855	94,450,855			
	<b>b</b>						
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
<b>f</b>	All other program service revenue						
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .	94,450,855					
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . .	79,254			79,254	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . .	0				
	<b>5</b>	Royalties . . . . .	0				
	<b>6a</b>	Gross rents	(i) Real	52,799			
			(ii) Personal				
			<b>b</b> Less rental expenses				
			<b>c</b> Rental income or (loss)	52,799	0		
	<b>d</b>	Net rental income or (loss) . . . . .	52,799			52,799	
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			<b>b</b> Less cost or other basis and sales expenses				
			<b>c</b> Gain or (loss)				
	<b>d</b>	Net gain or (loss) . . . . .	0				
	<b>8a</b>	Gross income from fundraising events (not including \$ 147,422 of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>	136,801			
			<b>b</b> Less direct expenses . . . . . <b>b</b>	91,266			
<b>c</b> Net income or (loss) from fundraising events . . . . .			45,535			45,535	
<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>					
		<b>b</b> Less direct expenses . . . . . <b>b</b>					
		<b>c</b> Net income or (loss) from gaming activities . . . . .	0				
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
		<b>b</b> Less cost of goods sold . . . . . <b>b</b>					
		<b>c</b> Net income or (loss) from sales of inventory . . . . .	0				
Miscellaneous Revenue		Business Code					
<b>11a</b>	RADIOLOGY SERVICES	900099	2,716,564	2,716,564			
<b>b</b>	CAFETERIA REVENUE	900099	193,885	193,885			
<b>c</b>	REBATES	900099	7,921	7,921			
<b>d</b>	All other revenue . . . . .		96,401	96,401			
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .		3,014,771				
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . .		105,665,545	97,465,626		177,588	

**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
<b>1</b>	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	609,489	609,489		
<b>2</b>	Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
<b>4</b>	Benefits paid to or for members	0			
<b>5</b>	Compensation of current officers, directors, trustees, and key employees	858,026		858,026	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
<b>7</b>	Other salaries and wages	43,664,473	39,111,970	4,552,503	
<b>8</b>	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,793,606	3,332,594	461,012	
<b>9</b>	Other employee benefits	10,109,103	8,880,610	1,228,493	
<b>10</b>	Payroll taxes	3,331,288	2,926,458	404,830	
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management	4,320,918	3,979,111	341,807	
<b>b</b>	Legal	125,486	9,173	116,313	
<b>c</b>	Accounting	90,592		90,592	
<b>d</b>	Lobbying	19,023		19,023	
<b>e</b>	Professional fundraising services. See Part IV, line 17	0			
<b>f</b>	Investment management fees	0			
<b>g</b>	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	5,758,957	4,276,548	1,482,409	
<b>12</b>	Advertising and promotion	186,382		186,382	
<b>13</b>	Office expenses	1,430,226	980,872	449,354	0
<b>14</b>	Information technology	0			
<b>15</b>	Royalties	0			
<b>16</b>	Occupancy	1,755,139	1,639,061	116,078	
<b>17</b>	Travel	117,026	98,014	19,012	
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
<b>19</b>	Conferences, conventions, and meetings	0			
<b>20</b>	Interest	496,139	496,139		
<b>21</b>	Payments to affiliates	2,238,932		2,238,932	
<b>22</b>	Depreciation, depletion, and amortization	5,016,873	5,016,873		
<b>23</b>	Insurance	3,393,177	3,393,177		
<b>24</b>	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)				
<b>a</b>	CHS SERVICES	6,016,335	5,113,885	902,450	
<b>b</b>	MEDICAL SUPPLIES	12,457,456	12,457,456		
<b>c</b>	EQUIPMENT RENTAL	1,603,752	1,559,554	44,198	
<b>d</b>	HOME OFFICE ALLOCATION	1,451,823		1,451,823	
<b>e</b>	All other expenses	1,044,648	760,738	283,910	
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e	109,888,869	94,641,722	15,247,147	0
<b>26</b>	<b>Joint costs.</b> 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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	11,419,094	<b>1</b>	7,281,147
	<b>2</b> Savings and temporary cash investments . . . . .	2,708,980	<b>2</b>	325,700
	<b>3</b> Pledges and grants receivable, net . . . . .	0	<b>3</b>	0
	<b>4</b> Accounts receivable, net . . . . .	11,072,676	<b>4</b>	10,543,575
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	0	<b>5</b>	0
	<b>6</b> 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	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net . . . . .	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use . . . . .	1,561,610	<b>8</b>	1,546,543
	<b>9</b> Prepaid expenses and deferred charges . . . . .	972,070	<b>9</b>	596,786
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	<b>10a</b> 39,397,967		
	<b>b</b> Less accumulated depreciation . . . . .	<b>10b</b> 11,725,285	30,542,073	<b>10c</b> 27,672,682
	<b>11</b> Investments—publicly traded securities . . . . .	0	<b>11</b>	0
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	0	<b>12</b>	0
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	0	<b>13</b>	0
	<b>14</b> Intangible assets . . . . .	0	<b>14</b>	0
	<b>15</b> Other assets See Part IV, line 11 . . . . .	9,168,674	<b>15</b>	9,768,248
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	67,445,177	<b>16</b>	57,734,681	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	11,995,431	<b>17</b>	11,814,233
	<b>18</b> Grants payable . . . . .	0	<b>18</b>	0
	<b>19</b> Deferred revenue . . . . .	0	<b>19</b>	0
	<b>20</b> Tax-exempt bond liabilities . . . . .	0	<b>20</b>	0
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	0	<b>21</b>	0
	<b>22</b> 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	<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	21,114,212	<b>23</b>	16,347,870
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0	<b>24</b>	0
	<b>25</b> 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 . . . . .	35,008,463	<b>25</b>	31,255,073
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	68,118,106	<b>26</b>	59,417,176
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	-1,196,071	<b>27</b>	-2,398,937
	<b>28</b> Temporarily restricted net assets . . . . .	523,142	<b>28</b>	716,442
	<b>29</b> Permanently restricted net assets . . . . .	0	<b>29</b>	0
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	-672,929	<b>33</b>	-1,682,495	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	67,445,177	<b>34</b>	57,734,681	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	105,665,545
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	109,888,869
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-4,223,324
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	-672,929
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	3,213,758
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	-1,682,495

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	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
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
<b>2c</b>	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	
<b>3a</b>	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	
<b>3b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

**SCHEDULE A**  
(Form 990 or 990EZ)

**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).

**2013**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WSNCHS NORTH INC

Employer identification number  
11-3438973

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

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

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )
- 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h  
  - a  Type I b  Type II c  Type III - Functionally integrated d  Type III - Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f  If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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)

(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	
<b>Total</b>									

**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
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (see instructions)					<b>12</b>	
<b>13 First five years.</b> 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 <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

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

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2013</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2012</b> Schedule A, Part III, line 17	<b>18</b>	

- 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 C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

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 WSNCHS NORTH INC

Employer identification number

11-3438973

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?
4a Was a correction made?
b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

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

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

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)														
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b)														
<b>d</b>	Other exempt purpose expenditures														
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d)														
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f)														
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0-														
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0-														
<b>j</b>	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
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column(e))					
<b>f</b> 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
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities?	Yes		19,023
<b>j</b> Total. Add lines 1c through 1i			19,023
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

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

**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."**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> 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?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**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 II-B, LINE 1 - OTHER LOBBYING ACTIVITIES	AMOUNT REFLECTS PORTION OF TRADE ASSOCIATION DUES WHICH WERE USED FOR LEGISLATIVE LOBBYING ON THE BEHALF OF THE HEALTHCARE INDUSTRY THOSE TRADE ASSOCIATIONS REPRESENT



SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

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

Attach to Form 990. See separate instructions. Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number 11-3438973

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

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate contributions, grants, and value, and two yes/no questions about donor advisement and grant purposes.

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

Form for Part II Conservation Easements. Includes checkboxes for various purposes (land for public use, natural habitat, open space, historic structure), a table for 'Held at the End of the Year' (2a-2d), and several questions about monitoring, expenses, and reporting.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting works of art and historical treasures, and a table for revenues and assets.

**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
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> 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	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance . . . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .					

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

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

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

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

**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
<b>1a</b> Land . . . . .		7,390,000		7,390,000
<b>b</b> Buildings . . . . .		18,363,145	4,179,356	14,183,789
<b>c</b> Leasehold improvements . . . . .		370,200	135,912	234,288
<b>d</b> Equipment . . . . .		13,274,622	7,410,017	5,864,605
<b>e</b> Other . . . . .		0		0
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . .				27,672,682

**Part VII Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

**Part VIII Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

**Part IX Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) INSURANCE CLAIMS RECEIVABLE	9,529,783
(2) SECURITY DEPOSITS	223,349
(3) DEFERRED FINANCING COSTS	15,116
<b>Total.</b> (Column (b) must equal Form 990, Part X, col.(B) line 15.)	9,768,248

**Part X Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
EST MALPRACTICE LIABILITY	12,249,764
THIRD PARTY PAYOR LIABILITY	4,592,373
DUE TO RELATED PARTIES	13,997,628
DEFERRED REVENUE	22,503
OTHER SELF INSURED LIABILITIES	166,295
457 FUND LIABILITIES	226,510
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25)	31,255,073

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

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

**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.

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

**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
PART X, OTHER LIABILITIES - LINE 2, FIN 48 FOOTNOTE	CHS AND MOST OF ITS SUBSIDIARIES ARE EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED CHS ACCOUNTS FOR UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH THE CODIFICATION TOPIC 740, INCOME TAXES MANAGEMENT ANNUALLY REVIEWS ITS TAX POSITIONS AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE CONSOLIDATED FINANCIAL STATEMENTS, USING A THRESHOLD OF MORE LIKELY THAN NOT OF BEING SUSTAINED



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.

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number

11-3438973

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, b Internet and email solicitations, c Phone solicitations, d In-person solicitations, e Solicitation of non-government grants, f Solicitation of government grants, g Special fundraising events

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

Table with 6 columns: (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. Includes rows 1-10 and a Total row.

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
		<u>GALA</u> (event type)	<u>GOLF</u> (event type)	<u>0</u> (total number)	(add col (a) through col (c))
<b>Revenue</b>	<b>1</b> Gross receipts . . . . .	217,848	66,375		284,223
	<b>2</b> Less Contributions . . . . .	122,566	24,856		147,422
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	95,282	41,519		136,801
<b>Direct Expenses</b>	<b>4</b> Cash prizes . . . . .	1,370	1,850		3,220
	<b>5</b> Noncash prizes . . . . .				
	<b>6</b> Rent/facility costs . . . . .	52,900	17,210		70,110
	<b>7</b> Food and beverages . . . . .				
	<b>8</b> Entertainment . . . . .				
	<b>9</b> Other direct expenses . . . . .	14,060	3,876		17,936
	<b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				
<b>11</b> Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶					45,535

**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))
		<b>1</b> Gross revenue . . . . .			
<b>Direct Expenses</b>	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No		
<b>7</b> Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶					
<b>8</b> 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
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SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2013

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.

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number 11-3438973

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy... 3a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? 3b Did the organization use FPG as a factor in determining eligibility for providing 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"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Financial Assistance and Means-Tested Government Programs (a-d) and Other Benefits (e-k).

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

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

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

**Section A. Bad Debt Expense**

		Yes	No
<b>1</b>	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15? . . . . .	Yes	
<b>2</b>	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount . . . . .		
<b>3</b>	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit . . . . .		
<b>4</b>	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements		

**Section B. Medicare**

<b>5</b>	Enter total revenue received from Medicare (including DSH and IME) . . . . .	30,775,769
<b>6</b>	Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	39,828,638
<b>7</b>	Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	-9,052,869
<b>8</b>	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

**Section C. Collection Practices**

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

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

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

**Part V Facility Information**

**Section A. Hospital Facilities**

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

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

**1**

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

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)

ST JOSEPH HOSPITAL

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) 1

		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)	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 <u>20 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 . . . . .	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 . . . . .	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)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>stjosephhospitalny.org</u>		
<b>b</b>	<input checked="" type="checkbox"/> Other website (list url) <u>www.chsl.org</u>		
<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 . . . . .		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)? . . . . .		No
<b>8b</b>	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .		
<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)*

<b>Financial Assistance Policy</b>		<b>Yes</b>	<b>No</b>
<b>9</b>	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?	<b>9</b> Yes	
<b>10</b>	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>300</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>10</b> Yes	
<b>11</b>	Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>11</b> Yes	
<b>12</b>	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)	<b>12</b> Yes	
<b>a</b>	<input checked="" type="checkbox"/> Income level		
<b>b</b>	<input checked="" type="checkbox"/> Asset level		
<b>c</b>	<input type="checkbox"/> Medical indigency		
<b>d</b>	<input type="checkbox"/> Insurance status		
<b>e</b>	<input type="checkbox"/> Uninsured discount		
<b>f</b>	<input type="checkbox"/> Medicaid/Medicare		
<b>g</b>	<input type="checkbox"/> State regulation		
<b>h</b>	<input type="checkbox"/> Residency		
<b>i</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>13</b>	Explained the method for applying for financial assistance? . . . . .	<b>13</b> Yes	
<b>14</b>	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)	<b>14</b> Yes	
<b>a</b>	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
<b>b</b>	<input type="checkbox"/> The policy was attached to billing invoices		
<b>c</b>	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
<b>d</b>	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
<b>e</b>	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
<b>f</b>	<input checked="" type="checkbox"/> The policy was available upon request		
<b>g</b>	<input type="checkbox"/> Other (describe in Part VI)		

<b>Billing and Collections</b>		<b>Yes</b>	<b>No</b>
<b>15</b>	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? . . . . .	<b>15</b> Yes	
<b>16</b>	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		
<b>a</b>	<input type="checkbox"/> Reporting to credit agency		
<b>b</b>	<input type="checkbox"/> Lawsuits		
<b>c</b>	<input type="checkbox"/> Liens on residences		
<b>d</b>	<input type="checkbox"/> Body attachments		
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Section C)		
<b>17</b>	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	<b>17</b>	No
<b>a</b>	<input type="checkbox"/> Reporting to credit agency		
<b>b</b>	<input type="checkbox"/> Lawsuits		
<b>c</b>	<input type="checkbox"/> Liens on residences		
<b>d</b>	<input type="checkbox"/> Body attachments		
<b>e</b>	<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**

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

If "No," indicate why

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>19</b>	Yes	

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

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

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

**21** During the tax year, did the hospital facility charge any FAP-eligible 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

**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

<b>21</b>		No
<b>22</b>		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? \_\_\_\_\_

Name and address	Type of Facility (describe)
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	

**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
PART I, LINE 4	WHEN ESTABLISHED, THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY'S FACTOR IN DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE WAS SPECIFICALLY SET HIGHER THAN FEDERALLY REQUIRED GUIDELINES IN ORDER TO CAPTURE POTENTIALLY MEDICALLY INDIGENT PATIENTS WHO MAY PRESENT THEMSELVES AT THE HOSPITAL FOR CARE THE POLICY OF THE HOSPITAL WAS REVISED IN 2014 TO SPECIFICALLY DISCUSS CARE TO THE MEDICALLY INDIGENT
PART I, LINE 7	RATIO OF PATIENT CARE COST TO CHARGES WORKSHEET (WORKSHEET 2 ) AS PRESCRIBED BY THE IRS INSTRUCTIONS TO SCHEDULE H FORM 990 WAS THE METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN PART I, LINE 7 CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST LINES 7A, 7B AND 7C AND 7D ALL OTHER LINES INCLUDE COSTS THAT WERE DERIVED BASED ON THE RCC METHODOLOGY OR ACTUAL COSTS FOR THE SERVICES AS TRACKED BY HOSPITAL PERSONNEL UTILIZING DIRECT HOURLY LABOR COSTS, FRINGES AND SUPPLY COSTS

Form and Line Reference	Explanation
PART I, LINE 7A, COLUMN D	<p>DIRECT OFFSETTING REVENUES REPRESENT DISTRIBUTIONS FROM THE NEW YORK STATE (NYS) INDIGENT CARE POOL (ICP) WHICH IS SHOWN NET OF HOSPITAL CONTRIBUTIONS TO THE STATEWIDE POOL. THE FORMULA EMPLOYED BY NYS TO DETERMINE DISTRIBUTIONS TO HOSPITALS FROM THE ICP IS COMPLEX AND IS DERIVED FROM A HOSPITAL'S "NEED" CALCULATION. THIS CALCULATION CONSIDERS 100% OF A HOSPITAL'S "NEED" BASED ON A "UNITS OF SERVICE" METHODOLOGY FOR UNINSURED PATIENTS. THE CALCULATION ALSO MAKES ADJUSTMENTS BASED ON THE PROPORTION OF MEDICAID ELIGIBLE PATIENTS TREATED AT THE FACILITY. THE HOSPITAL HAS APPORTIONED THE ICP REVENUE BETWEEN BAD DEBT AND CHARITY CARE FOR REPORTING ON LINE 7A BASED ON THE PROPORTION OF EACH TO THE TOTAL OF ACTUAL BAD DEBT AND CHARITY CARE FOR 2013.</p>
PART III, LINE 2,3 - BAD DEBT AS COMMUNITY BENEFIT	<p>AS PART OF ITS TAX EXEMPT PURPOSE THE HOSPITAL PROVIDES ACCESS TO MEDICALLY NECESSARY CARE FOR EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF AGE, GENDER, GEOGRAPHIC LOCATION, OR CULTURAL BACKGROUND. THE HOSPITAL TREATS EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF WHETHER THEY HAVE THIRD-PARTY COVERAGE OR THE ABILITY TO PAY. BY PROVIDING HEALTH CARE TO ALL WHO REQUIRE EMERGENCY OR NON-ELECTIVE CARE IN A NON-DISCRIMINATORY MANNER, THE HOSPITAL IS PROVIDING HEALTH CARE TO THE BROAD COMMUNITY IT SERVES. A PATIENT'S PORTION OF A BILL THAT REMAINS UNPAID FOR A CERTAIN STIPULATED TIME PERIOD IS WHOLLY OR PARTIALLY CLASSIFIED AS BAD DEBT. BAD DEBTS ASSOCIATED WITH PATIENTS WHO HAVE RECEIVED CARE FROM THE HOSPITAL SHOULD BE CONSIDERED TO BE COMMUNITY BENEFIT SINCE CHARITABLE HOSPITALS EXIST TO PROVIDE SUCH CARE IN PURSUIT OF THEIR TAX EXEMPT PURPOSE, WHICH IS MEETING THE NEED FOR EMERGENCY AND NON-ELECTIVE MEDICAL CARE SERVICES IN THE COMMUNITY.</p>

Form and Line Reference	Explanation
PART III, LINES 2 AND 4 - TEXT OF FOOTNOTE DISCUSSING BAD DEBT	THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS. MANAGEMENT PERIODICALLY ASSESSES THE ADEQUACY OF THIS ALLOWANCE BASED UPON HISTORICAL COLLECTION AND WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THESE REVIEWS ARE USED TO MODIFY, AS NECESSARY, THE PROVISION FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE PATIENT ACCOUNTS RECEIVABLE. AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, CHS FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY EACH FACILITY. ACCOUNT BALANCES ARE CHARGED OFF AGAINST THE ALLOWANCE AFTER ALL MEANS OF COLLECTION HAVE BEEN EXHAUSTED AND THE POTENTIAL FOR RECOVERY IS CONSIDERED REMOTE. CHS DOES NOT HAVE ANY OFF-BALANCE-SHEET CREDIT EXPOSURE RELATED TO ITS PATIENT ACCOUNTS RECEIVABLE.
PART III, SECTION B, LINE 8 - COSTING METHODOLOGY	THE MEDICARE REVENUE AND ALLOWABLE COSTS SHOWN ON PART III SECTION B LINE 5 WERE DERIVED FROM THE AS FILED 2013 CMS-2552 (MEDICARE COST REPORT). MEDICARE REVENUE IS BASED ON THE MEDICARE PROVIDER STATISTICAL AND REIMBURSEMENT REPORT AND MEDICARE COSTS ARE DEVELOPED UTILIZING A RATIO OF MEDICARE ALLOWABLE COSTS TO CHARGES METHODOLOGY.

