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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

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

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

C Name of organization
University Medical Center Management Corporation

Doing Business As
'Interim LSU Hospital'
or 'ILH'

Number and street (or P O box if mail is not delivered to street address) 2021 Perdido St

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
New Orleans, LA 70112

D Employer identification number
25-1925187

E Telephone number
(504) 299-4721

G Gross receipts $ 176,551,485

F Name and address of principal officer
Cindy Nuesslein
2021 Perdido St
New Orleans, LA 70112

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www umcno org/

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

L Year of formation 2005

M State of legal domicile LA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
The Interim LSU Hospital (ILH) is the major teaching hospital for the LSU New Orleans Schools of Medicine, Nursing, Dental Medicine and Allied Health resident and student training programs and a major teaching hospital for Tulane University School of Medicine residents and students ILH is the home to the only verified Level 1 Trauma Center in South Louisiana It is the mission of the ILH to provide quality service to meet the healthcare needs of all people through medical care, education and research, centers of excellence, and leadership without limitations

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,986
6	Total number of volunteers (estimate if necessary)	**6**	107
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	478,495	1,492,941
	9 Program service revenue (Part VIII, line 2g)	0	175,040,063
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	18,481
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	478,495	176,551,485
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	67,486,422
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	478,338	139,774,794
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	478,338	207,261,216
	19 Revenue less expenses Subtract line 18 from line 12	157	-30,709,731

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	44,172	371,738,456
	21 Total liabilities (Part X, line 26)	43,650	402,447,665
	22 Net assets or fund balances Subtract line 21 from line 20	522	-30,709,209

Part II Signature Block

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

Sign Here

▶ Signature of officer — 2014-11-17 Date

▶ Lisa Napier SVP & Chief Financial Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			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 . . . . . ☑

1 Briefly describe the organization's mission

It is the mission of the Interim LSU Hospital to provide quality service to meet the healthcare needs of all people through medical care, education and research, centers of excellence, and leadership without limitations

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 $ 32,071,444 including grants of $ 0) (Revenue $ 1,367,581)

Resident Teaching & Graduate Medical Education Programs The Interim LSU Hospital (ILH) is a major teaching hospital for both LSU and Tulane University Schools of Medicine, as well as for LSU School of Dental Medicine 280 resident FTE positions actively rotated to ILH Because each position has multiple individuals rotate into it throughout the year, over 1500 individual physicians in training are educated at ILH each year Physicians receive training in 36 specialties at ILH

4b (Code) (Expenses $ 157,598,355 including grants of $ 0) (Revenue $ 173,568,499)

Patient Care ILH provides core safety net services to the New Orleans region These services include the operation of an emergency room, an HIV outpatient clinic, oncology services, mental health services, and a Level I trauma center ILH provides inpatient, outpatient, emergency and critical care ILH provides a wide range of services covering over 40 specialties and ambulatory care in over 60 specialty clinics and provides free or reduced cost health care to medically indigent and uninsured patients, including medically complex and otherwise high-risk Medicaid patients It also provides medically necessary health care to the Louisiana prison population The hospital has 390 licensed beds and treated 143,632 inpatients and outpatients during since UMCMC assumed management of the hospital at June 24, 2013

4c (Code) (Expenses $ 810,240 including grants of $ 0) (Revenue $ 103,983)

Community health services and community benefit operations provide free health education programs and screenings to the community These programs are designed to focus on some of the most prevalent diseases in the New Orleans community, such as diabetes, heart disease and cancer These programs address prevention, early detection, treatment and maintaining health lifestyles In 2013, ILH participated in and offered numerous outreach events Additionally, ILH operates an outpatient pharmacy that fills patient prescriptions at a significantly discounted rate to ensure that patients have access to necessary pharmaceutical needs that would not be available to them otherwise

4d Other program services (Describe in Schedule O)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 190,480,039

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	146		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,986		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶Lisa Napier Chief Financial Officer 2021 Perdido St
New Orleans, LA 70112 (504) 299-4726

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) Robert Yarborough Chairman of the Board	1 0	X						0	0	0
(2) Darryl D Berger Vice Chairman of the Board	1 0	X						0	0	0
(3) Alden J McDonald Jr Secretary/Treasurer of the Board	1 0	X						0	0	0
(4) Elaine D Abell Board Member	1 0	X						0	0	0
(5) Donald T Bollinger Board Member	1 0	X						0	0	0
(6) Jaimme A Collins Board Member	1 0	X						0	0	0
(7) Kyle M France Board Member	1 0	X						0	0	0
(8) Harold Gaspard Board Member	1 0	X						0	0	0
(9) Byron Harrell Board Member	1 0	X						0	0	0
(10) A Whitfield Huguley IV Board Member	1 0	X						0	0	0
(11) Henry A Miller Board Member	1 0	X						0	0	0
(12) Cindy Nuesslein President/CEO/Board Member	50 0	X		X	X	X		0	229,835	48,958
(13) Charles L Rice Jr Board Member	1 0	X						0	0	0
(14) Steve Worley Board Member	1 50	X						0	1,173,799	318,565

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								0	1,403,634	367,523

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶0

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
LSU Health Sciences Center 433 Bolivar St New Orleans LA 70112	Provision of Resident costs & supervision, other medical provider coverage, Medical Director	23,169,683
LSU Health Care Services Division LSU Health Administration and Business Office 5429 Airline Highway Baton Rouge LA 708211308	Billing & Collections, Lease of IT infrastructure and support	10,235,919
Tulane University 6823 St Charles Avenue New Orleans LA 70118	GME and other clinical services	7,289,392
Crothall Healthcare Inc 1500 Liberty Ridge Drive Wayne PA 19087	Environmental Services Management	1,251,510
Morrison Management Specialists 5801 Peachtree Dunwoody Rd Atlanta GA 30342	Management of dietary services	1,233,562

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶13

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a 0				
	b	Membership dues	1b 0				
	c	Fundraising events	1c 0				
	d	Related organizations . . .	1d 0				
	e	Government grants (contributions)	1e 1,492,941				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 0				
	g	Noncash contributions included in lines 1a-1f $	0				
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,492,941			
Program Service Revenue			Business Code				
	2a	Net Patient Service Revenue	622110	167,275,121	167,275,121	0	0
	b	Non-patient service revenue	622110	7,764,942	7,764,942	0	0
	c						
	d						
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f . . . . . ▶		175,040,063			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		18,481	0	0	18,481
	4	Income from investment of tax-exempt bond proceeds . . ▶		0	0	0	0
	5	Royalties . . . . . ▶		0	0	0	0
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0 / 0				
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)	0 / 0				
	d	Net gain or (loss) . . . . . ▶					
Other Revenue	8a	Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		0			
	12	**Total revenue.** See Instructions . . . . . ▶		176,551,485	175,040,063	0	18,481

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	0	0	0	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	56,580,871	50,178,644	6,402,227	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,230,434	1,978,056	252,378	0
9 Other employee benefits	4,700,020	4,168,204	531,816	0
10 Payroll taxes	3,975,097	3,566,429	408,668	0
11 Fees for services (non-employees)				
a Management	6,596,245	0	6,596,245	0
b Legal	361,126	0	361,126	0
c Accounting	1,448,320	0	1,448,320	0
d Lobbying	0	0	0	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	0	0	0	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	47,760,172	47,760,172	0	0
12 Advertising and promotion	30,112	0	30,112	0
13 Office expenses	4,816,365	4,720,037	96,328	0
14 Information technology	15,503,392	15,503,392	0	0
15 Royalties . .	0	0	0	0
16 Occupancy	4,278,612	4,278,612	0	0
17 Travel	19,750	19,750	0	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	948	799	149	0
20 Interest	0	0	0	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	274,282	274,282	0	0
23 Insurance	3,000,934	3,000,934	0	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical Supplies	29,978,773	29,978,773	0	0
b Dues & Memberships	89,663	37,965	51,698	0
c Leased facilities & equipment	18,006,719	18,006,719	0	0
d Misc expenses prior to member substitution	171	0	171	
e All other expenses	7,609,210	7,007,271	601,939	0
25 **Total functional expenses.** Add lines 1 through 24e	207,261,216	190,480,039	16,781,177	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		522	1	46,448,393
	2	Savings and temporary cash investments		0	2	
	3	Pledges and grants receivable, net		0	3	
	4	Accounts receivable, net		43,650	4	43,071,151
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	
	7	Notes and loans receivable, net		0	7	
	8	Inventories for sale or use		0	8	7,137,631
	9	Prepaid expenses and deferred charges		0	9	256,198,931
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 4,437,794			
	b	Less accumulated depreciation	10b 274,282	0	10c	4,163,512
	11	Investments—publicly traded securities		0	11	
	12	Investments—other securities See Part IV, line 11		0	12	
	13	Investments—program-related See Part IV, line 11		0	13	
	14	Intangible assets		0	14	
	15	Other assets See Part IV, line 11		0	15	14,718,838
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		44,172	16	371,738,456
Liabilities	17	Accounts payable and accrued expenses		43,650	17	49,589,548
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	91,593,447
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	253,000,000
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		0	25	8,264,670
	26	**Total liabilities.** Add lines 17 through 25		43,650	26	402,447,665
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		522	27	-30,709,209
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		522	33	-30,709,209
	34	Total liabilities and net assets/fund balances		44,172	34	371,738,456

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	176,551,485
2	Total expenses (must equal Part IX, column (A), line 25)	2	207,261,216
3	Revenue less expenses Subtract line 2 from line 1	3	-30,709,731
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	522
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-30,709,209

Part XII Financial Statements and Reporting

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

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
University Medical Center Management Corporation

Employer identification number
25-1925187

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
University Medical Center Management Corporation

Employer identification number
25-1925187

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(b) (c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	0	0	0	0	0
b Contributions	1,092,117	0	0	0	0
c Net investment earnings, gains, and losses	0	0	0	0	0
d Grants or scholarships	0	0	0	0	0
e Other expenditures for facilities and programs	1,092,117	0	0	0	0
f Administrative expenses	0	0	0	0	0
g End of year balance	0	0	0	0	0

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

- a Board designated or quasi-endowment ▶ 100 %
- b Permanent endowment ▶ 0 %
- c Temporarily restricted endowment ▶ 0 %

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

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	0		0
b Buildings	0	0	0	0
c Leasehold improvements	0	0	0	0
d Equipment	0	4,437,794	274,282	4,163,512
e Other	0	0	0	0
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				4,163,512

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

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	
Due to Related Third Parties	1,980,025
Professional Liability Claims	1,618,586
Due to LSU HCSD - unapplied patient accounts	4,666,059
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	8,264,670

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.

1	Total revenue, gains, and other support per audited financial statements			1	176,181,796
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIII)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	176,181,796
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIII)	4b	369,689		
c	Add lines **4a** and **4b**			4c	369,689
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	176,551,485

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

1	Total expenses and losses per audited financial statements			1	206,891,006
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIII)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	206,891,006
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIII)	4b	370,210		
c	Add lines **4a** and **4b**			4c	370,210
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	207,261,216

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part V, Line 4	Government grants were received to cover costs of trauma prevention training and HIV treatment These funds were accounted for as temporarily restricted funds
Schedule D, Part X, Line 2	The Corporation follows the provisions of Accounting for Uncertainty in Income Taxes Topic of the FASB ASC The Corporation recognizes a threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return The interpretation also provides guidance on recognition, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition The Corporation's tax filings are subject to audit by various taxing authorities There are currently no returns under examination Management evaluated the Corporation's tax positions and considered that the Corporation had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance
Schedule D, Part XI, Line 4b	This amount comprises grants received by UMCMC prior to member substitution by Louisiana Children's Medical Center
Schedule D, Part XII, Line 4b	This amount represents expenses incurred by University Medical Center Management Corporation prior to the Member Substitution May 30, 2013 in which Louisiana Children's Medical Center became the sole member of the corporation The amount comprises the following Legal fees of $361,126, Accounting fees of $4,205, Consulting fees of $4,358, and bank service charges of $521

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
University Medical Center Management Corporation

Employer identification number
25-1925187

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			16,211,157	12,342,677	3,868,481	1 87 %
b Medicaid (from Worksheet 3, column a)			60,038,028	63,929,393	-3,891,364	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			28,998,256	25,812,628	3,185,628	1 54 %
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	105,247,441	102,084,698	3,162,745	3 41 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			810,240	103,983	706,257	0 34 %
f Health professions education (from Worksheet 5)			32,071,444	1,367,581	30,703,863	14 81 %
g Subsidized health services (from Worksheet 6)			0	0	0	0 %
h Research (from Worksheet 7)			127,188	0	127,188	0 06 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits	0	0	33,008,872	1,471,564	31,537,308	15 21 %
k **Total.** Add lines 7d and 7j	0	0	138,256,313	103,556,262	34,700,053	18 62 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 19,960,659			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	13,126,367
6	Enter Medicare allowable costs of care relating to payments on line 5	6	13,049,878
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	76,489
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, 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)

Name of hospital facility or facility reporting group Interim LSU Hospital

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

Part V Facility Information *(continued)*

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

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

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

21 During the tax year, did the hospital facility charge any FAP-eligible 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?	**21**		No
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11-Interim LSU Hospital	ILH provides free care to all patients falling below the 200% FPL level There is no sliding scale utilized for the provision of discounted care Patients who do not fall below the 200% FPL level, who are uninsured and who do not qualify for assistance receive a self pay discount of 60%
Schedule H, Part V, Section B, Line 14-Interim LSU Hospital	Patients are instructed verbally regarding the opportunities for financial assistance