Form and Line Reference	Explanation
PART III, LINE 8 - MEDICARE SHORTFALL AS COMMUNITY BENEFIT	LOSSES ON TREATING MEDICARE BENEFICIARIES SHOULD BE INCLUDED AS A COMMUNITY BENEFIT IN THEIR ENTIRETY THIS REPRESENTS THE AMOUNT BY WHICH COSTS TO DELIVER CARE TO MEDICARE RECIPIENTS EXCEEDS THE LEVEL OF PAYMENT ST JOSEPH BEARS THE BURDEN OF NOT ONLY PROVIDING THE BEST AND MOST ADVANCED MEDICAL CARE POSSIBLE TO THE COMMUNITY, BUT DOING SO WITH NO RECOURSE TO OBTAIN PAYMENT FOR THE COST OF PROVIDING CARE IN EXCESS OF THE MEDICARE PAYMENT AS MEDICARE REVENUE DECLINES AND THE COST TO PROVIDE CUTTING EDGE CARE TO THE COMMUNITY INCREASES, THE HOSPITAL WILL CARRY THE BURDEN AS A PARTICIPATING PROVIDER AND A CHARITABLE ORGANIZATION, MEDICARE PATIENTS, THE MAJORITY OF WHOM ARE ELDERLY AND DISABLED ARE NOT TURNED AWAY, SO ST JOSEPH WILL CONTINUE TO BEAR THE LOSS IN PROVIDING THE BEST CARE POSSIBLE TO THE LOCAL COMMUNITY
PART III, LINE 9B	THE HOSPITAL'S CHARITY CARE POLICY DESCRIBES THE POLICIES AND PROCEDURES RELATING TO THE PROVISION OF CHARITY CARE TO PERSONS WHO ARE UNABLE TO PAY FOR ALL OR A PORTION OF THEIR BILL NO INDIVIDUAL WILL BE DENIED MEDICALLY NECESSARY HOSPITAL SERVICES BASED ON A DEMONSTRATED INABILITY TO PAY FOR THOSE SERVICES IN ADDITION, UPON APPLYING FOR CHARITY CARE, EACH PATIENT AND PATIENT GUARANTOR'S ABILITY TO PAY WILL BE ASSESSED ELIGIBILITY FOR ASSISTANCE A REASONABLE REVIEW SHALL BE PERFORMED PRIOR TO TURNING AN ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT, TO ASSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (I E MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH THE CHS CHARITY CARE POLICY AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY ACCOUNT THAT SUBSEQUENTLY IS DETERMINED TO MEET THE CHARITY CARE CRITERIA SHALL BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT FOR APPROPRIATE FOLLOW-UP THE THIRD-PARTY COLLECTION AGENT SHALL ADVISE THE PATIENT/GUARANTOR OF THE HOSPITAL'S CHARITY CARE POLICY AND RETURN THE ACCOUNT IMMEDIATELY IF IT IS DETERMINED THAT THE QUALIFICATIONS ARE MET

Form and Line Reference	Explanation
PART VI, LINE 2 - NEEDS ASSESSMENT	THE HOSPITAL WORKED WITH THE NASSAU COUNTY DEPARTMENT OF HEALTH, OTHER HOSPITAL FACILITIES AND OTHER HEALTH CARE PARTNERS IN THE NASSAU COUNTY REGION ON THE PREVENTION AGENDA PRIORITIES PARTICIPATION OF THE COMMUNITY MEMBERS IN THE HOSPITAL'S SERVICE AREA WAS SOLICITED VIA MULTIPLE VENUES IN AN EFFORT TO ENGAGE COMMUNITY PARTICIPATION IN THE DEVELOPMENT OF THE HOSPITAL'S COMMUNITY SERVICE PLAN THE PUBLIC INPUT PROCESS WAS ANNOUNCED VIA THE HOSPITAL'S COMMUNITY NEWSLETTER IN SPRING 2013, WHEREBY WE ENCOURAGED OUR COMMUNITY MEMBERS TO PROVIDE COMMENTS ON THEIR HEALTH CARE PRIORITIES AND HOW ST JOSEPH HOSPITAL COULD BEST SERVE THEIR NEEDS
PART VI, LINE 3 - FINANCIAL ASSISTANCE POLICY COMMUNICATION	ALL EMPLOYEES IN THE SCHEDULING, PATIENT ACCESS, PATIENT FINANCIAL SERVICES AND EMERGENCY DEPARTMENTS ARE FULLY VERSED IN THE CHARITY CARE POLICY, HAVE ACCESS TO THE CHARITY CARE APPLICATION FORMS, AND ARE ABLE TO DIRECT QUESTIONS TO THE APPROPRIATE HOSPITAL REPRESENTATIVES THE HOSPITAL POSTS MULTILINGUAL NOTICES AS TO ANY POLICIES ON CHARITY CARE IN SEVERAL PROMINENT LOCATIONS WITHIN THE HOSPITAL INCLUDING, BUT NOT LIMITED TO, THE EMERGENCY DEPARTMENT, BILLING OFFICE, WAITING ROOMS FOR PURPOSES OF ADMISSIONS, AND THE INPATIENT AND OUTPATIENT REGISTRATION AREA SAID NOTICES ARE PUBLISHED IN AT LEAST ENGLISH AND SPANISH, AND ARE CLEARLY VISIBLE TO THE PUBLIC FROM THE LOCATION AT WHICH THEY ARE POSTED THE HOSPITAL PROVIDES PATIENTS, IN A TIMELY MANNER, A SUMMARY OF ITS CHARITY CARE POLICY UPON REQUEST THE SUMMARY, AT A MINIMUM PROVIDES SPECIFIC INFORMATION AS TO INCOME LEVELS USED TO DETERMINE ELIGIBILITY AND THE MEANS OF APPLYING FOR ASSISTANCE THIS SUMMARY IS WRITTEN AT OR BELOW A SIXTH GRADE READING LEVEL THE HOSPITAL POSTS ITS CHARITY CARE POLICY SUMMARY ON THEIR INTERNET WEBSITE THE HOSPITAL PROVIDES ALL PATIENTS INTERPRETERS TO ASSIST THEM IN UNDERSTANDING ITS CHARITY CARE PROGRAM IN THE LANGUAGE SPOKEN BY THE PATIENT DURING ANY PRE-ADMISSION, ADMISSION, AND DISCHARGE PROCESS ON ALL BILLS AND STATEMENTS SENT TO PATIENTS, A STATEMENT IS INCLUDED REGARDING THE AVAILABILITY OF VARIOUS FINANCIAL ASSISTANCE PROGRAMS, INCLUDING CHARITY CARE, AND A CONTACT NUMBER TO CALL TO OBTAIN FURTHER INFORMATION THIS INFORMATION IS AVAILABLE AT OR BELOW A SIXTH GRADE READING LEVEL

Form and Line Reference	Explanation
PART VI, LINE 4 - COMMUNITY INFORMATION	THE HOSPITAL PRIMARILY SERVES PATIENTS FROM THE FOLLOWING SURROUNDING COMMUNITIES MASSAPEQUA, FARMINGDALE, AMITYVILLE, LEVITTOWN, MASSAPEQUA PARK, WANTAGH, SEAFORD, BETHPAGE, BELLMORE, EAST MEADOW, LINDENHURST, COPIAGUE, BABYLON, HICKSVILLE, PLAINVIEW AND WOODBURY APPROXIMATELY 90% OF HOSPITAL PATIENTS WHO ARE ADMITTED AND/OR PROVIDED CARE IN OUR EMERGENCY DEPARTMENT RESIDE IN THE AFOREMENTIONED SERVICE AREAS THIS IS BASED ON ANNUAL 2008 DATA RELATIVE TO INPATIENT ADMISSIONS/EMERGENCY DEPARTMENT VISITS TO OUR HOSPITAL
PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH	WSNCHS NORTH, INC (THE HOSPITAL) IS A 501(C)(3)VOLUNTARY, NOT-FOR-PROFIT CORPORATION WITH CERTIFIED BED CAPACITY OF 203 ON JANUARY 26, 2010, THE HOSPITAL BECAME A MEMBER HOSPITAL OF CATHOLIC HEALTH SERVICES (CHS) OF LONG ISLAND AND THE HOSPITAL IS DOING BUSINESS AS (ST JOSEPH) CHS SUPPORTS ST JOSEPH'S MISSION TO DELIVER QUALITY HEALTH CARE AND REMAIN A COMMUNITY-BASED HOSPITAL CHS IS COMMITTED TO CONTINUING AND EXPANDING THE IMPORTANT MEDICAL SERVICES PROVIDED BY ST JOSEPH TO THE SURROUNDING COMMUNITIES THAT RELY UPON IT FOR QUALITY CARE WITH THE ADDITION OF ST JOSEPH, CHS IS NOW COMPRISED OF SIX HOSPITALS, THREE NURSING HOMES, A REGIONAL HOME CARE AND HOSPICE NETWORK AND A COMMUNITY-BASED AGENCY FOR PERSONS WITH DEVELOPMENTAL NEEDS IN 2013, THE HOSPITAL BOARD OF DIRECTORS COMPRISED OF TEN MEMBERS, CONSISTING OF VOLUNTARY COMMUNITY MEMBERS, A PHYSICIAN REPRESENTATIVE, MEMBERS OF CHS'S BOARD AND LEADERSHIP TEAM AND THE EXECUTIVE VICE PRESIDENT & CHIEF ADMINISTRATIVE OFFICER OF ST JOSEPH THE BOARD PROVIDES STRATEGIC, VISIONARY GUIDANCE AND DIRECTION FOR THE HOSPITAL'S PROGRAMS, FUTURE PROGRAMS, PATIENT QUALITY AND SAFETY, CAPITAL PROJECTS, SPECIAL INITIATIVES AND FOR ALL GOVERNANCE RESPONSIBILITIES IN 2013, THERE WERE FOUR BOARD COMMITTEES FINANCE, EXECUTIVE, PIPS (PERFORMANCE IMPROVEMENT PATIENT SATISFACTION) AND CORPORATE COMPLIANCE AND AUDIT ONE OR MORE BOARD MEMBERS CHAIR, CO-CHAIR AND/OR ATTENDED EACH OF THESE COMMITTEES AT THEIR SCHEDULED MEETINGS THE BOARD IS VERY MUCH ENGAGED AND COMMITTED IN LISTENING TO AND ADDRESSING COMMUNITY NEEDS TO FURTHER ST JOSEPH'S MISSION OF PROVIDING HIGH-QUALITY CARE TO OUR PATIENTS AND VERY SUPPORTIVE OF THE NYS PREVENTION AGENDA, AIMED TO IMPROVE POPULATION HEALTH ST JOSEPH HOSPITAL'S COMMUNITY OUTREACH PROGRAMS INCLUDE SUPPORT GROUPS, COMMUNITY HEALTH EDUCATION LECTURES, "MEALS ON WHEELS", HEALTH FAIRS AND SCREENINGS, BLOOD DRIVES AND OTHER PATIENT-FOCUSED INITIATIVES ST JOSEPH IS SUPPORTIVE OF EDUCATIONAL INSTITUTIONS AND THEIR RESPECTIVE STUDENTS TO PROVIDE CLINICAL EXPERIENCE AND EDUCATION IN THE HOSPITAL ENVIRONMENT ST JOSEPH HOLDS MULTIPLE AFFILIATION AGREEMENTS WITH EDUCATIONAL FACILITIES (E G HOFSTRA UNIVERSITY, LONG ISLAND UNIVERSITY, STATE UNIVERSITY AT FARMINGDALE, WESTERN SUFFOLK BOCES) FOR ONSITE STUDENT TRAINING / MENTORING IN NURSING, RADIOLOGY TECHNOLOGY, HEALTH ADMINISTRATION AND FOR OTHER HEALTH CARE PROFESSIONS AND IS A DESIGNATED SITE FOR TRAINING OF DOCTOR OF PHARMACY CANDIDATES THROUGH ST JOHN'S UNIVERSITY ST JOSEPH HOSPITAL IS ALSO AN ACTIVE MEMBER OF FARMINGDALE, BETHPAGE AND MASSAPEQUA CHAMBERS OF COMMERCE AND PARTICIPATES IN MANY OF THE CHAMBERS' ACTIVITIES, INCLUDING HEALTH FAIRS, STREET FAIRS AND COMMUNITY FESTIVAL DAYS AT THESE FESTIVALS THE HOSPITAL PROVIDES FREE EDUCATIONAL HEALTH CARE MATERIAL AND OFTEN OFFERS FREE BLOOD PRESSURE SCREENINGS TO COMMUNITY RESIDENTS ST JOSEPH ALSO HOLDS A YEARLY HEALTH FAIR ON ITS PREMISES, WHERE IT INVITES ALL ITS COMMUNITY MEMBERS TO LEARN ABOUT HOSPITAL SERVICES AND SPECIAL PROGRAMS ALSO, IN COLLABORATION WITH THE BETHPAGE LIBRARY, FARMINGDALE LIBRARY AND OTHER COMMUNITY-BASED ORGANIZATIONS, ST JOSEPH HOSPITAL OFFERS FREE LECTURES, HEALTH SCREENINGS AND OTHER OUTREACH PROGRAMS TO RESIDENTS OF NASSAU COUNTY ST JOSEPH HOSPITAL PARTICIPATES IN CHS'S HEALTHY SUNDAYS OUTREACH PROGRAM, DESIGNED TO DELIVER FREE HEALTH SCREENINGS, IMMUNIZATIONS AND EDUCATION TO THE MEDICALLY UNDERSERVED ALSO, IN KEEPING WITH CHS'S MISSION, ST JOSEPH CONDUCTS BLOOD DRIVES, FREE SUPPORT GROUPS AND FOUR NEEDS-BASED DRIVES EACH YEAR SCHOOL SUPPLIES IN SEPTEMBER, COATS IN OCTOBER, FOOD IN NOVEMBER, AND FOOD AND TOYS IN DECEMBER IN 2013, TO BETTER IDENTIFY AND ADDRESS THE REGION'S PREVALENT HEALTH NEEDS, ST JOSEPH JOINED FORCES WITH OTHER HOSPITALS, LOCAL HEALTH DEPARTMENTS, HEALTH CARE PROVIDERS, PUBLIC HEALTH SPECIALISTS FROM ACADEMIC INSTITUTIONS AND COMMUNITY-BASED ORGANIZATIONS TO FORM THE LONG ISLAND HEALTH COLLABORATIVE (LIHC), ONE OF THE FIRST BI-COUNTY INITIATIVES OF ITS KIND IN NEW YORK LIHC'S WEBSITE OFFERS COMPREHENSIVE INFORMATION TO PROMOTE GOOD HEALTH AND PREVENT CHRONIC DISEASE IN ADDITION TO PROVIDING NUMEROUS RESOURCES SUCH AS HEALTH PROGRAM INVENTORIES, HEALTH INSURANCE INFORMATION AND EDUCATIONAL VIDEOS, LIHC AND ITS MEMBERS HAVE ORGANIZED WALKING PROGRAMS AND DEVELOPED A UNIVERSAL SCREENING TOOL TO HELP MEASURE THE EFFECTIVENESS OF COMMUNITY HEALTH EFFORTS MORE INFORMATION CAN BE FOUND AT NSHC.ORG/LONG-ISLAND-HEALTH-COLLABORATIVE OTHER IMPORTANT SERVICES PROVIDED BY ST JOSEPH HOSPITAL TO PROMOTE COMMUNITY HEALTH & WELLNESS ARE - HYPERBARIC AND WOUND HEALING OUTPATIENT CENTER - THE CENTER FOR SLEEP MEDICINE - OUTPATIENT BALANCE/VESTIBULAR TESTING AND PHYSICAL THERAPY - MRI SERVICE - SPEECH SWALLOWING AND VOICE DISORDERS - GASTROENTEROLOGY OUTPATIENT SERVICE - DIABETES EDUCATION CENTER

Form and Line Reference	Explanation
PART VI, LINE 6 - AFFILIATED HEALTHCARE SYSTEM	<p>ST JOSEPH IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL WHICH IS LOCATED ON A SINGLE CAMPUS IN BETHPAGE, NEW YORK ALONG WITH THE AFOREMNETIONED COMMUNITY PROGRAMS, ST JOSEPH THROUGH ITS DAILY OPERATIONS, PROVIDES TO THE AREA ACUTE, EMERGENT AND OUTPATIENT CARE ST JOSEPH IS A MEMBER OF CATHOLIC HEALTH SYSTEMS OF LONG ISLAND (D/B/A/ CATHOLIC HEALTH SERVICES OF LONG ISLAND) (CHS) WHICH IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED TO SERVE AS THE COORDINATING BODY OF AN INTEGRATED NETWORK OF PROVIDERS SERVING NASSAU AND SUFFOLK COUNTIES CHS IS SPONSORED BY THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTRE AS OF DECEMBER 31, 2013, CHS COMPRISED SIX HOSPITALS (MERCY MEDICAL CENTER, ST FRANCIS HOSPITAL AND ST JOSEPH HOSPITAL IN NASSAU COUNTY, AND GOOD SAMARITAN HOSPITAL MEDICAL CENTER, ST CHARLES HOSPITAL AND REHABILITATION CENTER AND ST CATHERINE OF SIENA MEDICAL CENTER IN SUFFOLK COUNTY), AS WELL AS THREE NURSING HOMES (ST CATHERINE OF SIENA NURSING AND REHABILITATION CARE CENTER, GOOD SAMARITAN NURSING HOME AND OUR LADY OF CONSOLATION NURSING AND REHABILITATIVE CARE CENTER, ALL IN SUFFOLK COUNTY), A REGIONAL HOME CARE AND HOSPICE NETWORK, AND A COMMUNITY-BASED AGENCY FOR PERSONS WITH SPECIAL NEEDS WITH APPROXIMATELY 17,000 EMPLOYEES AND 4,600 MEDICAL STAFF WORKING THROUGHOUT THE SYSTEM, CHS PROVIDES THE REGION'S FINEST HEALTH AND HUMAN SERVICES MEMBER ORGANIZATIONS OF CHS OFFER VIRTUALLY EVERY MEDICAL SPECIALTY AND CLINICAL SERVICE, AND SHARE A DEDICATION TO CONTINUOUSLY UPGRADE THE SCOPE, QUALITY AND ACCESSIBILITY OF CARE ALL OF CHS'S MEMBER ORGANIZATIONS HAVE RETAINED THEIR INDIVIDUAL LINKS TO THEIR HISTORY AND THEIR DISTINCTIVE PERSONALITIES, AS WELL AS THE SERVICE SPECIALTIES WHICH THEY ARE KNOWN FOR, THUS EMBEDDING THE ORGANIZATION IN THE COMMUNITY AND SERVING IT EFFECTIVELY THE CHS SYSTEM PROVIDES AN ABUNDANCE OF EDUCATION AND SUPPORT GROUPS AND PROVIDES FREE HEALTH SCREENINGS THROUGH THE HEALTHY SUNDAYS PROGRAMS, HEALTH FAIRS AND OTHER PROGRAMS THAT HELP THE COMMUNITIES SERVED BY CHS ACCESS CARE SINCE 1907, CATHOLIC HEALTH CARE ON LONG ISLAND HAS BUILT A DISTINGUISHED TRADITION OF OPERATING COMMUNITY BASED HOSPITAL AND HUMAN SERVICE ORGANIZATIONS WITH THE PRIMARY OBJECTIVE OF SERVING THE COMMUNITY TO FURTHER THE MISSION OF BRINGING CARE TO THE COMMUNITY, CHS AND ITS MEMBER HOSPITALS, TOGETHER WITH A NUMBER OF OTHER HEALTH CARE PROVIDERS ON LONG ISLAND, ENTERED INTO A PARTNERSHIP AGREEMENT, WHICH OPERATES AS THE LONG ISLAND HEALTH NETWORK (LIHN) LIHN WAS CREATED TO ESTABLISH A COMPREHENSIVE AND EFFICIENT HOSPITAL NETWORK IN NASSAU AND SUFFOLK COUNTIES BY WORKING TO, AMONG OTHER THINGS, IMPROVE QUALITY OF CARE, FACILITATE CLINICAL INTEGRATION, BENCHMARK BEST PRACTICES AND REDUCE LENGTH OF STAY COSTS</p>

Schedule I (Form 990)

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

OMB No 1545-0047

2013

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization WSNCHS NORTH INC

Employer identification number 11-3438973

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Includes entries for ST FRANCIS CARDIOVASCULAR PHYSICIANS PC and CATHOLIC HEALTH SERVICES OF LONG ISLAND.

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

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

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

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

<b>Return Reference</b>	<b>Explanation</b>
PART I, LINE 2 - PROCEDURE FOR MONITORING GRANT FUND USE	CHS SERVICES, A RELATED ENTITY, MAINTAINS THE BOOKS AND RECORDS FOR ST JOSEPH HOSPITAL AND ST FRANCIS CARDIOVASCULAR PHYSICIANS PC AND IS THEREFORE ABLE TO MONITOR THAT ST FRANCIS CARDIOVASCULAR PHYSICIANS PC USES THE GRANT FUNDS AS A WORKING CAPITAL SUBSIDY CHS SERVICES, A RELATED ENTITY, MAINTAINS THE BOOKS AND RECORDS FOR ST JOSEPH HOSPITAL AND CATHOLIC HEALTH SERVICES OF LONG ISLAND AND IS THEREFORE ABLE TO MONITOR THAT CATHOLIC HEALTH SERVICES OF LONG ISLAND USES THE GRANT FUNDS FOR OUTPATIENT CENTERS
PART II, LINE 1, COLUMN (H)	NAME OF ORGANIZATION OR GOVERNMENT CATHOLIC HEALTH SYSTEM OF LONG ISLAND (H) PURPOSE OF GRANT 1) SUPPORT TO CATHOLIC HEALTH SYSTEM OF LONG ISLAND AS A PASS THROUGH TO PROVIDE GENERAL SUPPORT TO THE CATHOLIC MINISTRIES OF THE DIOCESE OF ROCKVILLE CENTRE IN CONNECTION WITH THE FORMATION OF YOUTH AND ADULTS IN THE FAITH, PROMOTION OF THE DIGNITY OF LIFE, PROMOTION OF QUALITY EDUCATION FOR YOUNG PEOPLE, AND FOSTERING OF VOCATIONS FOR THE PRIESTHOOD, AND 2) PROVIDE SUPPORT TO CATHOLIC HEALTH SYSTEM OF LONG ISLAND TO FUND OUTPATIENT CENTERS THAT PROVIDE CHARITY CARE TO THOSE CENTERS COMMUNITIES

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2013**

**Open to Public Inspection**

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WSNCHS NORTH INC

Employer identification number

11-3438973

**Part I Questions Regarding Compensation**

- 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.
- |   |  |
|---|--|
| <input type="checkbox"/> First-class or charter travel            | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                    | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account           | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**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

**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?

**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

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

**a** Receive a severance payment or change-of-control payment?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**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?

**b** Any related organization?

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?

**b** Any related organization?

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

**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

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

**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
PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	ALAN D GUERCI, MD \$105,347 VESTED IN PLAN RUTH HENNESSEY \$97,000 PARTICIPATION IN PLAN, \$73,523 VESTED IN PLAN GARA EDELSTEIN \$86,000 PARTICIPATION IN PLAN, \$16,204 VESTED IN PLAN JOEL YOHAI, MD \$15,000 PARTICIPATION IN PLAN WILLIAM C ARMSTRONG \$77,000 PARTICIPATION IN PLAN DREW PALLAS \$83,000 PARTICIPATION IN PLAN THE AMOUNTS REFLECTED IN COLUMN B (III) AND COLUMN C FOR THE INDIVIDUALS INCLUDES PARTICIPATION IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP") THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2013 FORM W-2 BOX, 5 AS TAXABLE WAGES BECAUSE THEY ARE VESTED, BUT ARE NOT DISTRIBUTED UNTIL RETIREMENT THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE INDIVIDUALS INCLUDES BOTH QUALIFIED AND NONQUALIFIED RETIREMENT PLANS
PART II, COLUMN B(III) - WILLIAM C ARMSTRONG	WILLIAM C ARMSTRONG RECEIVED APPROXIMATELY \$141,591 OF VACATION PAYOUT, WHICH IS REPORTED IN COLUMN B(III) AS OTHER REPORTABLE COMPENSATION

# Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 11-3438973  
**Name:** WSNCHS NORTH INC

## 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				
Gara Edelstein Director	(i)	0	0	0	0	0	0	0
	(ii)	329,309	62,000	28,456	108,772	24,649	553,186	16,204
Alan D Guerci MD PRESIDENT & CEO	(i)	0	0	0	0	0	0	0
	(ii)	1,002,487	170,000	148,309	23,027	30,214	1,374,037	105,347
Ruth Hennessey Director	(i)	0	0	0	0	0	0	0
	(ii)	528,536	86,000	77,893	117,349	26,635	836,413	73,523
JOEL YOHAI MD THRU JULY 2013 EXEC VP MED AFFRS & CMO	(i)	0	0	0	0	0	0	0
	(ii)	309,662	203,000	192,688	28,432	10,564	744,346	0
Drew Pallas Exec VP & COO	(i)	341,620	25,000	17,989	98,326	29,180	512,115	0
	(ii)	0	0	0	0	0	0	0
Howard Sussman CMO	(i)	292,275	0	896	15,326	30,696	339,193	0
	(ii)	0	0	0	0	0	0	0
Bernard Stark Physician	(i)	449,694	0	6,089	15,326	19,622	490,731	0
	(ii)	0	0	0	0	0	0	0
Ihab Ibrahim VP Patient Safety & Clinical P	(i)	160,884	0	240	9,917	24,214	195,255	0
	(ii)	0	0	0	0	0	0	0
Blake Benz Dir of Project Mgt	(i)	173,137	0	150	10,536	23,548	207,371	0
	(ii)	0	0	0	0	0	0	0
Peter Chiacchiaro VP Human Resources	(i)	150,331	0	4,334	9,587	30,780	195,032	0
	(ii)	0	0	0	0	0	0	0
William C Armstrong SVP & Chief Financial Officer	(i)	0	0	0	0	0	0	0
	(ii)	589,925	75,000	157,066	97,349	28,262	947,602	0
JOHN MORAHAN VP OF FINANCE	(i)	228,037	10,000	3,208	14,083	27,096	282,424	0
	(ii)	0	0	0	0	0	0	0

**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).**

**2013**

**Open to Public  
Inspection**

Name of the organization  
WSNCHS NORTH INC

Employer identification number

11-3438973

Return Reference	Explanation
FORM 990, PART VI, LINE 6 - MEMBERS OF THE ORGANIZATION	THE SOLE MEMBER OF ST JOSEPH HOSPITAL IS CATHOLIC HEALTH SYSTEM OF LONG ISLAND (D/B/A/ CATHOLIC HEALTH SERVICES OF LONG ISLAND) (CHS) CHS IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED TO SERVE AS THE COORDINATING BODY OF AN INTEGRATED NETWORK OF PROVIDERS CHS IS SPONSORED BY THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTER (DIOCESE)

Return Reference	Explanation
FORM 990, PART VI, LINE 7A - ELECTION OF THE GOVERNING BODY	CHS IS THE SOLE MEMBER AND ESTABLISHED CO-OPERATOR OF ST JOSEPH HOSPITAL AND AS SUCH, HAS THE RIGHT TO APPOINT THE GOVERNING BODY OF ST JOSEPH HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, LINE 7B - DECISIONS OF THE GOVERNING BODY	CHS AS THE SOLE MEMBER AND ESTABLISHED CO-OPERATOR OF ST JOSEPH HOSPITAL IS REQUIRED TO APPROVE CERTAIN DECISIONS MADE BY THE GOVERING BODY OF ST JOSEPH HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, LINE 11B - REVIEW PROCESS FOR FORM 990	THE FORM 990 AND APPROPRIATE SCHEDULES ARE COMPLETED BY OUTSIDE TAX ADVISORS AND REVIEWED INTERNALLY BY MANAGEMENT. THE FINAL DRAFT OF THE FORM 990 IS THEN PRESENTED TO THE COMPLIANCE AND AUDIT COMMITTEE (THE COMMITTEE) OF THE BOARD OF DIRECTORS (THE BOARD) OF CHS, WHICH HAS BEEN DELEGATED THE REVIEW FUNCTION BY THE BOARD. UPON APPROVAL OF THE COMMITTEE, THE FORM 990 IS THEN SENT TO ALL VOTING MEMBERS OF THE BOARD OR THE EXECUTIVE COMMITTEE OF THE BOARD, AS APPROPRIATE. THE FORM 990 IS THEN SUBMITTED TO THE INTERNAL REVENUE SERVICE.

Return Reference	Explanation
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	<p>DISCLOSURE IN ACCORDANCE WITH THE CONFLICT OF INTEREST POLICY (THE POLICY) BY BOARD AND BOARD COMMITTEE MEMBERS, EMPLOYEES AND OTHERS THAT SATISFY THE CRITERIA TO BE CONSIDERED AN INTERESTED PERSON IS SUBMITTED UPON HIRE OR APPOINTMENT AND ANNUALLY THEREAFTER SUCH INDIVIDUALS HAVE A CONTINUING OBLIGATION TO UPDATE THE INFORMATION PROVIDED DURING THE COURSE OF THE YEAR A SUMMARY OF DISCLOSURES IS PROVIDED TO THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE BY THE ORGANIZATION'S COMPLIANCE OFFICER ALL DISCLOSURES ARE INVESTIGATED AND INFORMATION RELATED TO THE DISCLOSURE SHALL BE GATHERED AND SUMMARIZED AND INCLUDED WITH THE SUMMARY OF DISCLOSURES UPON REVIEW OF THE SUMMARY OF DISCLOSURES, THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE SHALL REPORT ITS FINDINGS TO THE BOARD OF TRUSTEES FOR REVIEW THE BOARD SHALL DETERMINE WHETHER A CONFLICT OF INTEREST EXISTS BASED ON THE CRITERIA CONTAINED IN THE POLICY IF THE BOARD COMMITTEE DETERMINES THAT NO CONFLICT EXISTS, THE MATTER SHALL BE REFERRED FOR REVIEW BY THE CHS COMPLIANCE AND AUDIT COMMITTEE BEFORE THE DETERMINATION BECOMES FINAL IF A CONFLICT OF INTEREST IS IDENTIFIED AND A MAJORITY OF THE BOARD OR BOARD COMMITTEE AGREES THAT THE TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF CHS AND WISHES TO GO FORWARD WITH IT, THE CHAIR OF THE ORGANIZATION'S BOARD OF TRUSTEES SHALL PROVIDE A WRITTEN REQUEST TO THE CHAIR OF THE CHS COMPLIANCE AND AUDIT COMMITTEE, DELINEATING THE TRANSACTION AND CONFLICT AND PROVIDING REASONS WHY THE BOARD AGREES THAT THE TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF CHS, CERTIFIES THAT CHS CANNOT SECURE SIMILAR SERVICES FROM AN ORGANIZATION WITHOUT A CONFLICT, AND WISHES TO GO FORWARD WITH IT PERSON DETERMINED TO HAVE A CONFLICT OF INTEREST MUST RECUSE HIMSELF FROM ANY DECISION MAKING OR VOTING ON THE INTEREST THAT GAVE RISE TO THE CONFLICT UPON RECEIPT OF THE WRITTEN REQUEST AND ANY SUPPORTING DOCUMENTS, THE CHS COMPLIANCE AND AUDIT COMMITTEE SHALL MAKE THE FINAL DECISION AS TO WHETHER CHS SHALL ENTER INTO THE TRANSACTION OR ARRANGEMENT</p>

Return Reference	Explanation
FORM 990, PART VI, LINE 15 - COMPENSATION POLICY	<p>THE CHIEF EXECUTIVE OFFICER SUBMITS FOR APPROVAL TO THE SYSTEM CEO RECOMMENDATIONS FOR BASE SALARY ADJUSTMENTS AND INCENTIVE AWARDS FOR "DISQUALIFIED PERSONS" AS DEFINED IN THE POLICY. THE POLICY DEFINES A "DISQUALIFIED PERSON" AS A PERSON IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF CHS OR AN OPERATING ENTITY, AND IS EITHER A) A VOTING MEMBER OF THE BOARD OF DIRECTORS OR BOARD OF TRUSTEES, B) THE ENTITY'S PRESIDENT, CHIEF EXECUTIVE OFFICER, AND CHIEF OPERATING OFFICERS OR PERSONS HOLDING EQUIVALENT POSITIONS, C) THE ENTITY'S TREASURERS AND CHIEF FINANCIAL OFFICERS, D) THE PERSON'S COMPENSATION IS PRIMARILY BASED ON REVENUES DERIVED FROM ACTIVITIES OF CHS OR AN OPERATING ENTITY, OR OF A PARTICULAR DEPARTMENT OR FUNCTION OF CHS OR AN OPERATING ENTITY, THAT THE PERSON CONTROLS, E) THE PERSON HAS OR SHARES AUTHORITY TO CONTROL OR DETERMINE A SUBSTANTIAL PORTION OF CHS OR AN OPERATING ENTITY'S CAPITAL EXPENDITURES, OPERATING BUDGET, OR COMPENSATION FOR OTHER EMPLOYEES, F) THE PERSON MANAGES A DEPARTMENT OR ACTIVITY OF CHS OR AN OPERATING ENTITY THAT REPRESENTS A SUBSTANTIAL PORTION OF THE ACTIVITIES, ASSETS, INCOME, OR EXPENSES OF CHS OR AN OPERATING ENTITY, COMPARED TO THE ORGANIZATION AS A WHOLE, OR G) FAMILY MEMBERS OF ANY OF THOSE DESCRIBED IN THE PRECEDING D, E, OR F. ONCE APPROVED BY THE CORPORATE CEO, THESE RECOMMENDATIONS ARE SENT TO THE EXECUTIVE COMPENSATION COMMITTEE FOR REVIEW. THE EXECUTIVE COMPENSATION COMMITTEE, WITH AN INDEPENDENT COMPENSATION CONSULTANT ENGAGED BY THE BOARD, WILL REVIEW PROPOSED SALARY ADJUSTMENTS AND INCENTIVE AWARDS TO ENSURE REASONABLENESS BY REVIEWING COMPARABLE TOTAL COMPENSATION DATA (INCLUDING INCENTIVES) PAID TO SIMILARLY SITUATED EXECUTIVES AT THE MEDIAN OF THE DEFINED MARKETPLACE WITH POSSIBLE ADJUSTMENT MADE FOR SPECIAL SKILL, EXPERIENCE, COMPETENCE AND PERFORMANCE, INCLUDING CONTRIBUTION TO THE SYSTEM AS A WHOLE. REVIEWS ARE DONE BY AN INDEPENDENT CONSULTANT ANNUALLY. THE COMPENSATION COMMITTEE SETS STANDARDS TO ENSURE THAT THE CRITERIA USED TO DETERMINE INCENTIVE COMPENSATION ARE SPECIFIC, OBJECTIVE, MEASURABLE AND RELATED TO INDICATORS OF PERFORMANCE. BASED ON THE INFORMATION, THE COMMITTEE WILL THEN MAKE ITS RECOMMENDATION TO THE BOARD OF TRUSTEES.</p>

Return Reference	Explanation
FORM 990, PART VI, LINE 19 - DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION	GOVERNING DOCUMENTS - CERTIFICATE OF INCORPORATION FILED WITH THE NYS DEPARTMENT OF STATE, CONFLICT OF INTEREST POLICY IS NOT PUBLICLY AVAILABLE, FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Return Reference	Explanation
FORM 990, PART VII, SECTION A - LINE 1A	<p>HOURS FOR TRUSTEES ARE THE ESTIMATED WEEKLY HOURS (2 0) TRUSTEES CONTRIBUTE TO THIS AND ALL OTHER RELATED ORGANIZATIONS, NOT NECESSARILY EQUALLY BUT IN THE PROPORTION NECESSARY , FOR WHICH THEY RECEIVE NO COMPENSATION ALAN GUERCI, DIRECTOR - THE TOTAL HOURS WORKED REPORTED REFLECTS TIME WORKED AS AN OFFICER FOR ALL OF THE FOLLOWING RELATED ENTITIES CHS SERVICES, INC (11-3555766), RVC INSURANCE COMPANY, INC (20-8067039), CATHOLIC HEALTH SYSTEMS OF LONG ISLAND (11-3403968), ST FRANCIS HOSPITAL (11-2050523), ST FRANCIS HOSPITAL RESEARCH &amp; EDUCATION CORPORATION, INC (11-3090867), ST FRANCIS CARDIOVASCULAR PHYSICIANS PC (11-3613997), ST FRANCIS HOSPITAL FOUNDATION (11-2916033), MERCY MEDICAL CENTER (11-1635088), WSNCHS NORTH, INC (11-3438973), GOOD SAMARITAN HOSPITAL MEDICAL CENTER (11-1888924), ST CATHERINE OF SIENA MEDICAL CENTER (06-1562701) AND ST CHARLES HOSPITAL (11-1871039) DREW PALLAS, EXECUTIVE VICE PRESIDENT &amp; CHIEF OPERATING OFFICER - THE TOTAL HOURS WORKED REPORTED REFLECTS TIME WORKED AS AN OFFICER FOR ALL OF THE FOLLOWING RELATED ENTITIES ST JOSEPHS HOSPITAL (11-3438973) WILLIAM ARMSTRONG, VICE PRESIDENT &amp; CHIEF FINANCIAL OFFICER - THE TOTAL HOURS WORKED REPORTED REFLECTS TIME WORKED AS AN OFFICER FOR ALL OF THE FOLLOWING RELATED ENTITIES ST JOSEPHS HOSPITAL (11-3438973), ST FRANCIS HOSPITAL (11-2050523), ST FRANCIS RESEARCH &amp; EDUCATIONAL (11-3090867), ST FRANCIS HOSPITAL FOUNDATION (11-2916033), MERCY MEDICAL CENTER (11-1635088)</p>

Return Reference	Explanation
FORM 990, PART XI, LINE 9 - CHANGES IN NET ASSETS	FORGIVENESS OF LOAN \$3,057,358 INSURANCE RECOVERY 156,675 OTHER (275) TOTAL TO FORM 990, PART XI, LINE 9 \$3,213,758

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

- ▶ **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).**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WSNCHS NORTH INC

**Employer identification number**

11-3438973

**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

**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	

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

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

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



**Part VII Supplemental Information**

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

**Return Reference****Explanation**

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 11-3438973  
**Name:** WSNCHS NORTH INC

**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) CATHOLIC HEALTH SYSTEM OF LONG ISLAND 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-3403968	SUPPORT ORG	NY	501(C)(3)	11A- I	NA		No
(1) CHS SERVICES INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-3555766	SUPPORT ORG	NY	501(C)(3)	11A- II	CHSLI		No
(2) CHS AMBULANCE SERVICES INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 14-1801961	DORMANT	NY	501(C)(3)	3	CHSLI		No
(3) GOOD SAMARITAN HOSPITAL MEDICAL CENTER 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-1888924	HOSPITAL	NY	501(C)(3)	3	CHSLI		No
(4) GOOD SAMARITAN SELF INSURANCE AGAINST MALPRACTICE 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-2537396	SELF INSURANC	NY	501(C)(3)	11A- I	GOOD SAMARTN		No
(5) MARYHAVEN TRANSPORTATION SERVICES 51 TERRYVILLE ROAD PORT JEFFERSN ST, NY 11776 11-3434776	TRANSPORTATIO	NY	501(C)(3)	11A- I	MARYHAVENCTR		No
(6) MARYHAVEN CENTER OF HOPE 51 TERRYVILLE ROAD PORT JEFFERSN ST, NY 11776 11-2861698	Prgm-disabled	NY	501(C)(3)	9	CHSLI		No
(7) MARYHAVEN SCHOOL CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSN ST, NY 11776 11-2861690	Schl-disabled	NY	501(C)(3)	2	MARYHAVENCTR		No
(8) THE CENTER OF HOPE FOUNDATION 51 TERRYVILLE ROAD PORT JEFFERSN ST, NY 11776 11-3638367	SUPPORT ORG	NY	501(C)(3)	11A- I	MARYHAVENCTR		No
(9) MERCY MEDICAL CENTER 1000 NORTH VILLAGE AVENUE ROCKVILLE CTR, NY 11570 11-1635088	HOSPITAL	NY	501(C)(3)	3	CHSLI		No
(10) CATHOLIC HOME CARE 110 Bi-County Blvd Suite 114 FARMINGDALE, NY 11735 11-2126736	HOME CARE	NY	501(C)(3)	9	CHSLI		No
(11) OUR LADY OF CONSOLATION GERIATRIC CARE 111 BEACH DRIVE WEST ISLIP, NY 11795 11-3284066	LT NURSE CARE	NY	501(C)(3)	9	CHSLI		No
(12) RIVERHEAD HOSTEL HOLDING CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSN ST, NY 11776 11-2499790	RENTING	NY	501(C)(2)		MARYHAVENCTR		No
(13) SIENA VILLAGE INC 2000 BISHOPS ROAD SMITHTOWN, NY 11787 06-1569129	SR HOUSING	NY	501(C)(3)	9	STCATHERINE		No
(14) ST CATHERINE OF SIENA MEDICAL CENTER 50 ROUTE 25A SMITHTOWN, NY 11787 06-1562701	HOSPITAL	NY	501(C)(3)	3	CHSLI		No
(15) ST CHARLES HOSPITAL 200 BELLE TERRE ROAD PORT JEFFERSN ST, NY 11777 11-1871039	HOSPITAL	NY	501(C)(3)	3	CHSLI		No
(16) CHS HOME SUPPORT SERVICES INC 15 POWER DRIVE HAUPPAGE, NY 11788 11-3594561	RESP THERAPY	NY	501(C)(3)	9	CATHHOMECARE		No
(17) ST FRANCIS HOSPITAL 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-2050523	HOSPITAL	NY	501(C)(3)	3	CHSLI		No
(18) ST FRANCIS HOSPITAL FOUNDATION 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-2916033	SUPPORT ORG	NY	501(C)(3)	11A- I	ST FRANCIS		No
(19) ST FRANCIS HOSPITAL RESEARCH & EDUCATIO 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3090867	RESEARCH ORG	NY	501(C)(3)	11A- I	ST FRANCIS		No

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
(21) THE ST CHARLES CORPORATION  200 BELLE TERRE ROAD PORT JEFFERSN ST, NY 11777 11-2983148	SUPPORT ORG	NY	501(C)(3)	11A- I	CHSLI		No
(1) THE SAMARITAN CORPORATION  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-2716640	SUPPORT ORG	NY	501(C)(3)	11A- I	CHSLI		No
(2) WISDOM GARDENS HOUSING DEVELOPMENT FUND  51 TERRYVILLE ROAD PORT JEFFERSN ST, NY 11776 11-3559713	SR HOUSING	NY	501(C)(3)	9	MARYHAVENCTR		No
(3) GOOD SHEPHERD HOSPICE  110 Bi-County Blvd Suite 114 FARMINGDALE, NY 11735 11-2958438	HOSPICE SVC	NY	501(C)(3)	9	CHSLI		No
(4) ST CHARLES HOSPITAL FOUNDATION  200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 41-2076312	SUPPORT ORG	NY	501(C)(3)	11A- I	ST CHARLES		No
(5) GOOD SAMARITAN HOSPITAL FOUNDATION  1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 77-0611240	SUPPORT ORG	NY	501(C)(3)	11A- I	GOOD SAMARTN		No
(6) MERCY MEDICAL CENTER FOUNDATION  1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 55-0813603	SUPPORT ORG	NY	501(C)(3)	11A- I	MERCY MEDCTR		No
(7) ST CATHERINE OF SIENA MEDICAL CTR FDN  50 ROUTE 25A SMITHTOWN, NY 11787 27-1459941	SUPPORT ORG	NY	501(C)(3)	11A- I	STCATHERINE		No
(8) CATHOLIC HOME CARE FOUNDATION  110 Bi-County Blvd Suite 114 FARMINGDALE, NY 11735 45-2907761	SUPPORT ORG	NY	501(C)(3)	11A- I	CATHHOMECARE		No
(9) GOOD SHEPHERD HOSPICE FOUNDATION  110 Bi-County Blvd Suite 114 FARMINGDALE, NY 11735 26-3169427	SUPPORT ORG	NY	501(C)(3)	11A- I	GOODSHEPHERD		No
(10) OUR LADY OF CONSOLATION FOUNDATION  111 BEACH DRIVE WEST ISLIP, NY 11795 45-0517566	SUPPORT ORG	NY	501(C)(3)	11A- I	OURLADYOF C		No
(11) RVC SUPPORT  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 27-1531084	REAL ESTATE	NY	501(C)(3)	11A- I	CHSLI		No
(12) ST FRANCIS CARDIOVASCULAR PHYSICIANS P  100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3613997	HEALTHCARESVC	NY	501(C)(3)	11A- I	ST FRANCIS		No
(13) RVC INSURANCE COMPANY INC  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 20-8067039	CAPTIVE INS	NY	501(C)(3)	11A- II	CHSLI		No
(14) SAMARITAN EMERGENCY MEDICAL SERVICES PC  1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8243412	HEALTHCARESVC	NY	501(C)(4)		GOOD SAMARTN		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
RADIOLOGY CONSULTING OF LONG ISLAND PLLC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 42-1646134	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No
SAMARITAN PEDIATRIC SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8180263	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No
SAMARITAN MEDICAL SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8088453	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No
SOUTHWEST SUFFOLK MEDICAL PC 580 UNION BOULEVARD WEST ISLIP, NY 11795 06-1603195	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No
CARDIAC EKG INTERPRETATION PC 992 N VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-2924518	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No
LI REGIONAL ARTHRITIS & OSTEOPOROSIS CAR 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8964140	HEALTHCARE SVC	NY	GOOD SAMARITAN	C-CORP					No
SAMARITAN MANAGEMENT SERVICES 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-2838185	HEALTHCARE SVC	NY	CHSLI	C-CORP					No
FAIRVIEW HILL MANAGEMENT CO INC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-2798383	HOLDING CO	NY	CHSLI	C-CORP					No
ADVANCED REHABILITATION MEDICINE PLLC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-3640709	HEALTHCARE SVC	NY	STCHARLES HOSP	C-CORP					No
ST FRANCIS CARDIAC PREVENTION SERVICES 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3224885	HEALTHCARE SVC	NY	STFRANCIS HOSP	C-CORP					No
SOUTH SHORE PRACTICE MANAGEMENT 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-3307977	HEALTHCARE SVC	NY	SAMARITAN MGMT	C-CORP					No
SAMARITAN HOME CARE AMERICA 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-3319259	HEALTHCARE SVC	NY	SAMARITAN MGMT	C-CORP					No
HEALTH CARE TEMP SERVICES INC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-2801136	EMPLOYMENT AGENCY	NY	FAIRVIEW HILL	C-CORP					No
MERCY INTERNAL MEDICINE PC 992 N VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 51-0639649	HEALTHCARE SVC	NY	MERCY MED CTR	C-CORP					No
LONG ISLAND EMERGENCY CARE PC 1000 N VILLAGE AVE ROCKVILLE, NY 11571 11-3633515	PHYSICIAN SVC	NY	MERCY MED CTR	S-CORP					No



**CATHOLIC HEALTH SERVICES OF LONG ISLAND**

Consolidated Financial Statements and  
Consolidating Schedules

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

# CATHOLIC HEALTH SERVICES OF LONG ISLAND

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KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## **Independent Auditors' Report**

The Board of Directors  
Catholic Health Services of Long Island

We have audited the accompanying consolidated financial statements of Catholic Health Services of Long Island, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Health Services of Long Island as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.