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)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Schedule H, Part I, Line 3c	In addition to income-based criteria, ILH applies a Medicare Medically Indigent Assets Test when determining eligibility for financial assistance for Medicare beneficiaries
Schedule H, Part I, Line 7	ILH uses a ratio of patient care cost to charges derived from Worksheet 2 to establish total community benefit expense for Financial Assistance, Medicaid, and other means-tested government programs Costs for community health improvement services and health professions education are derived from ILH department-level accounting records and Medicare and Medicaid cost reports Additionally, it should be noted that due to software limitations, certain percentages from Line 7, column (f) are overstated Line 7b, Medicaid, accounts for -1 88% of total expense Line 7d, column (f) should reflect "Total Financial Assistance and Means-Tested Government Programs" as being 1 53% of total expense Total Community Benefits in Line 7k, are 16 74% of total expenses for ILH HEALTH PROFESSIONS EDUCATION at ILH (see Part I, Line 7f) provides clinical training to students annually in a variety of training programs and specialties, including medical student and postgraduate medical training in various specialties ILH is also a clinical training site for allied health programs for various metropolitan colleges and provides rehabilitation therapy training to students from colleges across the country RESEARCH at ILH (see Part I, Line 7h) provides the resources and infrastructure essential to a preeminent research institution The mission of the Department of Clinical Research is to promote, foster, and sustain the highest quality research within the hospital facilitating innovation and discovery at the cutting edge of science, technology, and scholarly pursuits To fulfill this mission the ILH Department of Clinical Research through its Research Review Committee, in conjunction with the Institutional Review Boards of affiliated academic institutions, collaboratively facilitate healthcare research that supports the needs of the patient populations served throughout the state of Louisiana, in particular, and the global community in general These objectives are achieved by augmenting the academic mission of medical education, research and training programs that include, but are not limited to medical, dental, nursing, and public health ILH supports research across the biomedical spectrum, from core lab-based science and transactional research to clinical trials in all major disease areas It further assists in the development of Quality and Performance Improvement initiatives, driven through and by staff and trainees, thus providing a direct correlation between the level of improved health services and desired outcomes in a meaningful way SYSTEM INFORMATION Louisiana Children's Medical Center (LCMC) is a Louisiana nonstock, not-for-profit corporation that was incorporated in 2009 LCMC, the sole member of Children's Hospital Inc (Children's) also became sole member of Touro Infirmary (Touro) in 2009 to create a two-hospital medical system providing a complete continuum of care from birth to geriatrics Children's provides comprehensive pediatric healthcare that meets the special needs of children through excellence and continuous improvement of patient care, education and research Touro, founded in 1852, serves the Greater New Orleans community as a premier, diverse, multi-specialty hospital, caring for the sick regardless of race, color, creed, religious affiliation, or ability to pay In tax year 2013, following state budget reductions that caused severe cuts to the louisiana public hospital system and at the request of state officials, LCMC embarked on a cooperative endeavor with the State of Louisiana (State) for the purpose of creating an academic medical center (1) to serve the State and its citizens as a premier site for graduate medical education and (2) to fulfill the State's historical mission of assuring access to safety net services to all citizens of the State, including its medically indigent, high risk Medicaid and State inmate populations Under this agreement, LCMC agreed to assume responsibility for the management and operations of the Interim LSU Public Hospital (ILH) and the University Medical Center, presently under construction Through this endeavor, LCMC and its affiliates are fulfilling their missions to enhance the health of the Greater New Orleans community by delivering high quality health care services to all patients through a commitment to clinical excellence, education, technology, research and community outreach In tax year 2013, LCMC and its affiliates provided total community benefit expense of $368 5 million This amount represented 57% of the affiliates' combined total expense LCMC and its affiliates provide services to many low-income residents of the Greater New Orleans area In 2013, $296 0 million in expense (45% of the affiliate's combined total expense) was incurred in providing services for Medicaid recipients and in providing financial assistance

Form and Line Reference	Explanation
Schedule H, Part I, Line 7b	University Medical Center Management Corporation (UMCMC)was originally established on October 12, 2005 as the Earl K Long Medical Foundation, Inc and qualified at that time as a tax exempt corporation under the provisions of 26 USC Sect 501(c)(3) On July 9, 2010, the Articles of Incorporation of the Earl K Long Medical Foundation, Inc were restated to change the name of the entity to University Medical Center Management Corporation (A Major Affiliate of LSU pursuant to La R S 17 3390) The members of the Board of Directors of this not for profit corporation were designated as its members Subsequently on May 30, 2013, the Articles of Incorporation for the organization were again amended to substitute the Louisiana Children's Medical Center (LCMC) as the sole corporate member and to change the name to University Medical Center Management Corporation According to the Terms of a Cooperative Endeavor Agreement, UMCMC agreed to assume management of the Interim LSU Hospital on June 24, 2013 This agreement was executed in order to avoid reductions in service levels proposed by the State of Louisiana based upon projected funding shortfalls In 2014 the Louisiana Department of Hospitals submitted to the Centers for Medicare and Medicaid Services (CMS) a Medicaid State Plan Amendment making academic medical centers serving as safety net providers eligible for Medicaid Disporportionate payments The Cooperative Endeavor Agreement and the Master Lease were amended and restated in 2014 to remove the Department of Health and Hospitals as signatory and to eliminate the required funding provisions The Amended and Restated Master Lease now provides for a 60 day termination without cause in lieu of any required funding provisions and the Cooperative Endeavor Agreement permits LCMC to withdraw as the sole member of UMCMC upon 60 days notice
Schedule H, Part II, Line 10	UMCMC assumed management of ILH on 6/24/13, only 6 months before the 2013 year end While the organization participates in significant community building activities, tracking processes necessary to quantify these efforts were not in place during the 6 months covered by this reporting period These community building activities included the following In the furtherance of its charitable purpose, ILH provides a wide variety of benefits to the community that it serves Such benefits include health seminars on a variety of health topics that are relevant to the health needs of the community ILH offers a Stroke Program that offers free screenings and educational programs to the public It has several employees engaged in community programs such as sexual abuse awareness and Children's Bureau Board of Directors It supports several community function fundraisers for causes such as Diabetes, American Heart Association, United Way, etc ILH also participated in providing dental care for the indigent during the National Dental Association meeting held in New Orleans It offers counseling for patients and families, pastoral care, and health enhancement and wellness programs ILH staff support area nonprofits and community groups to offer health information and health screenings at community events It partners with other healthcare nonprofits to provide healthcare information and education resources to the community and provides a broad range of clinical services to economically disadvantaged patients, both inpatient and outpatient, through outpatient clinics ILH's Governing Board and management work closely with local civic leaders to address the health care needs of the community

Form and Line Reference	Explanation
Schedule H, Part III, Section A, Line 2	The amount reported in Part III, Section A, Line 2, is based on ILH's provision for doubtful accounts The amount has not been converted to cost using a ratio of patient care cost to charges
Schedule H, Part III, Section A, Line 3	ILH has procedures that assure that all self-pay (uninsured) patients in households up to 200% of poverty, those who participate in the Greater New Orleans Community Heath Connection (GNOCHC) program, and those who are medically indigent receive free care