**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information included in schedules 1 through 4 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

New York, New York  
April 8, 2014

**CATHOLIC HEALTH SERVICES OF LONG ISLAND**

Consolidated Balance Sheets

December 31, 2013 and 2012

(In thousands)

Assets	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 169,091	127,154
Investments	330,819	308,344
Assets limited or restricted as to use	14,026	13,010
Patient accounts receivable, less allowance for uncollectible accounts of \$39,841 in 2013 and \$37,142 in 2012	247,553	233,044
Contributions receivable, net	2,021	2,125
Other receivables	29,414	26,945
Inventories	24,983	23,572
Prepaid expenses and other	17,389	17,195
Total current assets	<u>835,296</u>	<u>751,389</u>
Assets limited or restricted as to use		
Board-designated and other	83,915	120,624
Donor-restricted funds	33,436	27,935
Funded depreciation	231,477	194,502
Trustee held and other agreements	76,558	132,658
Bond indenture agreements	14,591	14,610
Regulated assets	52,022	41,373
Total assets limited or restricted as to use	<u>491,999</u>	<u>531,702</u>
Less assets limited or restricted as to use and required for current liabilities	<u>14,026</u>	<u>13,010</u>
Total assets limited as to use, net	<u>477,973</u>	<u>518,692</u>
Contributions receivable, net of current portion	3,021	3,222
Long-term investments	601	551
Other assets, net	19,890	21,945
Insurance claims receivable	140,903	135,526
Deferred financing costs, net	6,951	7,684
Property and equipment, net	845,522	841,804
Total assets	<u>\$ 2,330,157</u>	<u>2,280,813</u>

<b>Liabilities and Net Assets</b>	<b>2013</b>	<b>2012</b>
Current liabilities		
Current portion of long-term debt	\$ 27,687	30,412
Accounts payable and accrued expenses	160,332	141,898
Accrued salaries, related withholdings, and benefits	129,799	125,791
Current portion of other self-insured liabilities	31,385	30,046
Current portion of estimated third-party payor and other liabilities, net	61,523	67,553
Other liabilities	10,247	9,237
Total current liabilities	<u>420,973</u>	<u>404,937</u>
Long-term debt, net of current portion	489,290	517,011
Estimated third-party payor and other liabilities, net of current portion	44,210	51,678
Other self-insured liabilities, net of current portion	104,079	104,841
Estimated malpractice liabilities	194,963	188,393
Other long-term liabilities	51,387	49,311
Total liabilities	<u>1,304,902</u>	<u>1,316,171</u>
Net assets		
Unrestricted	986,502	930,833
Temporarily restricted	34,701	29,754
Permanently restricted	4,052	4,055
Total net assets	<u>1,025,255</u>	<u>964,642</u>
Commitments and contingencies		
Total liabilities and net assets	<u><u>\$ 2,330,157</u></u>	<u><u>2,280,813</u></u>

See accompanying notes to consolidated financial statements

**CATHOLIC HEALTH SERVICES OF LONG ISLAND**

Consolidated Statements of Operations

Years ended December 31, 2013 and 2012

(In thousands)

	<b>2013</b>	<b>2012</b>
Unrestricted revenues, gains, and other support		
Net patient services revenue before bad debts	\$ 1,955,643	1,907,683
Provision for bad debts, net	(37,366)	(30,630)
Net patient services revenue	1,918,277	1,877,053
Investment income, net	37,668	43,653
Contributions, net	4,168	6,195
Other revenue	134,552	126,983
Net assets released from restrictions used for operations	943	1,836
Total revenues, gains, and other support	2,095,608	2,055,720
Expenses		
Salaries	1,046,279	1,005,237
Employee benefits	325,545	321,501
Supplies and other expenses	548,063	525,348
Insurance	39,079	44,969
Depreciation, amortization, and impairment	97,633	85,170
Interest	20,074	20,781
Total expenses	2,076,673	2,003,006
Operating income before nonoperating gains (losses)	18,935	52,714
Nonoperating gains (losses)		
Change in unrealized gains on trading investments, net	26,287	3,894
Other nonoperating losses, net	(649)	(3,342)
Excess of revenues, gains, and other support over expenses	44,573	53,266
Other changes in unrestricted net assets		
Postretirement benefit plan changes other than net periodic benefit cost	6,475	(1,546)
Net assets released from restrictions used for purchases of property and equipment	3,716	12,038
Net assets assumed	—	597
Contributions for purchases of property and equipment	1,020	80
Grant income for purchases of property and equipment	885	3,659
Other changes	(1,000)	(1,222)
Increase in unrestricted net assets	\$ 55,669	66,872

See accompanying notes to consolidated financial statements

**CATHOLIC HEALTH SERVICES OF LONG ISLAND**

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2013 and 2012

(In thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Net assets, December 31, 2011	\$ 863,961	38,109	4,058	906,128
Excess of revenues, gains, and other support over expenses	53,266	—	—	53,266
Investment income, net	—	2,404	3	2,407
Restricted contributions, net	—	3,106	3	3,109
Net assets released from restrictions used for operations and reclassifications	—	(1,827)	(9)	(1,836)
Postretirement benefit plan changes other than net periodic benefit cost	(1,546)	—	—	(1,546)
Net assets released from restrictions for purchases of property and equipment	12,038	(12,038)	—	—
Net assets assumed	597	—	—	597
Contributions for purchases of property and equipment	80	—	—	80
Grant income for purchases of property and equipment	3,659	—	—	3,659
Other changes	(1,222)	—	—	(1,222)
Increase (decrease) in net assets	<u>66,872</u>	<u>(8,355)</u>	<u>(3)</u>	<u>58,514</u>
Net assets, December 31, 2012	<u>930,833</u>	<u>29,754</u>	<u>4,055</u>	<u>964,642</u>
Excess of revenues, gains, and other support over expenses	44,573	—	—	44,573
Investment income, net	—	3,195	—	3,195
Restricted contributions, net	—	6,399	9	6,408
Net assets released from restrictions used for operations and reclassifications	—	(931)	(12)	(943)
Postretirement benefit plan changes other than net periodic benefit cost	6,475	—	—	6,475
Net assets released from restrictions for purchases of property and equipment	3,716	(3,716)	—	—
Contributions for purchases of property and equipment	1,020	—	—	1,020
Grant income for purchases of property and equipment	885	—	—	885
Other changes	(1,000)	—	—	(1,000)
Increase (decrease) in net assets	<u>55,669</u>	<u>4,947</u>	<u>(3)</u>	<u>60,613</u>
Net assets, December 31, 2013	<u>\$ 986,502</u>	<u>34,701</u>	<u>4,052</u>	<u>1,025,255</u>

See accompanying notes to consolidated financial statements

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Cash Flows  
Years ended December 31, 2013 and 2012  
(In thousands)

	2013	2012
Cash flows from operating activities		
Increase in net assets	\$ 60,613	58,514
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	93,175	84,016
Other changes in net assets	1,000	1,222
Amortization of deferred financing costs	733	891
Amortization of intangible assets	1,153	1,154
Impairment losses	3,305	—
Provision for bad debts, net	37,366	30,630
Net realized and unrealized gains on trading investments	(52,661)	(35,206)
Loss on debt extinguishment	—	303
Investment income on restricted assets, net	(758)	(1,351)
Postretirement benefit plan changes other than net periodic benefit cost	(6,475)	1,546
Contributions for purchases of property and equipment	(1,020)	(80)
Grant income for purchases of property and equipment	(885)	(3,659)
Restricted contributions, net	(6,408)	(1,392)
Changes in asset and liability accounts		
Patient accounts receivable, net	(51,875)	(43,866)
Insurance claims receivable	(5,924)	(1,693)
Other receivables	(2,922)	(2,156)
Inventories	(1,411)	(3,808)
Prepaid expenses and other	(194)	(2,662)
Contributions receivable, net	807	593
Other assets, net	(336)	(220)
Accounts payable and accrued expenses	12,341	6,772
Accrued salaries, related withholdings, and benefits	4,008	10,953
Estimated third-party payor settlements and other liabilities	(13,498)	(3,041)
Other liabilities	9,561	5,759
Other self-insured liabilities	577	(4,976)
Estimated malpractice liabilities	6,570	5,446
Net cash provided by operating activities	86,842	103,689
Cash flows from investing activities		
Purchases of property and equipment	(98,960)	(112,288)
Increase (decrease) in accounts payable due to capital purchases	6,093	(594)
Proceeds from sale of investments and assets limited or restricted as to use	723,625	717,602
Purchases of investments and assets limited or restricted as to use	(653,786)	(695,260)
Net cash used in investing activities	(23,028)	(90,540)

**CATHOLIC HEALTH SERVICES OF LONG ISLAND**

Consolidated Statements of Cash Flows  
Years ended December 31, 2013 and 2012  
(In thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from financing activities		
Principal payments on long-term debt	\$ (30,446)	(20,135)
Extinguishment of long-term debt	—	(6,338)
Restricted contributions, net	6,408	1,392
Contributions receivable, net	(502)	1,518
Contributions for purchases of property and equipment	1,020	80
Grant income for purchases of property, plant, and equipment	885	3,659
Investment income on restricted assets, net	758	1,351
	<u>(21,877)</u>	<u>(18,473)</u>
Net cash used in financing activities	(21,877)	(18,473)
Net increase (decrease) in cash and cash equivalents	41,937	(5,324)
Cash and cash equivalents at beginning of year	<u>127,154</u>	<u>132,478</u>
Cash and cash equivalents at end of year	<u>\$ 169,091</u>	<u>127,154</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 19,756	15,006

See accompanying notes to consolidated financial statements

# CATHOLIC HEALTH SERVICES OF LONG ISLAND

## Notes to Consolidated Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

### (1) Organization and Business

Catholic Health System of Long Island, Inc. (d/b/a Catholic Health Services of Long Island) (CHS) is a New York not-for-profit corporation organized to serve as the coordinating body of an integrated network of providers. CHS, as a ministry of the Catholic Church, continues Christ's healing mission, promotes excellence in care, and commits itself to those in need. CHS affirms the sanctity of life, advocates for the poor and underserved, and serves the common good. CHS conducts its healthcare practice, business, education, and innovation with justice, integrity, and respect for the dignity of each person. CHS is sponsored by the Roman Catholic Diocese of Rockville Centre (Diocese).

#### *CHS Hospitals*

- Good Samaritan Hospital Medical Center (Good Samaritan)
- Mercy Medical Center (Mercy)
- St. Catherine of Siena Medical Center (St. Catherine)
- St. Charles Hospital (St. Charles)
- St. Francis Hospital (St. Francis)
- St. Joseph Hospital (St. Joseph)

#### *Nursing Homes*

- Good Samaritan Nursing Home
- Our Lady of Consolation Geriatric Care Center (Consolation)
- St. Catherine of Siena Nursing Home (the Nursing Home)

#### *Insurance*

- Good Samaritan Self Insurance Against Malpractice
- RVC Insurance Company, Inc. (the Captive)

#### *Continuing Care Entities*

- Catholic Home Care
- CHS Home Support Services (CHS Home Support)
- Good Shepherd Hospice
- Maryhaven Center of Hope (Maryhaven)
- Maryhaven School Corporation
- Maryhaven Transportation Services
- Riverhead Hostel Holding Corporation
- Wisdom Gardens Housing Development Fund, Inc.

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

### Notes to Consolidated Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

#### *Foundations*

- The Center of Hope Foundation
- Good Samaritan Hospital Foundation
- Good Shepherd Hospice Foundation
- Our Lady of Consolation Foundation
- St Charles Hospital Foundation
- St Francis Hospital Foundation

#### *Professional Corporations*

- Advanced Rehabilitation Medicine, PLLC
- Cardiac EKG Interpretations, P C
- Long Island Emergency Medical Care, P C
- Long Island Regional Arthritis & Osteoporosis Care, P C
- Mercy Internal Medicine P C
- Radiology Consultants of Long Island, PLLC
- Samaritan Emergency Medical Services, P C
- Samaritan Medical Services, P C
- Samaritan Pediatric Services, P C
- Southwest Suffolk Medical, P C
- St Francis Cardiac Prevention Services, P C  
(d/b/a St Francis Surgical Associates)
- St Francis Cardiovascular Physicians, P C

#### *Other*

- CHS Physician Hospital Organization, LLC
- CHS Services, Inc
- Samaritan Management Services, Inc
- Siena Village, Inc
- Siena Medical Realty, LLC
- Siena Retirement Realty, LLC
- South Shore Practice Management Services
- St Francis Research and Educational Corporation

CHS is the sole member and established cooperator of Good Samaritan, Mercy, St Catherine, St Charles, St Francis, and St Joseph (collectively, the CHS Hospitals) As the sole member of the CHS Hospitals, Catholic Home Care, CHS Home Support, Good Shepherd Hospice, Maryhaven, and Consolation, CHS has the right to appoint the governing body of these and other related entities

The accompanying consolidated financial statements include the accounts of all of the CHS Hospitals and the CHS Organizations All significant intercompany accounts and transactions have been eliminated in consolidation

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

### (2) Summary of Significant Accounting Policies

#### *Basis of Accounting*

The consolidated financial statements have been prepared on the accrual basis of accounting

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with U S generally accepted accounting principles (GAAP) 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results will differ from those estimates.

#### *Cash and Cash Equivalents*

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less at the date of purchase, excluding amounts limited or restricted as to use by board designation, under trust or other arrangements, indenture agreements, for funded depreciation, regulated assets, or that have donor-imposed restrictions that limits their use to certain long-term purposes.

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

Investments in equity securities with readily determinable fair values and all investments in debt securities are classified as trading securities, and are measured at fair value in the accompanying consolidated balance sheets.

Assets limited or restricted as to use include assets set aside by CHS for future long-term purposes, such as capital improvements, funded depreciation, board-designated funds, assets held by trustees under indenture and other agreements, donor-restricted funds, and regulated assets. Amounts required to meet current liabilities of CHS have been classified as current assets in the accompanying consolidated balance sheets.

Net investment income (including realized and unrealized gains on trading investments, interest, and dividends) is included in excess of revenues, gains, and other support over expenses unless the income or loss is restricted by donor or law.

#### *Net Patient Accounts Receivable and Net Patient Services Revenues*

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors. Such receivables do not bear interest.

The allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in healthcare coverage, and other collection indicators. Management periodically assesses the adequacy of this allowance based upon historical collection and write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible patient accounts receivable. After satisfaction of amounts due from insurance, CHS follows established

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

### Notes to Consolidated Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

guidelines for placing certain patient balances with collection agencies, subject to certain restrictions on collection efforts as determined by each facility. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. CHS does not have any off-balance-sheet credit exposure related to its patient accounts receivable.

CHS records net patient services revenue in the period in which services are performed. CHS has agreements with third-party payors that provide for payments at amounts different from its established rates. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement, and negotiated discounts from established rates and per diem payments.

Net patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations, and excluding estimated amounts considered uncollectible. The differences between the estimated and actual adjustments are recorded as a part of net patient services revenue in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews, and investigations.

#### *Charity Care*

As an integral part of its mission, CHS provides care to all patients regardless of their ability to pay. CHS records as charity care the care provided to patients who meet certain criteria, under its charity care policy, without charge or at amounts less than CHS' established rates. Because CHS does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

#### *Inventories*

Inventories are stated at the lower of cost (determined on a first-in, first-out method) or market.

#### *Related-Party Transactions*

Certain CHS entities provide services and advances to other CHS entities. Most of these receivables and advances are noninterest bearing and due on demand. Certain advances accrue interest and have stated repayment periods. The receivables and payables and related interest expense and income are eliminated in consolidation, as are any reserves created after evaluation of the related party's ability to repay.

#### *Other Assets, Net*

Other assets in the accompanying consolidated balance sheets consist primarily of goodwill of \$13,226 in 2013 and \$15,976 in 2012, respectively, and other intangible assets of \$8,073 in both 2013 and 2012, respectively, which represent acquisition costs of physician practices. Other intangible assets are amortized on a straight-line basis not to exceed seven years. Goodwill is measured for impairment in accordance with the Accounting Standards Codification (the Codification) Topic 350, *Intangibles – Goodwill and Other*. During 2013, an impairment loss on goodwill of \$1,238 was recorded and the goodwill and related amortization for this practice acquisition was written off. Accumulated amortization of goodwill and other intangible assets was \$5,924 and \$6,283, respectively, as of December 31, 2013 and 2012.

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

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#### *Contributions*

Unconditional promises to give cash and other assets to CHS are reported at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met. 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 consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

#### *Deferred Financing Costs*

Financing costs incurred in connection with the issuance of long-term debt have been capitalized and included in deferred financing costs, net. These costs are being amortized using the effective-interest method over the term of the related obligations. Accumulated amortization amounted to \$6,047 and \$5,314 at December 31, 2013 and 2012, respectively.

#### *Property and Equipment*

Property and equipment are recorded at cost when purchased and at estimated fair value when donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets (ranging from 3 to 40 years). Equipment under capital lease obligations is amortized utilizing the straight-line basis over the lesser of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying consolidated statements of operations.

Leases are classified as capital leases or operating leases in accordance with the terms of the underlying lease agreements. Equipment under capital leases is recorded as assets and the related obligations as liabilities at the present value of future minimum lease payments. Lease payments under operating leases are charged directly to rental expense, and are included in supplies and other expenses in the accompanying consolidated statements of operations.

#### *Estimated Malpractice Costs*

The provision for estimated malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. It is the policy of the CHS Hospitals to record estimated malpractice liabilities on a discounted basis. The Captive records estimated malpractice on an undiscounted basis. Due to the current economic and interest rate environment, the liabilities shown as of December 31, 2013 and 2012 are effectively undiscounted.

#### *Estimated Self-Insured Workers' Compensation and Health Insurance Costs*

The CHS Hospitals are self-insured for certain claims, including workers' compensation, through the Protective Self-Insurance Program (PSIP) of the Diocese for outstanding claims through years ended December 31, 2011. During 2012, the CHS Hospitals entered into an arrangement with a commercial carrier in which a \$500 per-claim stop-loss coverage is provided. Additionally, under the CHS health

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insurance program, all CHS entities are self-insured for employee medical and related costs. The provisions for estimated self-insured claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported (note 15).

It is the policy of CHS to record estimated workers' compensation self-insured liabilities on a discounted basis. Due to the current economic and interest rate environment, the liabilities shown as of December 31, 2013 and 2012 are effectively undiscounted.

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

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Generally, the donors of these assets restrict the income earned on related investments for a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

#### *Accounting for Joint Ventures*

St. Charles and John T. Mather Memorial Hospital (Mather) entered into an integrated joint venture agreement known as the Mather – St. Charles Alliance (the Alliance). The integrated joint venture commenced in 1996 and enabled both hospitals to engage in joint healthcare programs. The joint venture arrangement required St. Charles and Mather to ensure that the market share percentages, as defined, of each hospital remain constant relative to the 1995 base year. The arrangement provided for a financial integration formula (the Fairness Formula), to ensure that future combined net patient services revenues, less corresponding variable expenses, as defined, were shared in the same proportion as that which existed between the two hospitals in the 1995 base year. Computations have been performed for the years 1996 through 2003, however, management of St. Charles and Mather continue to negotiate these computations. Computations have not been performed for the years 2004 through 2013. No amounts related to the computations provided by the Fairness Formula are reflected in the accompanying consolidated financial statements. Management of CHS believes that such calculations and negotiation will not have an adverse impact on CHS' consolidated financial position, results of operations, or cash flows.

#### *Performance Indicator*

The consolidated statements of operations include excess of revenues, gains, and other support over expenses as the performance indicator. Other changes in unrestricted net assets, which are excluded from excess of revenues, gains, and other support over expenses, consistent with industry practice include grant income for purchases of property and equipment, postretirement benefit plan changes other than net periodic benefit cost, net assets assumed, contributions for purchases of property and equipment, net assets released from restriction used for purchases of property and equipment, and other changes.

#### *Operating and Nonoperating Activities*

CHS' primary mission is to meet the healthcare needs in its market area through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, long-term care, home healthcare, hospice, and other healthcare services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities, which are peripheral to CHS'

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

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primary mission, are considered to be nonoperating. Nonoperating activities include changes in unrealized gains on trading investments, net, and other nonoperating losses, net.

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

Long-lived assets, such as property and equipment, and definite-lived and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Goodwill and indefinite-lived intangible assets are evaluated for impairment annually or more frequently if circumstances require. Based on this review, management recorded impairment to property and equipment of \$2.067 and an impairment of \$1.238 relating to goodwill for the year ended December 31, 2013. There were no impairment charges recognized for the year ended December 31, 2012.

#### *Income Taxes*

CHS and most of its subsidiaries are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. CHS accounts for uncertain tax positions in accordance with the Codification Topic 740, *Income Taxes*. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements, using a threshold of more likely than not of being sustained.

#### *Other Revenue*

Other revenue includes income from Maryhaven, and other program and contracted services revenues, rental activities, grant revenues (including Meaningful Use-Health Information Technology for Economic and Clinical Health Act (HITECH) Stimulus Grants), and other miscellaneous operating activities.

Maryhaven revenue relates to program services that are principally cost-based or fee-for-service and is recognized as services are performed. Revenues from such services are recorded at rates established by governmental payors (principally, New York State Education Department, New York Department of Social Services, and Medicaid). For the years ended December 31, 2013 and 2012, Maryhaven program service revenues are \$79,589 and \$78,565, respectively.

On July 13, 2010, CMS issued rules to implement the Medicare and Medicaid electronic health record (EHR) incentive program established under the Health Information Technology for Economic and Clinical Health Act. Certain hospitals and eligible healthcare professions (EPs) that demonstrate "meaningful use" of certified EHR technology can qualify for Medicare payments beginning in 2011. Medicaid requires that hospitals and EPs "adopt, implement, or upgrade" certified EHR, which includes purchasing the technology, in order to receive incentive payments in 2012. The CHS Hospitals, using the Cliff recognition method for Meaningful Use incentive payments, recorded \$13,211 and \$2,920 of revenues related to Medicare and Medicaid's incentive payments for meeting the criteria for meaningful use for the years ended December 31, 2013 and 2012, respectively. The amount of the EHR incentive payment was based on the Hospital's best estimate and cost report data, which is subject to audit by the Center for

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Medicare and Medicaid Services (CMS) or its intermediaries and amounts recognized are subject to change. In order to qualify for the incentive payments, CHS Hospitals not only needed to demonstrate that they successfully implemented the new technology, but that they use the technology in a "meaningful," or clinically significant fashion. As a separate endorsement of our accomplishment in bringing our five hospitals live on the EHR in 2012 and 2013, the five hospitals achieved Stage 6 (out of seven possible stages) on the HIMSS Analytics EMR Maturity Model, placing them in the top 12% of EMR hospitals in the nation. HIMSS Analytics, an independent, not-for-profit subsidiary of Healthcare Information and Management Systems Society (HIMSS), ranks hospitals from Stage 0 to Stage 7, the highest category. Only 2% of all U.S. hospitals have achieved Stage 7, with none so far in New York.

#### *Reclassifications*

Certain reclassifications have been made to the 2012 consolidated financial statements in order to conform to the 2013 presentation.

### (3) Community Benefit and Uncompensated Care

In accordance with its mission and philosophy, the CHS Hospitals commit substantial resources to both the indigent and the broader community. The CHS Hospitals' policy regarding charity care is to provide care without regard to the patient's ability to pay for services rendered. To the extent that patients do not have the ability to pay, they are reported as charity care. The CHS Hospitals also provide other uncompensated care through a broad range of community service programs and charitable activities. The amount of community benefits and other uncompensated care, at cost, provided to the indigent and broader community for the years ended December 31 is as follows:

	2013	2012
Cost of community benefit		
Net cost of charity care provided	\$ 19,451	18,876
Unpaid cost of public programs, Medicaid, and other means tested programs	25,061	16,083
Cash donations	1,003	1,617
Education and research	19,883	14,759
Other community benefit programs	31,089	24,790
Total cost of community benefit from continuing operations	\$ 96,487	76,125
Provision for bad debts (at cost)	\$ 3,057	6,034

New York State regulations provide for the distribution of funds from an indigent care pool, which is intended to partially offset the cost of services provided to the uninsured. The funds are distributed to the CHS Hospitals based on their level of bad debt, charity care, and uninsured units of service in relation to all other New York State hospitals. For the years ended December 31, 2013 and 2012, the CHS Hospitals received distributions of \$15,346 and \$16,379, respectively, from the indigent care pool while contributing \$12,556 in 2013 and \$10,744 in 2012. The net shortfall of contributions to the indigent care pool over

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distributions received has been applied against amounts reported above as net cost of charity care provided and net uncompensated care reported as provision for bad debts

The CHS Hospitals utilize a cost-to-charge ratio methodology to convert charity care to cost. The cost-to-charge ratio is calculated utilizing the methodology employed on the Medicare cost report.

**(4) Patient Accounts Receivable and Patient Service Revenue**

*(a) Patient Accounts Receivable*

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

For patient accounts receivable associated with self-pay patients, CHS records a significant provision for bad debts for patients that are unable or unwilling to pay for the portion of the bill representing their financial responsibility.

The following tables set forth the components of the change in the allowance for doubtful accounts for the years ended December 31.

<u>Primary payor</u>	<b>2013</b>			
	<u>Balance at beginning of year</u>	<u>Provision for bad debts</u>	<u>Write-offs, net of recoveries</u>	<u>Balance at end of year</u>
Medicare (including managed Medicare)	\$ 5,306	5,457	(4,079)	6,684
Medicaid (including managed Medicaid and Medicaid pending)	5,645	2,529	(3,371)	4,803
Commercial and managed care	7,556	10,681	(9,759)	8,478
Self-pay and other fee for service	18,635	18,699	(17,458)	19,876
Grand total	<u>\$ 37,142</u>	<u>37,366</u>	<u>(34,667)</u>	<u>39,841</u>

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<u>Primary payor</u>	<u>2012</u>			
	<u>Balance at beginning of year</u>	<u>Provision for bad debts</u>	<u>Write-offs, net of recoveries</u>	<u>Balance at end of year</u>
Medicare (including managed Medicare)	\$ 3,754	3,094	(1,542)	5,306
Medicaid (including managed Medicaid and Medicaid pending)	4,088	3,889	(2,332)	5,645
Commercial and managed care	6,044	7,604	(6,092)	7,556
Self-pay and other fee for service	15,842	16,043	(13,250)	18,635
Grand total	<u>\$ 29,728</u>	<u>30,630</u>	<u>(23,216)</u>	<u>37,142</u>

**(b) Patient Service Revenue**

The estimated percentages of patient service revenue by inpatient and outpatient services for the years ended December 31 are as follows

	<u>2013</u>	<u>2012</u>
Inpatient services	60%	62%
Outpatient services	40	38

The following table reflects the estimated percentages of net patient services revenue, net of provision for bad debts, for the years ended December 31

	<u>2013</u>	<u>2012</u>
Medicare (including managed Medicare)	41%	41%
Medicaid (including managed Medicaid and Medicaid pending)	11	11
Commercial and managed care	43	43
Self-pay and other fee for service	5	5
	<u>100%</u>	<u>100%</u>

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#### (5) Concentration of Credit Risk

CHS provides healthcare and other services through its inpatient and outpatient care facilities located throughout Long Island, New York. CHS grants credit without collateral to patients, most of whom are local residents, and routinely obtains assignment of or is otherwise entitled to receive patients' benefits payable under their health insurance program. The composition of accounts receivable from patients and third-party payors at December 31 is as follows:

	2013	2012
Medicare (including managed Medicare)	42%	43%
Medicaid (including managed Medicaid and Medicaid pending)	15	16
Commercial and managed care	29	27
Self-pay and other	14	14
	100%	100%

At December 31, 2013 and 2012, CHS has cash balances in financial institutions that exceed federal depository insurance limits. CHS routinely invests its surplus operating funds in money market funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government.

#### (6) Contributions Receivable

Contributions receivable consisted of the following at December 31:

	2013	2012
Total contributions receivable	\$ 5,829	6,189
Less imputed interest ranging from 4.25% to 0.76%	(461)	(502)
	5,368	5,687
Less allowance for uncollectible contributions receivable	(326)	(340)
	\$ 5,042	5,347

Contributions receivable are scheduled to be collected as follows at December 31:

	2013	2012
Less than one year	\$ 2,347	2,465
One year to five years	3,028	2,950
Thereafter	454	774
	\$ 5,829	6,189

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#### (7) Property and Equipment

The components of property and equipment, including assets under capitalized lease obligations, and accumulated depreciation and amortization are as follows at December 31

	<b>2013</b>	<b>2012</b>
Land	\$ 39,984	39,984
Land improvements	54,545	53,218
Buildings (including building service equipment)	990,671	962,907
Furniture and equipment	839,872	767,498
Leasehold improvements	25,480	23,362
Construction in progress	17,278	24,968
	1,967,830	1,871,937
Less accumulated depreciation	1,122,308	1,030,133
Net property and equipment	\$ 845,522	841,804

Construction in progress includes the costs associated with various expansion and renovation projects

#### (8) Long-Term Debt

Long-term debt consists of the following at December 31

	<b>2013</b>	<b>2012</b>
Long-term debt		
DASNY mortgage loans – Obligated Group (a)	\$ 121,315	125,178
Series 2011 Fixed-rate bonds (a)	255,469	256,739
Term loan – variable rate CHS (b)	12,672	13,530
Term loans – variable rate SJH (c)	16,229	17,179
TELP Loan – fixed rate (d)	74,729	88,849
Irrevocable line of credit – CHSLI (e)	23,021	23,021
Other	13,542	22,927
	516,977	547,423
Less current portion	27,687	30,412
Total long-term debt, net of current portion	\$ 489,290	517,011

(a) In September 1999, Good Samaritan, Mercy, St Francis, and St Charles formed an “Obligated Group” pursuant to a Master Trust Indenture (MTI). On December 14, 2011, in conjunction with the issuance of \$245,230 of tax-exempt revenue bonds, \$184,680 through the Suffolk County Economic Development Corporation (Series 2011 Suffolk Bonds) and \$60,550 through the Nassau County Local Economic Assistance and Financing Corporation (Series 2011 Nassau Bonds) (together, the Series 2011 Bonds), the Master Trust Indenture dated September 1, 1999 was amended by and

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among the CHS Hospitals (with the exception of St Joseph), adding St Catherine to the Obligated Group. The Series 2011 Bonds were issued on behalf of the Obligated Group and pursuant to the MTI, each member of the Obligated Group is jointly and severally liable for outstanding obligations under the MTI. The Series 2011 Bonds are secured by the mortgaged property and by a security interest in all revenues of the Obligated Group. The original issue premium of \$12,738 will be amortized over the life of the bonds. The Series 2011 Bonds bear interest at combined effective yields ranging from 1.5% to 4.85%.

Proceeds of the Series 2011 Bonds were used to defease the Dormitory Authority of the State of New York (DASNY) 1999A revenue bonds issued on behalf of the Obligated Group (with the exception of St Catherine), the DASNY Series 2000A and 2000B revenue bonds on behalf of St Catherine, and Siena Village, Inc., and commercially held debt of Consolation.

Approximately \$79,474 was deposited within a trustee held account to reimburse the CHS Hospitals (with the exception of St Joseph) for previously purchased and future routine capital expenditures, of which \$14,400 and \$43,229 remained within trustee held and other agreements on the accompanying consolidated financial statements as of December 31, 2013 and 2012, respectively. The remaining bond funds were used to pay for the cost of issuance and related interest payable.

The DASNY 1999B revenue bonds consist of term bonds of serial Periodic Auction Rate Securities (PARS) bonds with interest payable at variable rates ranging from 0.06% to 0.32% during 2013, of which \$35,200 and \$36,750 was outstanding at December 31, 2013 and 2012, respectively. The PARS are subject to a weekly auction, should the weekly auction not produce sufficient purchasers of the PARS, the underwriter is obligated to purchase the unpurchased PARS and is entitled to an annual interest rate of the lesser of (a) 14% or (b) the product of the seven-day AA composite commercial paper rate and a sliding scale of 125% to 200%, depending on the rating of the PARS bond guarantor, rated BBB as of December 31, 2013. Since the first quarter of 2008, there have been failed auctions. The PARS bonds do not provide for any put feature for the benefit of the holders.

In November 2004, DASNY issued \$99,645 of revenue bonds on behalf of the Obligated Group for construction at St Francis Hospital (DASNY Construction loan). The revenue bonds are secured by the joint and several obligations of the Obligated Group issued under the Master Trust Indenture and are subject to certain financial covenants of the Obligated Group. There was \$86,115 and \$88,428 outstanding on the 2004 DASNY mortgage at December 31, 2013 and 2012, respectively. The effective interest rate including bond issuance costs is 5.28% and is payable semiannually.

- (b) In June 2006, CHS entered into a term loan agreement with a bank to finance the defeasance of the New Island DASNY 1999B bonds, which were defeased on June 20, 2006. The loan of \$19,057 bears interest at a variable rate based on LIBOR plus 0.50%, and is payable in 40 quarterly installments. During 2013, the interest rate ranged from 0.77% to 0.89%. The first 20 payments are for \$191 plus interest and the next 19 payments are for \$286 plus interest with a balloon payment due in June 2016 of \$9,814.
- (c) On December 30, 2010, St Joseph entered into two term loan agreements with a bank. The first for \$12,500 was to refinance St Joseph's existing debt and to provide working capital, and the second

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for \$6.500 for information technology upgrades, facility renovations, and the acquisition of related equipment. The term loans are payable in annual installments of \$625 and \$325, respectively, beginning February 2011, with a balloon payment due in December 2020 for the then remaining balance of the loans. Interest is payable at a rate of LIBOR plus 1.10%. The term loans are guaranteed by the Obligated Group and are subject to certain financial covenants of the Obligated Group.

- (d) In December 2011, CHS entered into an agreement under the New York State tax-exempt leasing program (TELP) in the amount of \$88,849 to finance the implementation of EHR. The agreement calls for an interest rate of 1.89%, and expires in December 2018. Approximately \$81,176 was deposited within a trustee held account to reimburse the CHS for future expenditures relating to the implementation of EHR, of which approximately \$25,516 and \$55,918 remained in trustee held accounts as of December 31, 2013 and 2012, respectively. The TELP loan is guaranteed by the Obligated Group and is subject to certain financial covenants of the Obligated Group.
- (e) CHS executed a line of credit arrangement with a bank in which a \$30,000 revolving line of credit is available, which is not callable until July 2014, at which time CHS has the option to convert the line of credit into a three-year fully amortizing term loan. The line bears interest at LIBOR plus 0.5%. The outstanding balance under this line was \$23,021 at December 31, 2013 and 2012, respectively.

At December 31, 2013, aggregate annual maturities of long-term debt, including obligations under capital leases are as follows:

	<b>Long-term debt</b>	<b>Other debt obligations</b>	<b>Total</b>
2014	\$ 9,292	18,410	27,702
2015	9,493	17,195	26,688
2016	23,089	15,300	38,389
2017	15,968	38,246	54,214
2018	16,918	15,516	32,434
Thereafter	337,565	—	337,565
	412,325	104,667	516,992
Less interest	—	15	15
Total long-term debt	\$ 412,325	104,652	516,977

#### (9) Lines of Credit and Short-Term Debt

At December 31, 2013, Maryhaven had two lines of credit, for operations and equipment, with a bank totaling approximately \$9,000, which both expire on March 31, 2015. At December 31, 2013 and 2012, Maryhaven had nothing drawn on the operating line of credit. The equipment line of credit, in the amount of \$2,000, is utilized for the purchase of equipment and vehicles. Advances against the line are converted

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to four to seven-year term notes. At December 31, 2013 and 2012, Maryhaven had notes payable of \$767 and \$377, respectively, drawn against the equipment line of credit.

#### (10) Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. With the exception of long-term debt, the carrying amounts of CHS' financial instruments, including other debt obligations, approximate their fair value. The carrying amounts and fair values of long-term debt are \$412,325 and \$419,077, respectively, at December 31, 2013 and \$422,952 and \$431,952, respectively, at December 31, 2012. The fair value of the debt was determined by comparing market prices of similar debt based on Level 2 inputs under an income approach. At December 31, 2013 and 2012, the carrying amount of other debt obligations approximated fair value.

The Financial Accounting Standards Board *Fair Value Measurements and Disclosure* Topic also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include cash and cash equivalents, debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities, and corporate debt securities.

Level 3 Unobservable inputs supported by little or no market activity that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

The following discussion describes the valuation methodologies used for financial assets measured at fair value. The techniques utilized in estimating the fair values are affected by assumptions used, including discount rates and estimates of the amount and timing of future cash flows. Care should be exercised in deriving conclusions about CHS' business, its value, or financial position based on the fair value of financial assets presented.

Fair values for CHS' fixed-maturity and equity securities are based on prices provided by its investment managers and its custodian banks. Both the investment managers and the custodian banks use a variety of

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pricing sources to determine market valuations. Each designates specific pricing services or indexes for each sector of the market based upon the provider's expertise. CHS' fixed-maturity securities portfolio is highly liquid, which allows for a high percentage of the portfolio to be priced through pricing services.

Fair value of alternative investments is estimated based on net asset value per share, as provided by external investment managers or in audited financial statements when available. Valuations provided by external investment managers include estimates, appraisals, assumptions, and methods that are reviewed by management. Management believes that differences that may exist between fair value and net asset value are not material to the overall consolidated financial statements.

There were no significant transfers into or out of Level 1 for the years ended December 31, 2013 and 2012. CHS recognizes transfers between the levels of the fair value hierarchy at the beginning of the reporting period in which the date of the event or change in circumstances that caused the transfer occurs.

CHS has two alternative investments classified as Level 2 as of December 31, 2013, one can be redeemed at the option of CHS upon 45 days' prior written notice, on a quarterly basis, and the other can be redeemed on a monthly basis. CHS has two alternative investments classified as Level 3 as of December 31, 2013 and 2012. The external investment manager of each investment has the right to waive both the notice period and any one-year wait period.

All other investments and assets limited or restricted as to use may be redeemed daily with one days' notice.

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The following table presents CHS' fair value measurements for assets measured at fair value on a recurring basis as of

	<b>December 31, 2013</b>			
	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets limited or restricted as to use</b>				
Cash and cash equivalents	\$ 99,639	99,639	—	—
U S Treasury obligations	59,307	59,307	—	—
U S government agencies obligations	60,363	—	60,363	—
Marketable equity securities – domestic	617	617	—	—
Corporate debt securities – domestic	43,106	—	43,106	—
Corporate debt securities – foreign	3,727	—	3,727	—
Foreign corporate obligations	305	—	305	—
Municipal debt obligations	72,367	—	72,367	—
Equity mutual funds – domestic	78,216	78,216	—	—
Equity mutual funds – foreign	27,897	27,897	—	—
Fund of funds	925	—	925	—
Equity pooled capital funds	44,290	—	44,029	261
Accrued interest receivable	1,240	1,240	—	—
	<u>491,999</u>	<u>266,916</u>	<u>224,822</u>	<u>261</u>
<b>Investments</b>				
Cash and cash equivalents	1,440	1,440	—	—
U S Treasury obligations	46,104	46,104	—	—
U S government agencies obligations	13,526	—	13,526	—
Marketable equity securities – domestic	352	352	—	—
Corporate debt securities – domestic	31,274	—	31,274	—
Corporate debt securities – foreign	2,980	—	2,980	—
Municipal debt obligations	54,697	—	54,697	—
Equity mutual funds – domestic	76,602	76,602	—	—
Equity mutual funds – foreign	40,019	40,019	—	—
Fund of funds	3,067	—	3,067	—
Equity pooled capital funds	60,477	—	59,612	865
Accrued interest receivable	882	882	—	—
	<u>331,420</u>	<u>165,399</u>	<u>165,156</u>	<u>865</u>
Total investments and assets limited or restricted as to use	<u>\$ 823,419</u>	<u>432,315</u>	<u>389,978</u>	<u>1,126</u>

**CATHOLIC HEALTH SERVICES OF LONG ISLAND**

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The following table presents CHS' fair value measurements for assets measured at fair value on a recurring basis as of

	<b>December 31, 2012</b>			
	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets limited or restricted as to use</b>				
Cash and cash equivalents	\$ 186,092	186,092	—	—
U S Treasury obligations	79,441	79,441	—	—
U S government agencies obligations	33,959	—	33,959	—
Marketable equity securities – domestic	8,864	8,864	—	—
Corporate debt securities – domestic	50,529	—	50,529	—
Corporate debt securities – foreign	3,339	—	3,339	—
Foreign corporate obligations	284	—	284	—
Municipal debt obligations	80,969	—	80,969	—
Equity mutual funds – domestic	33,310	33,310	—	—
Equity mutual funds – foreign	18,959	18,959	—	—
Fund of funds	725	—	725	—
Equity pooled capital funds	33,863	—	33,636	227
Accrued interest receivable	1,368	1,368	—	—
	<u>531,702</u>	<u>328,034</u>	<u>203,441</u>	<u>227</u>
<b>Investments</b>				
Cash and cash equivalents	37,796	37,796	—	—
U S Treasury obligations	40,682	40,682	—	—
U S government agencies obligations	22,103	—	22,103	—
Marketable equity securities – domestic	31,606	31,606	—	—
Corporate debt securities – domestic	42,910	—	42,910	—
Corporate debt securities – foreign	2,749	—	2,749	—
Municipal debt obligations	46,486	—	46,486	—
Equity mutual funds – domestic	18,584	18,584	—	—
Equity mutual funds – foreign	17,158	17,158	—	—
Fund of funds	2,611	—	2,611	—
Equity pooled capital funds	45,271	—	44,337	934
Accrued interest receivable	939	939	—	—
	<u>308,895</u>	<u>146,765</u>	<u>161,196</u>	<u>934</u>
Total investments and assets limited or restricted as to use	<u>\$ 840,597</u>	<u>474,799</u>	<u>364,637</u>	<u>1,161</u>

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The current portion of assets limited or restricted as to use of \$14,026 in 2013 and \$13,010 in 2012 represents amounts that will be used to repay certain current installments of long-term debt and related accrued interest

The tables below summarize the change in carrying values associated with Level 3 investments for the years ended December 31, 2013 and 2012

	<b>Investments</b>	<b>Assets limited or restricted as to use</b>
Beginning balance – January 1, 2013	\$ 934	227
Net (depreciation) appreciation on fair value of investment	(69)	34
Ending balance – December 31, 2013	\$ 865	261

	<b>Investments</b>	<b>Assets limited or restricted as to use</b>
Beginning balance – January 1, 2012	\$ 1,069	360
Net depreciation on fair value of investment	(135)	(133)
Ending balance – December 31, 2012	\$ 934	227

Total investment gains are reported as follows in the accompanying consolidated statements of operations and changes in net assets for the years ended December 31

	<b>2013</b>	<b>2012</b>
Interest income	\$ 14,489	14,748
Net realized gains on sales of securities	23,932	30,256
Investment income, net	38,421	45,004
Unrealized gains on trading investments	28,729	4,950
Total investment gains	\$ 67,150	49,954

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Total investment gains are classified as follows for the years ended December 31

	<b>2013</b>	<b>2012</b>
Unrestricted net assets	\$ 63,955	47,547
Temporarily restricted net assets	3,195	2,404
Permanently restricted net assets	—	3
	\$ 67,150	49,954

**(11) Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes as of December 31

	<b>2013</b>	<b>2012</b>
Capital expenditures	\$ 20,585	14,809
Indigent and charity care	1,236	1,037
Health education	2,512	2,053
Research	921	2,282
Pediatric cardiology	914	744
Preadmission testing	182	145
Healthcare services	3,107	3,111
Other	5,244	5,573
	\$ 34,701	29,754

Assets restricted for capital expenditures relate mainly to the St Francis Master Facilities Plan and are released from restriction as stages of the project are placed into service. Included in other is contributions receivable of approximately \$4,268 and \$4,770 at December 31, 2013 and 2012, respectively, for capital expenditures.