Form and Line Reference	Explanation
Schedule H, Part III, Section A, Line 4	From Note 2, "Net Patient Service Revenues and Related Receivables " Patient accounts receivable are reduced by an allowance of doubtful accounts In evaluating the collect ability of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients (which includes patients without insurance who are not covered by the Corporation's charity care programs and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Corporation records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted are charged off against the allowance for doubtful accounts
Schedule H, Part III, Section B, Line 8	ILH is required to manage its Bad Debt losses, a significant component of its operating performance, as one of the contributors to the total community benefit the organization is able to provide, this is based on the recognition that much of the New Orleans are population is unable to afford the care they need ILH uses a ratio of patient care cost to charges derived from Worksheet 2 to establish the amount reported on Line 6 as Medicare allowable costs of care

Form and Line Reference	Explanation
Schedule H, Part III, Section C, Line 9b	For patients determined to be medically indigent, a system generated transaction will post to the patient account, adjusting the amount due to zero There will be no collection activity on the account following this adjustment
Schedule H, Part VI, Line 2	ILH assesses the health care needs of the communities it serves in many ways Numerous studies have been conducted regarding the needs of patients historically served by ILH in formulating decisions regarding a replacement facility, to establish programs such as GNOCHC, ad otherwise to assure that health care and medical education needs are addressed ILH receives information regarding the health care needs of the New Orleans community from the schools that participate in its training programs The participants in the training programs are on the front lines of patient care and are most aware of the particular needs of this community Through communication with these schools and the other providers in the community, ILH develops an assessment of the health care needs of the indigent population of the New Orleans region ILH has participated actively in the aforementioned studies and in many community efforts relating to needs in the New Orleans area

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3	Upon scheduling or registration, the ability to apply for financial assistance is offered if the patient is uninsured or underinsured If Medicaid assistance is denied, the ILH Financial Assistance and Medical Assistance Program (MAP) departments will assist the patient in seeking other financial assistance benefits These departments instruct the patient on required documentation and eligibility procedures If the patient is determined to be medically indigent and unable to obtain Medicaid benefits, ILH will inform them of alternative possibilities for financial assistance such as Greater New Orleans Community Health Connection (GNOCHC) If the patient is found to be unable to qualify for any public assistance but is not below the 200% FPL limits on charity care, they are informed that they will be considered self pay and entitled to a 60% discount on charges ILH works with the patient to formulate a payment plan requiring a deposit and monthly payments If the patient is found to fall below the 200% FPL level, he or she is classed as charity care and all charges are adjusted off ILH has a long standing reputation of being the safety net hospital for the indigent medically ill patients of New Orleans and surrounding areas Our commitment to our community is to care for all who need our care
Schedule H, Part VI, Line 4	The total population of the following parishes for 2012 Orleans Parish 366,360 (42 83% total pop across the parishes served by ILH), Jefferson Parish 425,199 (49 70% total pop across the parishes served by ILH), St Bernard Parish 39,646 (4 63% total pop across the parishes served by ILH), and Plaquemines Parish 24,267 (2 84% total pop across the parishes served by ILH) Source 2012 Nielson Company, Truven Health 2012 Race/Ethnicity distribution for Orleans Parish White/Non Hispanic was 31% (114,011), Black/Non-Hispanic was 58 4% (213,935), Hispanic was 5 6% (20,566), Asian/Isl was 3% (11,029), All Other was 1 9% (6,819) Jefferson Parish White/Non Hispanic was 54 4% (231,481), Black/Non-Hispanic was 26 4% (112,367), Hispanic was 13 3% (56,538), Asian/Isl was 4 0% (16,914), All Other was 1 9% (7,899) St Bernard Parish White/Non Hispanic was 65 9% (26,123), Black/Non-Hispanic was 19 1% (7,590), Hispanic was 9 9% (3,927), Asian/Isl was 2 0% (800), All Other was 3 0% (1,206) Plaquemines Parish White/Non Hispanic was 67 6% (16,415), Black/Non-Hispanic was 19 7% (4,791), Hispanic was 5 2% (1,255), Asian/Isl was 3 3% (806), All Other was4 1% (1,000) Median household income (2008-2012) for the state compared to parishes served by ILH Louisiana was $44,673, Orleans Parish was $36,681, Jefferson Parish was $48,522, St Bernard Parish was $40,590, and Plaquemines Parish was $57,386 Median Earnings for Workers in 2011 New Orleans was $25,668, State of Louisiana was $23,853 Source 2011 US Census Percent of people living below the poverty level (2008-2012) in the state compared to parishes served by ILH Louisiana was 18 7%, Orleans Parish was 27 2%, Jefferson Parish was 15 3%, St Bernard Parish was 18 2%, and Plaquemines Parish was 11 0% Percent of Uninsured Adults in December 2011 Orleans was 20 7%, Jefferson was 19 9%, St Bernard was 23 5%, Plaquemines was 21 1% Source Dec 2011 Louisiana Health Insurance Survey (sponsored by DHH) Health Outcomes Source 2014 County Health Rankings & America's Health Rankings by the United Health Foundation Health Outcomes Ranking (out of 64 parishes state-wide) Orleans was 47, Jefferson was 13, St Bernard was 52, Plaquemines was 2 Length of Life Orleans was 45, Jefferson was 16, St Bernard was 44, Plaquemines was 10 Quality of Life Orleans was 39, Jefferson was 17, St Bernard was 56, Plaquemines was 1 Healthy Behaviors Orleans was 13, Jefferson was 5, St Bernard was 23, Plaquemines was 22 Percentage of population smoking in parishes served by ILH Orleans was 20%, Jefferson was 21%, St Bernard was 22%, Plaquemines was 23% In Louisiana, obesity is more prevalent among non-Hispanic blacks at 41 6 percent than non-Hispanic whites at 29 3 percent and Hispanics at 28 9 percent (source America's Health Rankings by the United Health Foundation http //www americashealthrankings org/LA/2012) Prevalence of obesity Orleans was 32%, Jefferson was34%, St Bernard was 36%, Plaquemines was 34% Diabetes also varies by race and ethnicity in the state, 12 9 percent of non-Hispanic blacks have diabetes compared to 9 2 percent of non-Hispanic whites and 8 1 percent of Hispanics Louisiana has the 2nd highest diabetes mortality rate in the nation and diabetes is the fifth leading cause for deaths among Louisiana residents (source Louisiana Department of Health and Hospitals Diabetes Prevention and Control program http //new dhh louisiana gov/assets/oph/pcrh/diabetes/2012_Louisiana_Diabe Louisiana ranks 46th for cardiovascular deaths (source America's Health Rankings by the United Way Health Foundation http //www americashealthrankings org/LA) Cancer rates Louisiana ranks 48th in cancer deaths and has consistently had one of the highest cancer incidence rate and highest cancer mortality rate in the country (source America's Health Rankings by the United Way Health Foundation http //www americashealthrankings org/LA) The other acute care hospitals serving the community are Children's Hospital, Touro Infirmary, Ochsner Medical Center Ochsner Baptist Hospital, Ochsner Kenner Hospital, Ochsner Westbank Hospital, Tulane Medical Center, East Jefferson General Hospital, West Jefferson Medical Center and St Bernard Parish Hospital