Net assets were released from donor restriction by incurring expenses satisfying the following restrictions:

	<b>2013</b>	<b>2012</b>
For operations		
Health education	\$ 257	381
Indigent care	94	152
Research	313	6
Healthcare services	279	1,297
Total for operations	943	1,836
For capital expenditures	3,716	12,038
Total net assets released from restrictions	\$ 4,659	13,874

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CHS has adopted investment and spending policies for permanently restricted net assets that attempt to provide a predictable stream of funding to programs supported by its permanently restricted net assets while seeking to maintain the purchasing power of these assets. CHS' permanently restricted net assets are comprised of donor-restricted funds. As required by GAAP, permanently restricted net assets are classified and reported based on the existence of donor-imposed restrictions.

Income earned on permanently restricted net assets is available for the following purposes as of December 31:

	<b>2013</b>	<b>2012</b>
Pediatric and geriatric cardiology care and research	\$ 3,119	3,130
Healthcare services	776	776
Other	157	149
	\$ 4,052	4,055

**(12) Retirement Plan and Other Postretirement Benefits**

*(a) Retirement Plan*

**Diocese Pension Plan**

CHS participates in a pension plan of the Diocese, a multi-employer plan, which covers substantially all lay employees with one year of continuous service. CHS' combined retirement plan expense is equal to the required annual contributions to the plan, which are calculated based on actuarially determined methods. Amounts charged to pension expense in 2013 and 2012 totaled \$62,082 and \$62,042, respectively, and are included in employee benefits in the accompanying consolidated statements of operations. CHS' contribution to the plan is in excess of 5% of total plan contributions. The following table discloses the name and funded status of the pension plan as of January 1, 2013 (the date of the last actuarial valuation):

<b>Legal name and plan number</b>	<b>EIN</b>	<b>Accumulated benefit obligation</b>	<b>Market value of plan assets</b>
Diocese of Rockville Center Pension Plan, Number 002	27-1715985	\$ 1,027,475	997,916

The accumulated benefit obligation and market value of plan assets are not reflected in the accompanying balance sheets of CHS.

St. Joseph participates in two multi-employer union pension plans, covering substantially all employees not eligible for the Hospital's plan.

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#### **1199 SEIU HealthCare Employees Pension Fund**

The Employee Identification Number/three-digit Pension Plan number is 13-3604862/001. The most recent Pension Protection Act (PPA) zone status is green and yellow at December 31, 2013 and 2012, respectively, which is for the plan years ended December 31, 2012 and 2011, respectively. The zone status is based on information that St. Joseph received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

The financial improvement plan (FIP) or a rehabilitation plan (RP), as required by PPA, has been implemented by the plan's sponsor. The expiration date of the collective-bargaining agreement requiring contributions to the plan is April 30, 2015. The contributions by St. Joseph to the union pension fund were \$1.724 and \$1.473 for the years ended December 31, 2013 and 2012, respectively, which is included in employee benefits within the statements of operations. There have been no significant changes that affect the comparability of 2013 and 2012 contributions.

#### **New York State Nurses Association**

The Employee Identification Number/three-digit Pension Plan number is 13-6604799/001. The most recent PPA zone status is green at December 31, 2013 and 2012. The zone status is based on information that St. Joseph received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

The FIP or a RP, as required by PPA, has been implemented by the plan's sponsor. The expiration date of the collective-bargaining agreement requiring contributions to the plan is March 31, 2015. The contributions by St. Joseph to the union pension fund were \$1.335 and \$1.356, for the years ended December 31, 2013 and 2012, respectively, which is included in employee benefits within the statements of operations. There have been no significant changes that affect the comparability of 2013 and 2012 contributions.

#### **(b) *Postretirement Benefit Plans***

The CHS Hospitals have postretirement benefit plans that provide benefits for eligible employees at varying ages of retirement. The postretirement benefit plans primarily reimburse employees for unused sick pay dollars an employee accumulated during employment, or provide a set payment for certain eligible benefits for up to a maximum of \$5 per year for a fixed number of years.

Effective January 1, 2014, employees hired on or after January 1, 2014 will no longer be eligible to participate in the St. Francis Sick Pay Plan. At December 31, 2013, the plan was frozen and existing employees will receive the lower of their balance in the plan as of December 31, 2013, or their accrued sick time at retirement based on their 2013 rate of pay.

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CHS complies with provisions in the Codification, which require an employer to recognize an asset or liability for the overfunded or underfunded status, respectively, of its postretirement benefit plans in its financial statements. When recognizing a postretirement benefit plan's funded status, certain gains, losses, and transition amounts will be recognized with the offset to a separate line item outside (below) the performance indicator. These amounts will subsequently be reclassified out of unrestricted net assets into the performance indicator through net periodic benefit expense based on the amortization and recognition requirements.

The net periodic cost for postretirement benefits, which is included in employee benefits expense in the accompanying consolidated financial statements, for 2013 and 2012 includes the following components:

	<u>2013</u>	<u>2012</u>
Service cost	\$ 1,754	1,395
Interest cost	761	856
Actuarial loss	265	19
Curtailment gain	(1,566)	—
Amortization of prior service cost	78	31
Amortization of net loss	—	204
Net periodic benefit cost	<u>\$ 1,292</u>	<u>2,505</u>

Total benefits paid under the plan were \$326 and \$337 in 2013 and 2012, respectively.

The following table sets forth the unfunded status for CHS' postretirement benefit plan at December 31:

	<u>2013</u>	<u>2012</u>
Accumulated postretirement benefit obligation		
Retirees and beneficiaries	\$ 738	2,114
Fully eligible active plan participants	17,949	22,082
Total accumulated postretirement benefit obligation	18,687	24,196
Plan assets, at fair value	—	—
Accumulated postretirement benefit obligation in excess of plan assets	<u>\$ 18,687</u>	<u>24,196</u>

The postretirement benefit obligation is predominantly included within the caption other long-term liabilities in the accompanying consolidated balance sheets.

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The following table represents the changes in accumulated postretirement benefit obligation for the years ended December 31

	<b>2013</b>	<b>2012</b>
Accumulated postretirement benefit obligation – January 1	\$ 24,196	20,482
Service cost	1,754	1,395
Interest cost	761	856
Curtailment gain	(2,759)	—
Plan amendments and adjustments	777	224
Benefits paid	(326)	(337)
Actuarial (gain) loss	(5,716)	1,576
Accumulated postretirement benefit obligation – December 31	\$ 18,687	24,196

Assumptions used in accounting for postretirement benefits as of December 31, 2013 and 2012 were predominantly as follows

	<b>2013</b>	<b>2012</b>
Assumed discount rate ranging from	4.05%–4.43%	3.01%–3.27%
Assumed rates of increase in compensation levels	4.00	4.00

Expected benefit payments for the next five years and five years thereafter are as follows

2014	\$ 738
2015	860
2016	941
2017	1,002
2018	1,050
2019 – 2023	6,818
	\$ 11,409

Amounts not yet reflected in net periodic benefit costs and included in unrestricted net assets consist of losses of \$840 and \$7,127 in 2013 and 2012, respectively

Changes in the assumed healthcare cost trend would not materially affect the accumulated postretirement benefit obligation, as the benefit is limited to the amount of the employees' unused sick pay, or a stated maximum eligible benefit

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**(13) Functional Expenses**

CHS provides healthcare and other services to residents within its geographical location. Expenses related to providing these services are as follows:

	<b>2013</b>	<b>2012</b>
Healthcare services	\$ 1,867,571	1,811,203
Administrative and general	209,102	191,803
Total expenses	\$ 2,076,673	2,003,006

**(14) Commitments**

*Operating Leases*

CHS has entered into various operating leases for equipment and facilities, expiring at various dates. Total rental expense at December 31, 2013 and 2012 for such operating leases was approximately \$15,089 and \$13,904, respectively, and is included in supplies and other expenses in the accompanying consolidated statements of operations.

The following is a schedule of future minimum lease payments under significant operating leases that have initial or remaining lease terms in excess of one year:

Year ending December 31		
2014	\$	14,887
2015		13,465
2016		12,427
2017		11,728
2018		10,484
2019 and thereafter		64,102
	\$	127,093

**(15) Contingencies**

*General*

The CHS entities have been named as defendants in a number of legal actions involving alleged professional liability claims and other claims arising from the normal conduct of its affairs, certain of which seek damages in unstated amounts. It is the opinion of CHS's management, based on a review of the aforementioned claims by defense attorneys and CHS' in-house legal counsel, that insurance coverage and self-insurance reserves are adequate and the final disposition of such claims will not have any material adverse effect on CHS' consolidated financial position, results of operations, or liquidity. In addition, there are known, and possibly unknown, incidents that occurred through December 31, 2013 that may result in the assertion of additional claims. In management's opinion, any liability that may arise from settlement of such claims will be settled within either insurance coverage limits or self-insured liability estimates or

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otherwise will not have any material adverse effect on CHS' consolidated financial position, results of operations, or liquidity.

During 2013, St. Charles received a negative verdict related to an infant-plaintiff. This case has been to trial in Suffolk County on three separate occasions, each with a different result. Defense counsel and the primary insurers advise that the sustainable value of this case, once the NYS medical indemnity fund is taken into consideration, is well within the insurance coverage in place for St. Charles for this year after the exhaustion of a significant self-insurance layer. The negative verdict received is currently under appeal.

#### *Workers' Compensation and Other Self-Insured Liabilities*

The PSIP covered CHS for workers' compensation, directors' and officers' liability, auto liability, physical damage, and property insurance. Beginning January 1, 2012, workers' compensation is covered through a commercial carrier. The covered areas either are self-insured with excess insurance policies or maintain substantial self-insured retention limits and deductibles.

In connection with these self-insured liabilities, CHS recorded insurance expense for the years ended December 31, 2013 and 2012 of \$14,739 and \$16,242, respectively, which is included in employee benefit expense within the consolidated statements of operations. The current portion of the PSIP and workers' compensation self-insurance liability of \$18,854 and \$16,650 at December 31, 2013 and 2012, respectively, is included within the caption current portion of other self-insured liabilities in the accompanying consolidated balance sheets.

As of December 31, 2013 and 2012, CHS has recorded a liability and a related insurance receivable as follows:

	<u>2013</u>	<u>2012</u>
Other self-insured liabilities	\$ 122,933	121,490
Insurance claims receivable	(34,966)	(32,461)

The current portion of insurance claims receivable related to other self-insured liabilities of \$5,192 and \$4,645 is included within other receivables in the consolidated balance sheet as of December 31, 2013 and 2012, respectively.

#### *Malpractice*

CHS provides for potential medical malpractice losses through a combination of purchased primary insurance, self-insurance, and layers of commercial excess insurance.

From November 1, 2002, through October 31, 2006, the CHS Hospitals purchased a shared claims-made commercial policy for primary coverage with varying limits per claim and in the aggregate, which were augmented by a shared claims-made commercial excess policy, with varying layers of self-insurance. From November 1, 2006, through October 31, 2013, the CHS Hospitals (excluding St. Joseph) each purchased an

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individual claims-made malpractice policy for primary first dollar coverage with limits of \$1,000 per claim and an aggregate of \$6,000

Effective November 1, 2013, the CHS Hospitals retained \$250 of primary coverage per malpractice claim. Each CHS Hospital purchased an individual claims-made malpractice policy with each Hospital, excluding Good Samaritan, with coverage limits of \$1,000 per claim and aggregate of \$6,000 (Good Samaritan with limits of \$2,000 per claim and aggregate of \$10,000) after exhausted primary per claim coverage. Excess coverage is provided by the Captive with coverage limits shared with the other participants of the Captive of \$59,000 per claim and \$59,000 in the aggregate.

For the period November 1, 2002 through October 31, 2006, defense costs are outside the stated policy limits and are provided by the primary carrier for the life of the claim. For the period beginning November 1, 2006 to the present, defense costs are outside of the stated policy limits. However, if the aggregate of the primary policy is exhausted, the primary carrier will cease to pay defense costs and the Captive will assume responsibility for these costs.

Beginning in August 2003 through July 31, 2010, St. Joseph increased the limits of its primary policy to \$2,000 per claim, with an aggregate of \$6,000 for each policy period. The limits of the excess coverage varied during this time period. From August 2003 through July 2006, St. Joseph purchased an excess policy with limits of \$4,000 per claim and in the aggregate. From August 2006 through July 2008, St. Joseph purchased excess coverage with limits of \$10,000 per claim and in the aggregate. For the period of August 2008 through July 2009, the excess policy limits were \$8,000 per claim and in the aggregate. For the period of August 2009 – July 2010, the excess policy limits were \$10,000 per claim and in the aggregate.

In August 1, 2010, St. Joseph purchased a commercial claims-made policy with limits of \$1,000 per claim and \$6,000 in the aggregate. St. Joseph also purchased an excess policy with limits of \$10,000 per claim, and in the aggregate. Effective November 1, 2012, St. Joseph excess coverage is provided by the Captive with coverage limits shared with other participants.

Each CHS Hospital has obtained an actuarial valuation of the estimated liability, which includes self-insured periods prior to November 1, 2002, self-insured buffer layers, and incidents that have occurred but for which a claim has not been reported.

As of December 31, 2013 and 2012, CHS has recorded a liability and a related insurance receivable as follows:

	<u>2013</u>	<u>2012</u>
Estimated malpractice liability	\$ 194,963	188,393
Insurance claims receivable	(111,329)	(107,709)

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#### *Reimbursement Contingencies*

CHS has agreements with third-party payors that provide for payments to CHS at amounts that are different from their established rates. Net patient services revenue for the years ended December 31, 2013 and 2012 increased by \$11,181 and \$21,994, respectively, for settlements related to prior years and changes in estimates to reflect the most recent information available. During May 2012, CMS settled a series of lawsuits filed in 2007 that challenged the calculation involving the use of the rural floor provision of the Balanced Budget Act of 1997. As a result of participating in the lawsuit, CHS received a settlement of \$19,123 reflected within Net Patient Service Revenue for 2012. Fees associated with participating in the lawsuit were approximately \$4,841 and increased supplies and expenses for the year ended December 31, 2012.

A summary of the payments arrangement with major third-party payors is as follows:

#### **Medicare**

Inpatient acute and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. These rates vary according to patient classification systems based on clinical, diagnostic, and other factors. Certain items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.

#### **Medicaid**

The New York Health Care Reform Act of 1996 (the Act), as amended, governs payments to hospitals in New York State, and Medicaid, workers' compensation, and no-fault payors rates are promulgated by the New York State Department of Health. Reimbursement for services to Medicaid program beneficiaries includes prospectively determined rates per discharge and per visit amounts.

#### **Other Third-Party Payors**

CHS has entered into payment arrangements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, discounts from established charges, and per diem payment rates. If such rates are not negotiated, then the payors are billed at CHS' established charges.

#### **Healthcare Regulatory Environment**

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the U.S. healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers, and the legal obligation of health insurers, providers, and employers. These provisions are currently slated to take effect at specific times over approximately the next decade.

The healthcare industry is subject to extensive governmental regulation through numerous and complex laws, some of which are ambiguous and subject to varying interpretation. The federal

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government and many states, including the State of New York, have aggressively increased enforcement under a number of such laws that are often referred to as Medicare and Medicaid "antifraud and abuse" legislation. For many years, CHS has maintained a corporate compliance program to monitor the organization's compliance with applicable laws, including the so-called "antifraud and abuse" rules. Noncompliance with such rules could result in repayments of amounts improperly reimbursed, substantial monetary fines, civil and criminal penalties, and exclusion from the Medicare and Medicaid programs.

An emphasis has been placed on the obligation of Medicare and Medicaid providers to self-disclose the receipt of "overpayments." As a result of monitoring and review conducted under the CHS' corporate compliance program, CHS has made self-disclosures of such "overpayments" resulting in two sets of settlement agreements with the Office of Inspector General (OIG), one set executed during 2011 in the amount of \$2,651, and a second set executed and paid during 2012 in the amount of \$2,358. CHS is awaiting final settlement discussions on the balance of its disclosures, outcomes of these self-disclosures are unknown as of the opinion date. Based on current information, the outcomes of these disclosures are not expected to have a significant impact on the operations of CHS.

#### **Medicare Recovery Audit Contractor Program**

Recent federal initiatives have prompted a national review of federally funded healthcare claims. To this end, the federal government and states have implemented programs to review and recover potential improper payments to providers from the Medicare and Medicaid programs. Since June 2010, some of the CHS Hospitals have received audit requests from the Medicare Recovery Audit Contractor (RAC) program. These RAC audit requests have focused on medical necessity of inpatient admissions and hospital coding practices. In addition, the CHS Hospitals have continued to receive audit requests from other Medicare and Medicaid contractors and federal programs. CHS has cooperated with each of these audit requests and implemented a program to track and manage their effort.

#### **Budget Control Act**

The Budget Control Act of 2011 (the Budget Control Act) mandated significant reductions and spending caps on the federal budget for fiscal years 2012 through 2021. The Budget Control Act also created a Joint Select Committee on Deficit Reduction (the Super Committee) to develop a plan to further reduce the federal deficit by \$1.5 trillion on or before November 23, 2011. Since the Super Committee failed to act before the mandated deadline, a 2% reduction in Medicare spending, among other reductions, was to take effect beginning January 1, 2013 in a process known as sequestration. The Budget Control Act also required a 2.65% reduction in the sustainable growth rate formula regarding physician reimbursement under Medicare to be effective January 1, 2013.

On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act, which delayed sequestration until March 1, 2013 which will continue until Congress takes further action. Further, the American Taxpayer Relief Act delays the implementation of the reduction to the sustainable growth rate formula regarding physician reimbursement under Medicare through the end of 2013. As such, the Hospital nonphysician Medicare payments were reduced by the mandatory 2% reduction for claims with dates of service or dates of discharge on or after April 1, 2013.

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#### *HUD Subsidy*

Siena Village, Inc. receives Housing Assistance Payments (HAP Payments) under Section 8 of the United States Housing Act of 1937, as amended (Section 8), in accordance with a Housing Assistance Payment Contract (HAP Contract). The HAP Contract with respect to Siena Village, Inc. provides for the payment of the Section 8 rent subsidy for each of the 298 units. The current HAP Contract subsidy received by Siena Village, Inc. consists of debt service and operating subsidies. The HAP Contract provides that for the term of the HAP Contract, HAP Payments will be provided only with respect to units leased to low-income families and very-low-income families, as defined under Section 8. Eligible tenants include families whose head of household, spouse, or sole member is aged 62 years or over, or, if permanently disabled, aged 18 years or over. The HAP Contract was renewed during 2012 for two years through March 31, 2014. Management intends to renew the HAP Contract. Siena Village, Inc. received HAP Payments of \$2,526 and \$2,513, during the years ended December 31, 2013 and 2012, respectively, which is reflected in other revenue in the consolidated statements of operations.

#### *Long Island Health Network*

CHS, the CHS Hospitals, along with a number of other healthcare providers on Long Island have entered into a partnership agreement, which operates as the Long Island Health Network (LIHN). LIHN was created to establish a comprehensive and efficient hospital network in Nassau and Suffolk counties by working to improve quality of care, facilitate clinical integration, benchmark best practices, reduce length of stay and costs, and negotiate arrangements with third-party payors for the delivery, administration and management of healthcare services.