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5	(A) ILH is committed to the mission of the original Charity Hospital in New Orleans that had a history of charity care spanning over 275 years As part of that commitment, ILH appropriately serves indigent patients and offers financial assistance to those who have an established need to receive medically necessary medical services by offering free care to all uninsured persons who fall below 200% of the Federal Poverty Limits ILH also offers free care to uninsured, medically indigent persons who present documentation that they have incurred eligible medical expenses for the twelve months immediately preceding treatment from any health care provided which are equal to or above 20% of the gross income of the family unit (B) ILH incurs significant cost in the provision of care to those patients qualifying for Medicaid (including Bayou Health Coordinated Care Networks) and the Greater New Orleans Community Health Connection (GNOCHC) To qualify for GNOCHC, applicants must be (1) age 19 to 64, (2) a U S citizen or legal resident, (3) living in Orleans, Jefferson, St Bernard or Plaquemines parishes, (4) uninsured and not have had medical insurance for at least 6 months, (5) not pregnant, and (6) meet monthly income restrictions based on 100% of the Federal Poverty Limit (FPL) GNOCHC covers (1) primary care, (2) preventive care, (3) immunizations and vaccinations, (4) care coordination, (5) lab work and x-rays, (6) behavioral health for mental health and substance abuse services, and (7) some specialty care All professional fees incurred under this program are billed to GNOCHC and paid 100% of the approved fee schedule Facility charges for these services are not reimbursed by the program ILH provides financial assistance to patients enrolled in GNOCHC on a presumptive basis ILH provides Community Health Improvement Services as follows (1) ILH has a robust injury prevention program that includes (a) SUDDEN IMPACT Held within the Trauma Center, the seven-hour program for high school sophomores allows teens to witness first-hand the devastation of motor-vehicle crash injuries and fatalities due to driving under the influence of alcohol or drugs, distracted driving and driving unrestrained During the 2013-2014 school year, ILH presented this program to 1,524 students (b) CONSEQUENCES OF IMPACT MOCK CRASHES This program serves as a follow up to the Sudden Impact Program It portrays a motor vehicle crash to increase the awareness of the dangers of driving impaired, driving unrestrained and participating in high-risk behaviors During the 2013-2014 school year, ILH hosted Consequences of Impact Mock Crashes to 3,760 students (c) MOCK TRIALS This program reinforces the education from the Mock Crash All participants return and are placed on trial for the decisions and outcomes of the crash During the 2013-2014 school year, ILH hosted Mock Trials for over 1,400 students (d) SENIOR SESSIONS This program reinforces the sophomore hospital based Sudden Impact Program During the 2013-2014 school year, ILH hosted the Senior presentation to over 225 students (e) SCHOOL-BASED TRAUMA PREVENTION OUTREACH PROGRAM (STOP) This program focuses on Kindergarten through 2nd grade and seeks to prevent unintentional injuries During the 2013-2014 school year, ILH hosted the STOP program to over 1,475 elementary school students (f) CHILD PASSENGER SAFETY INITIATIVES The project director and assistant administrator of the Louisiana Passenger Safety Task Force (LPSTF) are employees at the ILH Level 1 Trauma Center in New Orleans Through LPSTF, ILH offers free child safety seat installations and inspections ILH personnel are responsible for maintaining the database of child safety seat inspections (g) OCCUPANT PROTECTION AWARENESS CLASSES These classes provide injury prevention education to law enforcement, fire and rescue personnel, EMS, healthcare providers and families who witness death and injury daily in preventable crashes The course focuses on the needs of both adult and child passengers and the ranges and proper use of appropriate child restraint devices It includes crash dynamics and demonstrates how restraint devices help prevent or minimize injuries (h) GRANT-FUNDED CAR FITTING STATIONS ILH supports 32 grant-funded fitting stations in Louisiana and hosts mandatory fitting station in-services for the personnel who man these stations (i) LAW ENFORCEMENT HEMORRHAGE CONTROL AND TRAUMA TOURNIQUET TRAINING This program provides information to law enforcement, EMS and fire personnel on early hemorrhage control and its role in increasing the survivability of any victim It incorporates a 2 to 3-hour instruction period during which the participants receive education on the need for immediate hemorrhage control and review the signs of shock Over 1,400 officers from New Orleans, St Bernard and Gretna, as well as a majority of Louisiana State Police officers have received this training from ILH (j) CEASEFIRE NEW ORLEANS This program uses outreach workers/case workers and violence interrupters/hospital responders to detect and interrupt potentially violent situations and resolve them using a combination of science and street outreach The CeaseFire New Orleans Hospital Crisis Intervention Team is based in the ILH-Spirit of Charity Trauma Center, the only Level 1 Trauma Center in the region It provides services for all gunshot wound victims between the ages of 16 and 25 that come to the hospital ILH provides access and information to CeaseFire New Orleans and in return, CeaseFire provides immediate bedside response at ILH to individuals injured by gun violence It provides follow-up interventions and case management to help reduce the incidences of such injuries (k) SBI-SCREENING AND BRIEF INTERVENTION Because excessive drinking is a significant risk factor for injury, it is vital for trauma centers to have protocols in place to identify and help patients Trauma Centers are in an ideal position to take advantage of the teachable moment generated from an injury by implementing screening and brief intervention (SBI) for at risk and dependent drinkers They provide brief interventions for patients who screen positive and, when needed, refer patients to specialty assessment and treatment (2) The ILH telemedicine program gives patients in rural Louisiana access to quality subspecialty care, removing the obstacles of time and cost to travel to major medical hubs in New Orleans and Baton Rouge ILH telemed also offers services in cardiology, endocrinology and psychiatry to the primary care clinic at L B Landry High School ILH Community Clinic in Algiers on the New Orleans West Bank, eliminating the need for the patient's trip across the Mississippi River (3) The ILH Dental Clinic offers an extensive variety of dental services to the public Predoctoral dental students and dental hygiene students provide care under the supervision of LSU School of Dentistry faculty In the advanced education clinics, residents provide patient care under the close supervision of faculty members In both clinics, services are provided at charges significantly reduced from the cost of private dental care (4) the ILH Outpatient Pharmacy fills the prescriptions of ILH patients at a significantly discounted rate This service ensures that patients have access to necessary pharmaceutical needs that would not be available to them without this program (5) The Tobacco Control Initiative at ILH is a multi-disciplinary program specializing in helping tobacco users quit The program offers free or low-cost, evidence-based tobacco treatment services (6)CenteringPregnancy is a model of group prenatal care where women with similar due dates join together in a group with their healthcare provider They receive all the components of prenatal care, including health assessment, education and support This program is offered at ILH although ILH does not offer obstetrical inpatient care (7) ILH facilitates meetings of Alcoholics Anonymous and Narcotics Anonymous on the campus of the DePaul Behavioral Health Center (8) ILH provides access to a Sexual Assault Nurse Examiner (SANE) 24/7 ILH absorbs the costs for trained SANE personnel who administer the forensic exam for evidence collection, normally a four to eight hour process, as well as time spent in coordination with other agencies and at trials ILH also offers financial assistance within qualified guidelines for medical costs incurred for treatment outside of the forensic exam (9) ILH provides HIV screening and testing to all patients presenting in the Emergency Department free of charge (10) ILH provides a Population Health Area that provides counseling to patients regarding nutrition, diabetes, asthma, weight management and heart health

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
University Medical Center Management Corporation

Employer identification number
25-1925187

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)Steve Worley Board Member	(i)	0	0	0	0	0	0	0
	(ii)	1,214,382	100,248	8,002	164,575	5,157	1,492,364	
(2)Cindy Nuesslein President/CEO/Board Member	(i)	0	0	0	0	0	0	0
	(ii)	236,933	0	8,677	33,108	75	278,793	0

Part III Supplemental Information

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

Return Reference	Explanation
Schedule J, Part I, Line 3	Base compensation, incentive compensation and all other reportable and non-reportable compensation for ILH's President/CEO is reviewed annually by the Executive Committee of the Board of Trustees of Louisiana Children's Medical Center which is ILH's parent The Executive Committee is a 10 voting-member subset of the Board of Trustees Decisions made by the Executive committee are documented and reported in summary to the full Board of Trustees In addition to board review, third-party consultants periodically review compensation and incentive amounts to ensure market reasonableness and competitiveness Third-party prepared compensation and incentive review is presented to the Executive Committee

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

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.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
University Medical Center Management Corporation

Employer identification number
25-1925187

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part III, Line 2	
Form 990, Part VI, Section A, Line 4	The Articles of Incorporation of University Medical Center Management Corporation (A Major Affiliate of LSU pursuant to La R S 17 3390) were amended on May 30, 2013, to substitut e Louisiana Children's Medical Center as the sole member of the corporation and to change the name to University Medical Center Management Corporation
Form 990, Part VI, Section A, Line 6	Louisiana Children's Medical Center is the sole member of the organization
Form 990, Part VI, Section A, Line 7a	Louisiana Children's Medical Center reserved the power to approve the decisions of the board
Form 990, Part VI, Section A, Line 7b	Louisiana Children's Medical Center reserves the power to approve decisions of the board o f directors of University Medical Center Management Corporation
Form 990, Part VI, Section B, Line 11b	A draft of the Corporation's Form 990 will be presented at a monthly board of director's m eeting During this meeting the return will be reviewed for accuracy & completeness
Form 990, Part VI, Section B, Line 12c	At the time of hire, each employee reviews the conflict of interest form, has an opportuni ty to ask questions about the policy, and signs a document stating that they have reviewed and understand the policy This is a part of the employees' permanent record, and applies to all employees Senior management (directors, vice presidents, CEO) and members of the board of directors are required to review and sign a conflict of interest form on an annua l basis
Form 990, Part VI, Section B, Line 15	The Corporation relies on comparable data from unrelated entities to determine the amount of compensation for its executives, and documentation is maintained regarding the determin ation of these amounts The final decision regarding the amount of compensation is subject to the approval of the board of directors
Form 990, Part VI, Section C, Line 19	All governing documents, the conflict of interest policy, and financial statements are made available to the public upon request
Form 990, Part VII, Section A, Line 1a	As explained in response to the answer on Form 990, Part VI, Line 4 (see this Schedule O), the Articles of Incorporation of University Medical Center Management Corporation (A Majo r Affiliate of LSU pursuant to La R S 17 3390) were amended on May 30, 2013, to substitu te Louisiana Children's Medical Center (LCMC) as the sole member of the corporation and to change the name to University Medical Center Management Corporation Certain Officers, Bo ard Members and Key Employees of UMCMC were employees of Children's Hospital, an organizat ion related to LCMC, prior to this member substitution and remained employees of Children' s following this transaction Due to the fact that Children's Hospital has only been a rel ated entity for approximately 6 months of the 2013 calendar year, the salary amounts for t hese individuals has been prorated to reflect the salary paid during the time of the relat ionship Additionally, during 2013 a consulting company provided a temporary Chief Financi al Officer while Management searched for a permanent Chief Financial Officer This consult ant did not have executive authority for operations
Form 990, Part IX, Line 11g	Medical Professional Services 46,928,188, Patient Transportation Services 261,800, Outside Patient Services 570,184

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493321126374

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
University Medical Center Management Corporation

Employer identification number
25-1925187

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	(g) No
(1) Louisiana Children's Medical Center 200 Henry Clay Ave New Orleans, LA 70118 94-3480131	Healthcare delivery	LA	501(c)(3)	Line 11d	N/A		No
(2) Touro Infirmary 1401 Foucher St New Orleans, LA 70118 72-0423659	Healthcare delivery	LA	501(c)(3)	Line 3	N/A		No
(3) Childrens Hospital Inc 200 Henry Clay Ave New Orleans, LA 70118 72-0467503	Healthcare delivery	LA	501(c)(3)	Line 3	N/A		No

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) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Louisiana Children's Medical Center	m	1,465,969	Fair Market Value of services provided
(2) Childrens Hospital Inc	e	622,209	

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION

Audit of Financial Statements

For the Year Ended December 31, 2013

LAPORTE

Contents

LAPORTE

LaPorte, APAC
111 Veterans Blvd Suite 600
Metairie, LA 70005
504 835 5522 | Fax 504 835 5535
LaPorte.com

Independent Auditor's Report

To the Board of Directors of
University Medical Center Management Corporation
New Orleans, Louisiana

Report on the Financial Statements
We have audited the accompanying financial statements of University Medical Center Management Corporation (the Corporation), which comprise the balance sheet as of December 31, 2013, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

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

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

Opinion

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole The accompanying schedule of expenditures of federal awards as required by Office of Management and Budget *Circular A-33, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements 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 financial statements The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated April 22, 2014, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance

A Professional Accounting Corporation

Metairie, LA
April 22, 2014

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
Balance Sheet
December 31, 2013 (in Thousands)

Assets		
Current Assets		
Cash	$	46,448
Patient Accounts Receivable, Net of Allowance for Doubtful Accounts of $19,741		43,071
Estimated Third-Party Payor Settlements		8,512
Inventories		7,138
Prepaid Expenses		5,095
Total Current Assets		110,264
Assets Limited as to Use		
Restricted Other		2,750
Property, Plant and Equipment, Net		4,164
Other Assets		254,560
Total Assets	$	371,738
Liabilities and Net Assets		
Current Liabilities		
Trade Accounts Payable	$	38,885
Accrued Salaries and Benefits		7,773
Deferred Revenue		91,593
Due to Related Party		1,980
Current Portion of Estimated Employee Health and Workers' Compensation Claims		2,628
Other Current Liabilities		4,969
Total Current Liabilities		147,828
Notes Payable		253,000
Estimated Professional Liabilities Claims, Net of Current Portion		1,619
Total Liabilities		402,447
Net Assets		
Unrestricted		(30,709)
Total Liabilities and Net Assets	$	371,738

The accompanying notes are an integral part of these financial statements

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
Statement of Operations
For the Year Ended December 31, 2013 (in Thousands)