LIHN was created in 1998 after review by the Attorney General of the State of New York and approval by the Antitrust Division of the U.S. Department of Justice. The New York State Attorney General's Office has periodically requested information and documents from LIHN regarding the operation of its clinical integration program and related activities, in 2000, 2002, and most recently in November 2013, this time through the issuance of a civil subpoena. LIHN is responding to the subpoena and continues to cooperate with the Attorney General. These informational requests do not constitute or contain a claim or allegation that there has been any violation of law.

Any member of LIHN may withdraw at any time. Such withdrawal would require a payment of liquidated damages to LIHN. In the case of the CHS Hospitals, the amount of liquidated damages would be \$6,000,000. The obligation to pay such liquidated damages is guaranteed jointly and severally by CHS and each CHS Hospital. It is CHS management's current intention to remain a member of LIHN for the foreseeable future.

#### *Visiting Nurse Association of Long Island, Inc.*

On October 23, 2013, a Certificate of Need Establishment Application was filed with the New York State Department of Health seeking approval of Catholic Home Care to become the sole corporate member of Visiting Nurse Association of Long Island, Inc. Catholic Home Care anticipates that the approval of the Application will occur in 2014.

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

### Notes to Consolidated Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

#### **Letters of Credit**

CHS maintains a letter of credit with a bank for workers' compensation claims in the amount of \$13,400, which secures CHS deductible provision of its workers' compensation policy. Separately, Maryhaven maintains a letter of credit with a bank for workers' compensation claims in the amount of \$3,750, which secures Maryhaven's deductible provision of its workers' compensation policy. Both letters of credit expire December 31, 2014, and are renewed annually.

#### **(16) Subsequent Events**

CHS has evaluated subsequent events from the consolidated balance sheet date through April 8, 2014, the date at which the consolidated financial statements were issued. There were no items identified for disclosure except for a third party company has entered into a letter of intent with Good Samaritan to purchase certain assets relating to Good Samaritan's chronic, outpatient and acute dialysis programs in the amount of \$16,000.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2013

(In thousands)

Assets	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group subtotal	St. Joseph Hospital	CHSLI	CHS Services	RVC Insurance Company, Inc.
Current assets												
Cash and cash equivalents	\$ 34,191	18,202	6,049	9,266	5,038	72,746	—	72,746	1,868	55,073	27,162	7,336
Investments	—	221,255	—	883	612	222,750	—	222,750	—	—	—	44,686
Assets limited or restricted as to use	—	3,359	800	—	—	4,159	—	4,159	—	9,867	—	—
Patient accounts receivable, net	64,174	81,530	21,967	19,089	28,562	215,322	—	215,322	10,544	—	—	—
Contributions receivable, net	—	—	—	—	—	—	—	—	—	—	—	—
Other receivables	4,344	6,138	2,161	1,381	1,386	15,410	—	15,410	310	—	252	—
Inventories	6,124	7,674	2,555	3,049	3,459	22,861	—	22,861	1,547	—	—	—
Prepaid expenses and other	4,741	3,632	2,109	1,032	2,190	13,704	—	13,704	287	549	3,399	3,953
Due from related parties	1,618	21,938	398	1,540	—	25,494	(5,815)	19,679	—	20,524	22,647	11,540
Total current assets	115,192	363,728	36,039	36,240	41,247	592,446	(5,815)	586,631	14,556	86,013	53,460	67,515
Assets limited or restricted as to use												
Board-designated and other	46,124	4,940	11,981	2,594	463	66,102	—	66,102	4,796	—	—	—
Donor-restricted funds	3,827	3,150	2,316	2,050	1,063	12,406	—	12,406	716	352	—	—
Funded depreciation	737	222,178	—	—	7,126	230,041	—	230,041	—	—	—	—
Trustee held and other agreements	5,235	2,017	412	241	152	8,057	—	8,057	227	41,468	26,579	—
Bond indenture agreements	—	10,091	4,500	—	—	14,591	—	14,591	—	—	—	—
Regulated assets	—	—	—	—	—	—	—	—	—	—	—	—
Total assets limited or restricted as to use	55,923	242,376	19,209	4,885	8,804	331,197	—	331,197	5,739	41,820	26,579	—
Less: assets limited or restricted as to use and required for current liabilities	—	3,359	800	—	—	4,159	—	4,159	—	9,867	—	—
Total assets limited as to use, net	55,923	239,017	18,409	4,885	8,804	327,038	—	327,038	5,739	31,953	26,579	—
Due from related parties, net of current portion	4,388	672	—	—	—	5,060	(4,080)	980	—	27,696	46,817	—
Contributions receivable, net of current portion	—	—	—	—	—	—	—	—	—	—	—	—
Long-term investments	368	—	—	233	—	601	—	601	—	—	—	—
Other investments, at cost	—	—	—	—	—	—	—	—	—	2,250	—	—
Other assets, net	—	16,247	—	107	507	16,861	—	16,861	223	1,042	—	—
Insurance claims receivable	62,037	19,586	27,703	29,498	22,943	161,767	—	161,767	9,530	—	—	6,974
Deferred financing costs, net	149	2,234	647	691	1,389	5,110	—	5,110	15	1,366	186	—
Property and equipment, net	174,766	249,506	104,831	64,270	101,503	694,876	—	694,876	27,673	127	78,848	—
Total assets	\$ 412,823	\$ 890,990	\$ 187,629	\$ 135,924	\$ 176,393	\$ 1,803,759	\$ (9,895)	\$ 1,793,864	\$ 57,736	\$ 150,447	\$ 205,890	\$ 74,489

CATHOLIC HEALTH SERVICES OF LONG ISLAND  
 Consolidating Schedule – Balance Sheet  
 December 31, 2013  
 (In thousands)

Assets	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Other entities	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Current assets										
Cash and cash equivalents	\$ 854	96	6,725	4,005	105	—	127	176,097	(7,006)	169,091
Investments	104,035	—	37	1,580	2,417	—	—	375,505	(44,686)	330,819
Assets limited or restricted as to use	—	—	—	—	—	—	—	14,026	—	14,026
Patient accounts receivable, net	—	—	12,666	—	9,021	—	—	247,553	—	247,553
Contributions receivable, net	2,021	—	—	—	—	—	—	2,021	—	2,021
Other receivables	—	692	—	12,732	16	—	2	29,414	—	29,414
Inventories	—	—	282	283	10	—	—	24,983	—	24,983
Prepaid expenses and other	—	—	252	1,514	1,052	523	—	25,233	(7,844)	17,389
Due from related parties	—	6,953	16	—	—	—	27	81,386	(81,386)	—
Total current assets	106,910	7,741	19,978	20,114	12,621	523	156	976,218	(140,922)	835,296
Assets limited or restricted as to use										
Board-designated and other	12,895	—	—	122	—	—	—	83,915	—	83,915
Donor-restricted funds	18,916	—	411	—	635	—	—	33,436	—	33,436
Funded depreciation	—	—	—	436	1,000	—	—	231,477	—	231,477
Trustee held and other agreements	—	—	—	226	1	—	—	76,558	—	76,558
Bond indenture agreements	—	—	—	—	—	—	—	14,591	—	14,591
Regulated assets	—	—	—	—	—	—	—	—	52,022	52,022
Total assets limited or restricted as to use	31,811	—	411	784	1,636	—	—	439,977	52,022	491,999
Less assets limited or restricted as to use and required for current liabilities	—	—	—	—	—	—	—	14,026	—	14,026
Total assets limited as to use, net	31,811	—	411	784	1,636	—	—	425,951	52,022	477,973
Due from related parties, net of current portion	—	—	—	—	—	—	—	75,493	(75,493)	—
Contributions receivable, net of current portion	3,004	—	—	—	17	—	—	3,021	—	3,021
Long-term investments	—	—	—	—	—	—	—	601	—	601
Other investments, at cost	—	—	—	—	—	—	—	2,250	(2,250)	—
Other assets, net	—	—	15	1,706	43	—	—	19,890	—	19,890
Insurance claims receivable	—	—	—	1,726	1,030	—	—	181,027	(40,124)	140,903
Deferred financing costs, net	—	—	—	23	251	—	—	6,951	—	6,951
Property and equipment, net	—	5,965	6,727	13,415	17,891	—	—	845,522	—	845,522
Total assets	\$ 141,725	13,706	27,131	37,668	33,489	523	156	2,536,924	(206,767)	2,330,157

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2013

(In thousands)

	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	RAC Insurance Company, Inc.
<b>Liabilities and Net Assets</b>												
Current liabilities												
Current portion of long-term debt	\$ 183	4,664	1,650	930	—	7,427	—	7,427	1,069	1,529	17,204	—
Accounts payable and accrued expenses	39,470	36,663	14,904	13,056	12,752	116,845	—	116,845	7,672	9,022	19,250	153
Accrued salaries, related withholdings, and benefits	34,865	33,247	9,176	12,060	12,817	102,165	—	102,165	4,166	3,855	8,528	—
Current portion of other self-insured liabilities	10,368	5,628	3,995	3,327	6,011	29,329	—	29,329	166	—	1,093	—
Current portion of estimated third-party payor and other liabilities, net	16,972	17,431	6,560	6,867	9,405	57,235	—	57,235	3,342	—	—	—
Due to related parties	5,605	152	5,362	2,777	775	21,646	(12,471)	9,175	2,297	—	12,650	11,572
Other liabilities	—	—	—	—	482	482	—	482	—	—	152	—
Total current liabilities	107,463	97,785	41,647	39,017	49,217	335,129	(12,471)	322,658	18,712	14,406	58,877	11,725
Long-term debt, net of current portion	7,432	112,402	35,526	43,298	82,809	281,467	—	281,467	15,279	114,575	61,750	—
Estimated third-party payor and other liabilities, net of current portion	12,055	9,357	4,046	2,280	15,221	42,959	—	42,959	1,251	—	—	—
Other self-insured liabilities, net of current portion	35,428	18,096	9,576	14,282	18,721	96,103	—	96,103	—	—	—	—
Estimated malpractice liabilities	70,020	18,088	30,285	40,043	24,277	182,713	—	182,713	12,250	—	—	40,124
Other long-term liabilities	5,232	14,168	2,251	1,603	2,809	26,063	—	26,063	227	17,312	3,737	—
Due to related parties, net of current portion	—	—	21,235	13,811	36,810	71,856	(8,822)	63,034	11,700	—	—	—
Total liabilities	237,630	269,896	144,566	154,334	229,864	1,036,290	(21,293)	1,014,997	59,419	146,293	124,364	51,849
Net assets, (deficit)												
Unrestricted	171,366	617,944	404,355	(20,460)	(54,534)	754,771	11,398	766,169	(2,399)	3,802	81,526	20,390
Temporarily restricted	3,827	3,150	2,698	1,274	1,063	11,922	—	11,922	716	352	—	—
Permanently restricted	—	—	—	76	—	76	—	76	—	—	—	—
Capital stock and paid in capital	—	—	—	—	—	—	—	—	—	—	—	2,250
Total net assets, (deficit)	175,193	621,094	43,063	(18,410)	(53,471)	766,769	11,398	778,167	(1,683)	4,154	81,526	22,640
Commitments and contingencies												
Total liabilities and net assets, (deficit)	\$ 412,823	890,990	187,629	135,924	176,393	1,803,059	(9,895)	1,793,164	57,736	150,447	205,890	74,489

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2013

(In thousands)

Liabilities and Net Assets	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Other entities	Subtotal	Consolidating and eliminating entries	CHS consolidated total
<b>Current liabilities</b>										
Current portion of long-term debt	\$ —	—	—	458	—	—	—	27,687	—	27,687
Accounts payable and accrued expenses	229	12	6,372	4,438	5,024	—	118	169,135	(8,803)	160,332
Accrued salaries, related withholdings, and benefits	—	—	4,263	3,651	3,171	—	—	129,799	—	129,799
Current portion of other self-insured liabilities	—	—	—	—	797	—	—	31,385	—	31,385
Current portion of estimated third-party payor and other liabilities, net	—	—	319	(1,186)	1,813	—	—	61,523	—	61,523
Due to related parties	8,129	3,025	3,902	2,366	—	840	1,082	55,038	(55,038)	—
Other liabilities	1,585	866	—	7162	—	—	—	10,247	—	10,247
<b>Total current liabilities</b>	<b>9,943</b>	<b>3,903</b>	<b>14,856</b>	<b>16,889</b>	<b>10,805</b>	<b>840</b>	<b>1,200</b>	<b>484,814</b>	<b>(63,841)</b>	<b>420,973</b>
Long-term debt, net of current portion	—	—	—	1,201	15,018	—	—	489,290	—	489,290
Estimated third-party payor and other liabilities, net of current portion	—	—	—	—	—	—	—	44,210	—	44,210
Other self-insured liabilities, net of current portion	—	—	—	4,693	3,283	—	—	104,079	—	104,079
Estimated malpractice liabilities	—	—	—	—	—	—	—	235,087	(40,124)	194,963
Other long-term liabilities	1	—	268	3,779	—	—	—	51,387	—	51,387
Due to related parties, net of current portion	—	—	22,479	4,241	2,498	—	—	103,952	(103,952)	—
<b>Total liabilities</b>	<b>9,944</b>	<b>3,903</b>	<b>37,603</b>	<b>30,803</b>	<b>31,604</b>	<b>840</b>	<b>1,200</b>	<b>1,512,819</b>	<b>(207,917)</b>	<b>1,304,902</b>
<b>Net assets (deficit)</b>										
Unrestricted	107,840	9,803	(10,883)	6,965	1,250	(317)	(2,224)	981,922	4,580	986,502
Temporarily restricted	20,822	—	254	—	635	—	—	34,701	—	34,701
Permanently restricted	3,119	—	157	—	—	—	—	4,052	—	4,052
Capital stock and paid in capital	—	—	—	—	—	—	1,180	3,430	(3,430)	—
<b>Total net assets (deficit)</b>	<b>131,781</b>	<b>9,803</b>	<b>(10,472)</b>	<b>6,965</b>	<b>1,885</b>	<b>(317)</b>	<b>(1,044)</b>	<b>1,024,105</b>	<b>1,150</b>	<b>1,025,255</b>
<b>Commitments and contingencies</b>										
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 141,725</b>	<b>13,706</b>	<b>27,131</b>	<b>37,768</b>	<b>33,489</b>	<b>523</b>	<b>156</b>	<b>2,536,924</b>	<b>(206,767)</b>	<b>2,330,157</b>

See accompanying independent auditors' report.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule - Statement of Operations

Year ended December 31, 2015

(in thousands)

	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	RVIC Insurance Company, Inc.
Unrestricted revenues, gains, and other support												
Net patient service revenues, before bad debts	\$ 558,858	540,215	202,750	177,765	228,760	1,708,355	—	1,708,355	95,707	—	—	—
Provision for bad debts, net	(17,455)	(2,986)	(5,468)	(2,954)	(3,904)	(32,767)	—	(32,767)	(1,256)	—	—	—
Net patient services revenue	541,403	537,229	197,282	174,811	224,856	1,675,588	—	1,675,588	94,451	—	—	—
Investment income, net	1,048	1,596	150	255	470	3,517	—	3,517	70	791	2	58
Contributions, net	625	—	52	552	30	1,057	—	1,057	5	—	—	—
Other revenue	20,259	15,688	6,705	6,942	15,198	62,792	(11,651)	51,141	5,185	25,195	120,815	17,091
Net assets released from restrictions used for operations	254	50	—	121	51	476	—	476	—	—	—	—
Total revenues, gains, and other support	565,587	582,563	204,187	182,459	240,614	1,775,410	(11,651)	1,763,759	99,718	25,984	120,817	17,129
Expenses												
Salaries	254,855	247,551	97,105	85,798	115,874	799,253	—	799,253	44,522	6,277	66,588	—
Employee benefits	78,614	60,536	27,605	24,242	42,707	233,702	—	233,702	17,234	1,555	20,881	—
Supplies and other expenses	156,955	148,011	42,115	45,595	57,000	448,471	(18,508)	430,163	28,910	10,144	50,557	840
Insurance	17,195	9,501	7,780	4,664	5,560	44,516	—	44,516	5,995	—	148	6,767
Depreciation, amortization, and impairment	19,464	26,670	8,509	6,077	9,717	71,146	—	71,146	5,017	55	15,860	—
Interest	410	6,282	478	1,828	4,501	13,290	—	13,290	496	5,770	1,508	—
CHS Services, Inc.	55,966	50,726	17,441	14,670	14,589	111,592	—	111,592	6,016	—	—	—
CHS corporate office allocation	5507	4,885	1,952	1,475	2,192	16,099	—	16,099	1,452	—	—	—
Total expenses	567,052	555,949	202,880	181,049	255,058	1,757,968	(18,508)	1,739,660	107,040	21,588	155,142	7,616
Operating (loss) income before nonoperating gains (losses)	(5,465)	48,614	1,507	1,410	(12,424)	5,442	6,657	42,099	(9,522)	2,596	(14,525)	9,515
Nonoperating gains (losses)												
Change in unrealized gains (losses) on trading investments, net	(1,415)	14,860	86	48	(281)	15,000	—	15,000	—	—	—	(504)
Other nonoperating gains (losses), net	5,166	—	—	—	—	5,166	—	5,166	156	(2,446)	(1,525)	—
Excess (deficiency) of revenues, gains, and other support over expenses	(1,712)	65,474	1,595	1,458	(12,705)	51,908	6,657	58,565	(9,166)	(50)	(15,850)	8,919
Other changes in benefit plan unrestricted net assets												
Post-retirement changes other than net periodic benefit cost	1,117	5,267	254	(56)	(87)	6,475	—	6,475	—	—	—	—
Net assets released from restrictions for purchase of property and equipment	1,111	—	126	506	15	1,556	—	1,556	49	4	—	—
Net assets assumed	—	—	—	—	—	—	—	—	—	—	—	—
Contributions for purchases of property and equipment	1,020	—	—	—	—	1,020	—	1,020	—	—	—	—
Grant income for purchases of property and equipment	250	—	—	595	40	885	—	885	—	—	—	—
Other changes	—	—	—	—	—	—	—	—	—	517	(1,000)	—
Transfer (to) from Catholic Health Services of Long Island	(1,796)	(1,568)	(625)	(472)	(658)	(5,119)	—	(5,119)	10,242	—	(10,000)	—
Transfer (to) from CHS Services, Inc.	(15,177)	(14,159)	(5,469)	(5,140)	(6,585)	(40,530)	—	(40,530)	(1,924)	10,000	—	—
Transfer (to) from related parties	(17,000)	6,689	(1,468)	—	17,000	5,221	—	5,221	(404)	(6,707)	42,540	—
Increase (decrease) in unrestricted net assets	\$ (50,187)	50,705	(5,809)	(1,509)	(2,782)	21,616	6,657	28,273	(1,205)	5,564	15,490	8,919

CATHOLIC HEALTH SERVICES OF LONG ISLAND  
 Consolidating Schedule – Statement of Operations  
 Year ended December 31, 2013  
 (In thousands)

	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Other entities	Sub-total	Consolidating and eliminating entries	CHS consolidated total
Unrestricted revenues, gains, and other support										
Net patient service revenues before bad debts	\$ —	—	92,054	—	59,993	—	—	1,956,109	(466)	1,955,643
Provision for bad debts, net	—	—	(2,624)	—	(621)	—	(98)	(37,366)	—	(37,366)
Net patient services revenue	—	—	89,430	—	59,372	—	(98)	1,918,743	(466)	1,918,277
Investment income, net	3,198	—	36	51	(44)	—	—	37,668	—	37,668
Contributions, net	2,583	—	312	220	13	—	—	4,168	—	4,168
Other revenue	—	3,489	454	79,935	191	—	66	299,560	(165,008)	134,552
Net assets released from restrictions used for operations	467	—	—	—	—	—	—	943	—	943
Total revenues, gains, and other support	6,248	3,489	90,232	80,206	59,532	—	(32)	2,261,082	(165,474)	2,095,608
Expenses										
Salaries	810	4,178	50,192	43,321	31,148	—	190	1,046,279	—	1,046,279
Employee benefits	184	738	15,208	22,111	14,016	—	48	325,545	—	325,545
Supplies and other expenses	535	1,369	23,737	13,553	13,478	—	84	553,379	(5,316)	548,063
Insurance	—	41	—	565	731	—	—	56,170	(17,091)	39,079
Depreciation, amortization, and impairment	—	893	1,638	1,697	1,327	—	—	97,633	—	97,633
Interest	—	—	1	224	976	—	—	20,074	—	20,074
CHS Services, Inc.	—	—	1,123	662	852	—	—	120,045	(120,045)	—
CHS corporate office allocation	—	—	278	179	162	—	—	18,170	(18,170)	—
Total expenses	1,529	7,219	92,177	82,312	62,690	—	322	2,237,295	(160,622)	2,076,673
Operating (loss) income before nonoperating gains (losses)	4,719	(3,730)	(1,945)	(2,106)	(3,158)	—	(354)	23,787	(4,852)	18,935
Nonoperating gains (losses)										
Change in unrealized gains (losses) on trading investments, net	13,537	—	—	(27)	71	—	—	26,287	—	26,287
Other nonoperating gains (losses), net	—	—	—	—	—	—	—	(649)	—	(649)
Excess (deficiency) of revenues, gains, and other support over expenses	18,256	(3,730)	(1,945)	(2,133)	(3,087)	—	(354)	49,425	(4,852)	44,573
Other changes in benefit plan unrestricted net assets										
Postretirement changes other than net periodic benefit cost	—	—	—	—	—	—	—	6,475	—	6,475
Net assets released from restrictions for purchase of property and equipment	2,107	—	—	—	—	—	—	3,716	—	3,716
Net assets assumed	—	—	—	—	—	—	—	—	—	—
Contributions for purchases of property and equipment	—	—	—	—	—	—	—	1,020	—	1,020
Grant income for purchases of property and equipment	—	—	—	—	—	—	—	885	—	885
Other changes	—	—	—	—	—	(317)	—	(1,000)	—	(1,000)
Transfer (to) from Catholic Health Services of Long Island	—	—	(110)	(78)	(68)	—	—	(5,133)	5,133	—
Transfer (to) from CHS Services, Inc.	—	—	(36)	(27)	(33)	—	—	(32,350)	32,350	—
Transfers (to) from related parties	(8,424)	3,650	—	(49)	—	—	—	35,636	(35,636)	—
Increase (decrease) in unrestricted net assets	\$ 11,939	(80)	(2,091)	(2,287)	(3,188)	(317)	(354)	58,674	(3,005)	55,669