Unrestricted Revenues, Gains and Other Support		
Net Patient Service Revenues	$	187,236
Provision for Doubtful Accounts		19,961
Net Patient Service Revenues less Provision for Doubtful Accounts		167,275
Other Revenues		8,907
Total Operating Revenues		176,182
Operating Expenses		
Employee Compensation and Benefits		67,487
Purchased Services		26,479
Professional Fees		53,610
Supplies and Other Expenses		59,042
Depreciation and Amortization		274
Total Operating Expenses		206,892
Loss from Operations		(30,710)
Excess Revenues over Expenses	$	(30,710)

The accompanying notes are an integral part of these financial statements

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
Statement of Changes in Net Assets
For the Year Ended December 31, 2013 (in Thousands)

Unrestricted Net Assets	
Excess Revenues over Expenses	$ (30,710)
Decrease in Net Assets	(30,710)
Net Assets, Beginning of Year	1
Net Assets, End of Year	$ (30,709)

The accompanying notes are an integral part of these financial statements

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
Statement of Cash Flows
For the Year Ended December 31, 2013 (in Thousands)

Cash Flows from Operating Activities		
Decrease in Net Assets	$	(30,710)
Adjustments to Reconcile Decrease in Net Assets		
to Net Cash Used in Operating Activities		
Depreciation		274
Provision for Doubtful Accounts		19,961
Changes in Operating Assets and Liabilities		
Increase in Patients Accounts Receivable		(63,032)
Increase in Inventories		(7,138)
Increase in Estimated Third-Party Payor Settlements		(8,512)
Increase in Prepaid Expenses		(5,095)
Increase in Other Assets		(254,560)
Increase in Accounts Payable		38,885
Increase in Accrued Expenses		7,772
Increase in Due to Related Party		1,980
Increase in Deferred Revenue		91,593
Increase in Other Current Liability		4,969
Increase in Estimated Insurance Claims		4,247
Net Cash Used in Operating Activities		(199,366)
Cash Flows from Investing Activities		
Change in Assets Limited as to Use		(2,750)
Purchases of Property, Plant and Equipment		(4,437)
Net Cash Used in Investing Activities		(7,187)
Cash Flows from Financing Activities		
Proceeds from Issuance of Debt		253,000
Net Cash Provided by Financing Activities		253,000
Net Change in Cash		46,447
Cash, Beginning of Year		1
Cash, End of Year	$	46,448
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest on the Series 2013 Notes	$	1,560

The accompanying notes are an integral part of these financial statements

Note 1. Organization

In 2013, the Articles of Incorporation of a corporation originally incorporated as Earl K Long Medical Foundation, Inc were restated, elements of which included changing the corporate name to University Medical Center Management Corporation (the Corporation), stipulating that the sole corporate member of the Corporation is Louisiana Children's Medical Center (LCMC), a Louisiana nonprofit corporation

The restatement also modified the purpose of the Corporation, which is to operate as a corporation affiliated with Louisiana State University (LSU) as defined in LA R S 17 3390, with a principal purpose of supporting the programs, facilities and research and educational opportunities offered by LSU, and supporting research and educational opportunities, including, without limitation, medical training programs offered by the Administrators of the Tulane Educational Fund (Tulane), including, without limitation, the following (i) operating the hospital currently known as Interim Louisiana Hospital in New Orleans (ILH) and upon its completion the new University Medical Center in New Orleans (UMC), (ii) operating in a manner consistent with the best practices of private, nonprofit institutions, (iii) being a provider of charity care for the uninsured and playing a pivotal role as a statewide referral center for patients in need of higher levels of care, (iv) providing medical and allied health training, and, (v) being recognized nationally as a leader in research, training, and excellence in transparent clinical and financial outcomes

On May 29, 2013, the Corporation and LCMC, entered into a Cooperative Endeavor Agreement (CEA) with the Board of Supervisors of LSU, the Louisiana Division of Administration, the State of Louisiana (State), through its Division of Administration (DOA), and the State of Louisiana Department of Health and Hospitals (DHH), collectively referred to as the Parties, to address the provisions of healthcare in and through ILH and UMC and to address the stability and preservation of academic medicine in Louisiana, especially New Orleans

The Parties entered into the CEA for the public purpose of creating an academic medical center in which the parties continuously work in collaboration and are committed and aligned in their actions and activities, in a manner consistent with a sustainable business model and adequate funding levels, to serve the State and its citizens (i) as a premier site for graduate medical education, capable of competing in the health care marketplace, comparable among its peers, with the goal of attracting the best faculty, residents and students, to enrich the State's health care workforce and their training experience, (ii) in fulfilling the State's historical mission of assuring access to Safety Net Services to all citizens of the State, including its medically indigent, high risk Medicaid and State inmate populations, and (iii) by focusing on and supporting the Core Services and Key Service Lines, as defined and agreed by the Parties, necessary to assure high quality Graduate Medical Education (GME) programs and access to Safety Net Services

Note 1. Organization (Continued)

The CEA provides that the Corporation will enter into academic affiliation agreements with LSU, Tulane, Xavier University, Dillard University, University of New Orleans, Delgado Community College and other academic institutions to strengthen and enhance medical education in the collaborative academic medical centers (the AMC) and the health care workforce in Louisiana

The CEA also provides (i) the terms and conditions with which the Corporation will assume responsibility for operating ILH, (ii) that LSU will lease ILH and UMC and certain furniture, fixtures and equipment used in connection with operating ILH to the Corporation, (iii) the Corporation will purchase certain consumable inventory and minor equipment, (iv) that LSU and the State will grant to the Corporation a right of use of the land upon which UMC is being constructed and will be operated and certain land improvements surrounding UMC pursuant to a Right of Use agreement, (v) that LSU will assist in transitioning ILH operations from LSU to the Corporation, and, (vi) that the Corporation and LCMC will commit to supporting the academic, clinical and research of the AMC, as defined within the CEA Terms of the leases that result from the CEA are discussed further in Note 11

Lastly, the CEA promulgates reimbursement rules providing total funding obligations that will be paid to UMCMC or LCMC Affiliates, defined in the CEA as Required Program Funding Failure to pay, or a reduction in the amount of funding, could constitute a Potential Elective Withdrawal Event, as defined, providing LCMC an option to initiate a Pre-Withdrawal Process, as defined, and, if applicable, effect a Member Withdrawal, as defined

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows generally accepted accounting principles (GAAP), which requires the Corporation to report information regarding their financial position and activities according to three classes of net assets unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets The Corporation did not have any temporarily or permanently restricted net assets at December 31, 2013

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Accordingly, actual results could differ from these estimates

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates (Continued)

The Corporation considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following recognition of net patient revenue, which includes contractual allowances, discounts, provisions for bad debts and charity care, losses and expenses related to the self-insured workers' compensation, professional liabilities and employee health claims Management bases it estimates on historical experience and various assumptions that it believes are reasonable under the particular facts and circumstances Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with a remaining maturity of three months or less when purchased, excluding restricted assets

Inventories

The Corporation states its inventories at market value at the date of its balance sheet

Assets Limited as to Use

Restricted assets consist of certificates of deposit held by the Workers' Compensation Fund and by the General and Professional Liability Fund as collateral against the self-insured portion of claims on policies more fully detailed in Note 7