See accompanying independent auditors' report.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule - Balance Sheet

December 31, 2012

(In thousands)

Assets	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group subtotal	St. Joseph Hospital	C HSLI	CHS Services	RYC Insurance Company, Inc.
Current assets-												
Cash and cash equivalents	\$ 50,221	25,221	15,157	15,719	8,149	90,458	—	90,458	8,661	16,200	—	11,224
Investments	—	210,654	—	878	2,056	213,588	—	213,588	—	—	—	50,149
Assets limited or restricted as to use	—	5,922	778	—	—	4,170	—	4,170	—	8,840	—	—
Patient accounts receivable net	67,186	62,856	21,575	19,729	50,181	201,505	—	201,505	11,075	—	—	—
Contributions receivable net	—	—	—	—	—	—	—	—	—	—	—	—
Other receivables	5,948	5,962	1,527	892	1,036	15,365	—	15,365	557	—	191	—
Inventories	6,241	6,895	2,402	2,525	5,265	21,326	—	21,326	1,562	—	—	—
Prepaid expenses and other	2,055	1,989	2,050	705	891	8,586	—	8,586	415	102	5,315	5,958
Due from related parties	8,406	17,540	—	551	161	26,458	(10,751)	15,707	—	29,467	40,090	15,057
Total current assets	118,955	352,487	41,287	40,777	45,750	579,266	(10,751)	568,505	22,268	54,609	45,596	60,548
Assets limited or restricted as to use												
Board-designated and other	80,209	4,455	15,204	—	5,180	105,026	—	105,026	4,796	—	—	—
Donor-restricted funds	4,216	2,851	1,948	1,997	751	11,743	—	11,743	525	—	—	—
Funded depreciation	756	185,208	—	—	7,125	193,067	—	193,067	—	—	—	—
Trustee held and other agreements	5,965	1,775	578	—	—	6,114	—	6,114	148	67,877	56,571	—
Bond indenture agreements	—	10,158	4,472	—	—	14,610	—	14,610	—	—	—	—
Regulated assets	—	—	—	—	—	—	—	—	—	—	—	—
Total assets limited or restricted as to use	89,124	204,585	22,002	1,997	15,054	350,560	—	350,560	5,467	67,877	56,571	—
Less assets limited or restricted as to use and required for current liabilities	—	5,992	778	—	—	4,170	—	4,170	—	8,840	—	—
Total assets limited as to use net	89,124	200,991	21,224	1,997	15,054	326,390	—	326,390	5,467	59,037	56,571	—
Due from related parties - net of current portion	4,588	672	—	—	—	5,060	(4,081)	979	—	27,919	24,758	—
Contributions receivable - net of current portion	—	—	—	—	—	—	—	—	—	—	—	—
Long-term investments	567	—	—	184	—	551	—	551	—	—	—	—
Other investments - at cost	—	—	—	—	—	—	—	—	—	2,250	—	—
Other assets - net	—	18,454	—	110	629	19,193	—	19,193	445	852	—	—
Insurance claims receivable	51,584	19,451	28,876	55,061	25,001	155,973	—	155,973	8,724	—	—	5,476
Deferred financing costs - net	160	2,425	709	769	1,547	5,608	—	5,608	—	1,525	265	—
Property and equipment - net	160,595	259,469	102,989	65,797	102,487	689,355	—	689,355	50,542	140	77,040	—
Total assets	\$ 425,171	855,947	195,085	140,695	186,448	1,781,546	(14,812)	1,766,734	67,446	146,510	202,210	65,824

CATHOLIC HEALTH SERVICES OF LONG ISLAND  
Consolidating Schedule – Balance Sheet  
December 31, 2012  
(In thousands)

Assets	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Other entities	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Current assets										
Cash and cash equivalents	\$ 782	216	6,918	3,054	230	—	311	138,054	(10,900)	127,154
Investments	90,746	—	27	1,593	2,390	—	—	338,493	(30,149)	308,344
Assets limited or restricted as to use	—	—	—	—	—	—	—	13,010	—	13,010
Patient accounts receivable, net	—	—	10,467	—	10,199	—	—	233,044	—	233,044
Contributions receivable, net	2,125	—	—	—	—	—	—	2,125	—	2,125
Other receivables	—	535	—	12,126	26	—	145	26,945	—	26,945
Inventories	—	—	310	344	30	—	—	23,572	—	23,572
Prepaid expenses and other	—	—	152	864	237	840	—	18,449	(1,254)	17,195
Due from related parties	—	5,453	197	—	—	—	35	105,986	(105,986)	—
Total current assets	93,653	6,204	18,071	17,981	13,112	840	491	899,678	(148,289)	751,389
Assets limited or restricted as to use										
Board-designated and other	10,712	—	—	90	—	—	—	120,624	—	120,624
Donor-restricted funds	14,927	—	329	—	413	—	—	27,935	—	27,935
Funded depreciation	—	—	—	435	1,000	—	—	194,502	—	194,502
Trustee held and other agreements	—	—	—	1,946	2	—	—	132,658	—	132,658
Bond indenture agreements	—	—	—	—	—	—	—	14,610	—	14,610
Regulated assets	—	—	—	—	—	—	—	—	41,373	41,373
Total assets limited or restricted as to use	25,639	—	329	2,471	1,415	—	—	490,329	41,373	531,702
Less assets limited or restricted as to use and required for current liabilities	—	—	—	—	—	—	—	13,010	—	13,010
Total assets limited as to use, net	25,639	—	329	2,471	1,415	—	—	477,319	41,373	518,692
Due from related parties, net of current portion	—	—	—	—	—	—	—	53,636	(53,636)	—
Contributions receivable, net of current portion	3,205	—	—	—	17	—	—	3,222	—	3,222
Long-term investments	—	—	—	—	—	—	—	551	—	551
Other investments, at cost	—	—	—	—	—	—	—	2,250	(2,250)	—
Other assets, net	—	—	15	1,417	43	—	—	21,945	—	21,945
Insurance claims receivable	—	—	—	968	1,426	—	—	172,567	(37,041)	135,526
Deferred financing costs, net	—	—	—	9	279	—	—	7,684	—	7,684
Property and equipment, net	—	6,598	7,743	11,842	18,563	—	1	841,804	—	841,804
Total assets	\$ 122,497	12,802	26,158	34,688	34,855	840	492	2,480,656	(199,843)	2,280,813

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule – Balance Sheet

December 31, 2012

(in thousands)

Liabilities and Net Assets	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	RVC Insurance Company, Inc
<b>Current liabilities</b>												
Current portion of long-term debt	\$ 94	4,540	4,600	898	—	10,150	—	10,150	1,761	1,245	16,955	—
Accounts payable and accrued expenses	29,112	30,122	11,544	9,922	14,472	94,972	—	94,972	7,185	9,192	16,555	164
Accrued salaries, related withholdings, and benefits	57,512	27,517	8,829	10,459	15,014	96,931	—	96,931	4,877	4,887	8,589	—
Current portion of other self-insured liabilities	9,777	7,492	2,949	5,171	4,892	28,281	—	28,281	68	—	1,145	—
Current portion of estimated third-party payor and other liabilities, net	17,115	22,768	7,141	8,118	9,602	64,744	—	64,744	5,170	—	—	—
Due to related parties	6,869	—	5,050	2,785	5,484	20,186	(10,751)	9,455	4,585	—	11,267	14,898
Other liabilities	—	—	—	—	499	499	—	499	5,005	—	126	—
<b>Total current liabilities</b>	<b>100,270</b>	<b>92,248</b>	<b>39,922</b>	<b>35,551</b>	<b>47,965</b>	<b>315,765</b>	<b>(10,751)</b>	<b>305,052</b>	<b>24,649</b>	<b>15,522</b>	<b>54,217</b>	<b>15,062</b>
Long-term debt, net of current portion	7,407	117,029	57,189	44,655	82,894	289,154	—	289,154	16,548	116,284	78,954	—
Estimated third-party payor and other liabilities, net of current portion	12,790	11,566	6,208	5,016	16,819	50,399	—	50,399	1,279	—	—	—
Other self-insured liabilities, net of current portion	55,497	16,585	10,802	14,579	20,515	97,774	—	97,774	—	—	—	—
Estimated malpractice liabilities	58,659	18,240	50,740	45,180	24,456	177,255	—	177,255	11,158	—	—	57,041
Other long-term liabilities	4,790	17,209	2,406	1,256	2,621	28,262	—	28,262	—	14,295	5,012	—
Due to related parties, net of current portion	—	—	21,255	14,052	42,185	77,470	(8,822)	68,648	14,705	—	—	—
<b>Total liabilities</b>	<b>219,402</b>	<b>272,875</b>	<b>148,502</b>	<b>157,849</b>	<b>257,449</b>	<b>1,056,077</b>	<b>(19,555)</b>	<b>1,016,524</b>	<b>68,119</b>	<b>145,899</b>	<b>156,185</b>	<b>52,105</b>
<b>Net assets (deficit)</b>												
Unrestricted	201,555	558,241	44,264	(19,151)	(51,752)	755,155	4,741	757,896	(1,196)	258	66,027	11,471
Temporarily restricted	4,216	2,851	2,519	1,221	55	11,538	—	11,538	525	175	—	—
Permanently restricted	—	—	—	776	—	776	—	776	—	—	—	—
Capital stock and paid in capital	—	—	—	—	—	—	—	—	—	—	—	2,250
<b>Total net assets (deficit)</b>	<b>205,769</b>	<b>561,072</b>	<b>46,585</b>	<b>(17,154)</b>	<b>(51,001)</b>	<b>745,269</b>	<b>4,741</b>	<b>750,010</b>	<b>(675)</b>	<b>411</b>	<b>66,027</b>	<b>13,721</b>
<b>Commitments and contingencies</b>												
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 425,171</b>	<b>\$ 833,947</b>	<b>\$ 195,085</b>	<b>\$ 140,695</b>	<b>\$ 186,448</b>	<b>\$ 1,781,346</b>	<b>\$ (14,812)</b>	<b>\$ 1,766,534</b>	<b>\$ 67,446</b>	<b>\$ 146,510</b>	<b>\$ 202,210</b>	<b>\$ 65,824</b>

CATHOLIC HEALTH SERVICES OF LONG ISLAND  
 Consolidating Schedule – Balance Sheet  
 December 31, 2012  
 (In thousands)

Liabilities and Net Assets	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Other entities	Subtotal	Consolidating and eliminating entries	CHS consolidated total
Current liabilities										
Current portion of long-term debt	\$ —	—	—	323	—	—	—	30,412	—	30,412
Accounts payable and accrued expenses	213	12	6,244	4,605	4,115	—	118	143,173	(1,275)	141,898
Accrued salaries, related withholdings, and benefits	—	—	3,726	3,599	3,382	—	—	125,791	—	125,791
Current portion of other self-insured liabilities	—	—	—	—	552	—	—	30,046	—	30,046
Current portion of estimated third-party payor and other liabilities, net	—	—	51	(1,867)	1,455	—	—	67,553	—	67,553
Due to related parties	5,958	2,191	1,853	1,796	153	840	1,064	54,060	(54,060)	—
Other liabilities	168	716	—	4,588	135	—	—	9,237	—	9,237
Total current liabilities	6,339	2,919	11,874	13,044	9,792	840	1,182	460,272	(55,335)	404,937
Long-term debt, net of current portion	—	—	—	1,160	15,111	—	—	517,011	—	517,011
Estimated third-party payor and other liabilities, net of current portion	—	—	—	—	—	—	—	51,678	—	51,678
Other self-insured liabilities, net of current portion	—	—	—	3,388	3,679	—	—	104,841	—	104,841
Estimated malpractice liabilities	—	—	—	—	—	—	—	225,434	(37,041)	188,393
Other long-term liabilities	—	—	268	3,476	—	—	—	49,311	—	49,311
Due to related parties, net of current portion	—	—	22,479	4,368	1,422	—	—	111,622	(111,622)	—
Total liabilities	6,339	2,919	34,621	25,436	30,004	840	1,182	1,520,169	(203,998)	1,316,171
Net assets (deficit)										
Unrestricted	95,901	9,883	(8,792)	9,252	4,438	—	(1,870)	923,248	7,585	930,833
Temporarily restricted	17,127	—	180	—	413	—	—	29,754	—	29,754
Permanently restricted	3,130	—	149	—	—	—	—	4,055	—	4,055
Capital stock and paid in capital	—	—	—	—	—	—	1,180	3,430	(3,430)	—
Total net assets (deficit)	116,158	9,883	(8,463)	9,252	4,851	—	(690)	960,487	4,155	964,642
Commitments and contingencies										
Total liabilities and net assets (deficit)	\$ 122,497	12,802	26,158	34,688	34,855	840	492	2,480,656	(199,843)	2,280,813

See accompanying independent auditors' report.

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidating Schedule - Statement of Operations

Year ended December 31, 2012

(In thousands)

	Good Samaritan Hospital	St. Francis Hospital	Mercy Medical Center	St. Charles Hospital	St. Catherine Medical Center & Subsidiaries	Subtotal	Consolidating and eliminating entries	Obligated Group Subtotal	St. Joseph Hospital	CHSLI	CHS Services	RAC Insurance Company, Inc.
Unrestricted revenues, gains, and other support												
Net patient service revenues, before bad debts	\$ 564,264	479,697	202,811	178,470	247,609	1,672,851	—	1,672,851	96,495	—	—	—
Provision for bad debts, net	(11,454)	(2,630)	(5,418)	(2,829)	(4,698)	(26,929)	—	(26,929)	(848)	—	—	—
Net patient services revenue	552,810	477,067	197,393	175,641	242,911	1,645,922	—	1,645,922	95,647	—	—	—
Investment income, net	2,104	31,156	748	92	343	34,443	—	34,443	23	832	—	968
Contributions, net	1,272	—	139	584	22	2,017	—	2,017	17	—	—	—
Other revenue	22,249	9,971	4,812	5,585	8,331	50,948	(4,916)	46,032	3,020	21,561	103,315	14,772
Net assets released from restrictions used for operations	1,033	222	82	215	49	1,601	—	1,601	—	45	—	—
Total revenues, gains, and other support	579,468	518,416	205,274	182,117	251,656	1,734,931	(4,916)	1,730,015	98,607	22,438	103,315	15,740
Expenses												
Salaries	275,079	216,274	94,179	77,230	116,910	779,672	—	779,672	45,078	5,457	57,142	—
Employee benefits	86,769	61,797	25,084	25,066	40,103	238,819	—	238,819	17,507	1,282	16,873	—
Supplies and other expenses	136,245	131,734	43,196	42,056	64,547	417,778	(4,916)	412,862	30,450	8,542	27,815	713
Insurance	15,840	9,687	5,731	5,849	4,311	41,418	—	41,418	3,297	34	181	13,569
Depreciation, amortization, and impairment	16,367	26,657	8,309	6,117	8,922	66,372	—	66,372	2,962	116	10,061	—
Interest	533	6,141	742	2,068	5,400	14,884	—	14,884	700	3,922	584	—
CHS Services, Inc.	28,351	25,909	15,446	12,671	12,745	95,122	—	95,122	4,663	—	—	—
CHS corporate office allocation	5,258	4,585	1,830	1,383	2,112	15,168	—	15,168	1,363	—	—	—
Total expenses	564,442	482,784	194,517	172,440	255,050	1,669,233	(4,916)	1,664,317	106,110	19,353	112,656	14,312
Operating (loss) income before nonoperating gains (losses)	15,026	35,632	8,757	9,677	(3,394)	65,698	—	65,698	(7,503)	3,085	(9,341)	1,428
Nonoperating gains (losses)												
Change in unrealized gains (losses) on trading investments, net	968	(814)	32	16	53	255	—	255	—	—	—	(488)
Other nonoperating losses	—	—	—	—	—	—	—	—	—	(2,520)	(719)	—
Excess (deficiency) of revenues, gains, and other support over expenses	15,994	34,818	8,789	9,693	(3,341)	65,953	—	65,953	(7,503)	765	(10,060)	940
Other changes in benefit plan unrestricted net assets												
Post-retirement changes other than net periodic benefit cost	(303)	(843)	(104)	(44)	(252)	(1,546)	—	(1,546)	—	—	—	—
Net assets released from restrictions for purchase of property and equipment	725	22	270	140	—	1,357	—	1,357	238	—	—	—
Net assets assumed	—	—	607	—	—	607	—	607	—	—	—	—
Contributions for purchases of property and equipment	80	—	—	—	—	80	—	80	—	—	—	—
Grant income for purchases of property and equipment	3,339	—	—	38	282	3,659	—	3,659	—	—	—	—
Other changes	—	—	—	—	(1,222)	(1,222)	—	(1,222)	—	—	—	—
Transfer (to) from Catholic Health Services of Long Island	(1,520)	(1,269)	(533)	(404)	(617)	(4,343)	—	(4,343)	(397)	991	—	—
Transfer (to) from CHS Services, Inc.	(6,960)	(4,073)	(2,424)	(2,028)	(1,024)	(16,509)	—	(16,509)	(1,193)	17,797	—	—
Transfers (to) from related parties	(3,000)	10,025	2,348	—	3,000	12,373	—	12,373	—	—	—	—
Increase (decrease) in unrestricted net assets	\$ 8,355	38,680	8,943	7,395	(3,174)	60,199	—	60,199	(8,855)	1,756	7,737	940

CATHOLIC HEALTH SERVICES OF LONG ISLAND  
 Consolidating Schedule – Statement of Operations  
 Year ended December 31, 2012  
 (In thousands)

	St. Francis Hospital Foundation	St. Francis Research and Educational Corporation	Catholic Home Care & Hospice	Maryhaven	Our Lady of Consolation	CHS Physician Hospital Organization	Other entities	Sub-total	Consolidating and eliminating entries	CHS consolidated total
Unrestricted revenues, gains, and other support										
Net patient service revenues before bad debts	\$ —	—	78,287	—	61,500	—	—	1,909,033	(1,350)	1,907,683
Provision for bad debts, net	—	—	(1,029)	—	(1,742)	—	(82)	(30,630)	—	(30,630)
Net patient services revenue	—	—	77,258	—	59,758	—	(82)	1,878,403	(1,350)	1,877,053
Investment income, net	7,195	—	—	102	90	—	—	43,653	—	43,653
Contributions, net	3,621	—	326	186	28	—	—	6,195	—	6,195
Other revenue	—	2,779	103	79,218	240	—	436	271,476	(144,493)	126,983
Net assets released from restrictions used for operations	190	—	—	—	—	—	—	1,836	—	1,836
Total revenues, gains, and other support	11,006	2,779	77,687	79,506	60,116	—	354	2,201,563	(145,843)	2,055,720
Expenses										
Salaries	752	3,852	39,656	42,246	30,984	—	398	1,005,237	—	1,005,237
Employee benefits	182	740	12,397	21,880	11,632	—	99	321,501	—	321,501
Supplies and other expenses	518	1,572	22,766	13,036	13,702	—	54	532,030	(6,682)	525,348
Insurance	—	41	—	57	644	—	—	59,741	(14,772)	44,969
Depreciation, amortization, and impairment	—	946	1,597	1,691	1,425	—	—	85,170	—	85,170
Interest	—	—	—	413	292	—	—	20,795	(14)	20,781
CHS Services, Inc.	—	—	1,620	784	883	—	—	103,072	(103,072)	—
CHS corporate office allocation	—	—	377	159	221	—	—	17,288	(17,288)	—
Total expenses	1,452	7,151	78,413	80,736	59,783	—	551	2,144,834	(141,828)	2,003,006
Operating (loss) income before nonoperating gains (losses)	9,554	(4,372)	(726)	(1,230)	333	—	(197)	56,729	(4,015)	52,714
Nonoperating gains (losses)										
Change in unrealized gains (losses) on trading investments, net	4,110	—	1	—	16	—	—	3,894	—	3,894
Other nonoperating losses	—	—	—	(303)	—	—	—	(3,342)	—	(3,342)
Excess (deficiency) of revenues, gains, and other support over expenses	13,664	(4,372)	(725)	(1,533)	349	—	(197)	57,281	(4,015)	53,266
Other changes in benefit plan unrestricted net assets										
Postretirement changes other than net periodic benefit cost	—	—	—	—	—	—	—	(1,546)	—	(1,546)
Net assets released from restrictions for purchase of property and equipment	10,643	—	—	—	—	—	—	12,038	—	12,038
Net assets assumed	—	—	—	—	—	—	—	597	—	597
Contributions for purchases of property and equipment	—	—	—	—	—	—	—	80	—	80
Grant income for purchases of property and equipment	—	—	—	—	—	—	—	3,659	—	3,659
Other changes	—	—	—	—	—	—	—	(1,222)	—	(1,222)
Transfer (to) from Catholic Health Services of Long Island	—	—	(124)	(66)	(33)	—	—	(3,972)	3,972	—
Transfer (to) from CHS Services, Inc.	—	—	(36)	(27)	(75)	—	—	(43)	43	—
Transfers (to) from related parties	(16,133)	3,760	—	—	—	—	—	—	—	—
Increase (decrease) in unrestricted net assets	\$ 8,174	(612)	(885)	(1,626)	241	—	(197)	66,872	—	66,872

See accompanying independent auditors' report.