Property, Plant and Equipment

Property, plant, and equipment are stated at cost Depreciation is computed on the straight-line basis over the estimated useful lives, as follows

Major Moveable Equipment	3 - 10 Years

Prepaid Rent, Long-Term

In accordance with the CEA described above and in Note 10, the Corporation made advance rent payments on its lease of UMC These advance payments were funded by the Series 2013 Notes mentioned in Note 5 Of these payments, $110,000,000 represents a prepayment of a portion of the future UMC facility, with the exception of its Ambulatory Care Center and its Garage, while $143,000,000 represents all future rent payments for the Ambulatory Care Building and Garage These payments are included within other assets on the balance sheet and are classified as non-current Due to the debt service being associated with these advance rent payments, the Corporation has deferred the recognition of $1,560,388 of interest payments made through December 31, 2013 These interest payments are added to the advance lease payments classified as other assets on the balance sheet These advance payments, together with the deferral of interest payments, will be applied to the annual rental requirements of UMC as further described in Note 11

Note 2. Summary of Significant Accounting Policies (Continued)

Estimated Workers' Compensation, Professional Liability, and Employee Health Claims

The Corporation records the provisions for estimated medical, professional and general liability and workers' compensation claims based upon actual claims reported, combined with an estimate of claims incurred but not reported based upon past experience and industry and related party trends Claims expense is reduced by amounts recoverable through stop-loss insurance purchased by the Corporation Estimates recorded for these self-insured liabilities incorporate the Corporation's past experience, as well as other considerations including the nature of claims, industry data, relevant trends and the use of actuarial information

The Hospital follows ASU 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, which clarifies that a health care entity should not net insurance recoveries against a related claim liability

Deferred Revenue

In accordance with the CEA described in Note 1, the Corporation received Required Program Funding in advance of the Corporation providing services associated with the Required Program Funding The Corporation will recognize revenue ratably in its 2014 fiscal year-end as the required services are provided

Net Patient Service Revenues and Related Receivables

The Corporation follows the provisions of Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provisions for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which requires the presentation of the provision for doubtful accounts related to patient service revenue as a deduction from patient service revenue and enhancing the disclosures of the Corporation's policies related to uncollectible accounts

Net patient service revenues and receivables are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors The Corporation provides care to patients even if they lack adequate insurance coverage or are covered by contractual payment arrangements that do not pay full charges

Patient accounts receivables are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts

Note 2. Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenues and Related Receivables (Continued)

For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely)

For receivables associated with self-pay patients (which includes patients without insurance who are not covered by the Corporation's charity care programs and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporation's records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted are charged off against the allowance for doubtful accounts

The Corporation's provision for bad debts for the year ended December 31, 2013, totals approximately $19,961,000 of which approximately $19,741,000 is wholly related to self pay accounts

Advertising Expenses

The Corporation expenses advertising costs as incurred Advertising expense was approximately $18,000 for the year ended December 31, 2013

Grants and Contributions

From time to time, the Corporation receives grants and contributions from individuals or private and public entities Revenues from grants and contributions (including contributions of capital assets) are recognized when all of the eligibility requirements, including time requirements, are met, and when there is reasonable assurance that the grants or contributions will be received Grants and contributions may be restricted for either specific operating purposes or for capital purposes Amounts are recorded as either operating revenue or non-operating revenue dependent upon how the transaction is classified on the consolidated statement of cash flows Cash flows that do not meet the reporting criteria for investing, capital financing or non capital financing would be reported as operating activities, with their associated revenue reported as operating revenue within the consolidated statement of operations

Note 2. Summary of Significant Accounting Policies (Continued)

Excess Revenues over Expenses

Management considers excess of revenues over expenses to be the Corporation's performance indicator Excess of revenues over expenses includes all changes in unrestricted net assets except for the effect of changes in accounting principles, net assets released from restrictions used for purchase of property and equipment, change in funded status of pension obligations, change in the non-controlling interest in health-related activities, change in accumulated unrealized derivative gains and losses, and funds donated from unconsolidated sources for purchases of property and equipment

Community Benefit

In the furtherance of its charitable purpose, the Corporation provides a wide variety of benefits to the community which it serves Such benefits include health seminars on a variety of health topics that are relevant to the health needs of the community The Corporation has a robust trauma prevention program including but not limited to, Tourniquet training, Sudden Impact (targeting high school sophomores), safety belt programs and baby carrier programs The Corporation works closely with multiple federally qualified health centers to provide specialty care for their patients The Corporation has several employees engaged in community programs such as sexual abuse awareness, and Children's Bureau Board of Directors, as well as, support for several community function fundraisers such as Diabetes, American Heart Association, United Way, etc The Corporation also participated in providing dental care for the indigent during the National Dental Association meeting held in New Orleans The Corporation offers counseling for patients and families, pastoral care, and health enhancement and wellness programs, including smoking cessation The Corporation staff support area nonprofits and community groups to offer health information and health screenings at community events The Corporation partners with other healthcare nonprofits to provide healthcare information and education resources to the community The Corporation provides clinical training to students annually in a variety of training programs and specialties, including medical student and post graduate medical training in various specialties The Corporation is also a clinical training site for allied health programs for various metropolitan colleges and provides rehabilitation therapy training to students from colleges across the country The Corporation also provides a broad range of clinical services to economically disadvantaged patients, both inpatient and outpatient, through outpatient clinics In addition, the Corporation's Governing Board and management work closely with local civic leaders to address the health care needs of the community

The Corporation follows ASU 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure*, which requires that costs be used as the measurement basis of charity care disclosures and that cost be identified as the direct and indirect cost of providing the charity care During the year ended December 31, 2013, estimated costs associated with charity care services provided by the Corporation was approximately $50,320,000 Estimated costs of charity care services provided are determined based on the Corporation's average cost to charge ratio and total charges for provided services determined to qualify as charity care

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Corporation is recognized as a not-for-profit entity under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxation

Subsequent Events

The Corporation has evaluated subsequent events occurring between December 31, 2013 and April 22, 2014, the date the financial statements were available to be issued See Note 13

Note 3. Net Patient Service Revenues

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

Medicare and Medicaid

The Corporation's participates primarily in the Medicaid and Medicare programs as a provider of medical services to program beneficiaries Approximately 53% of the Corporation's gross patient service revenues were derived from program beneficiaries for the year ended December 31, 2013

The Corporation is reimbursed under the Medicare Prospective Payment System (PPS) for acute care inpatient services provided to Medicare beneficiaries and is paid a predetermined amount for these services based, for the most part, on the Diagnosis Related Group (DRG) assigned to the patient In addition, the Corporation is paid prospectively for Medicare inpatient capital costs based on the federal specific rate

Inpatient services rendered to Medicaid patients are paid based on a prospective per diem system Outpatient services rendered to Medicaid patients are reimbursed under a cost reimbursement methodology subject to certain limitations Final settlement of the Corporation's reimbursement is determined after submission of its annual cost reports and audits thereof performed by the Medicaid fiscal intermediary

The Corporation is reimbursed for both inpatient and outpatient services at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation's and audits thereof performed by the Medicaid fiscal intermediary

The Corporation qualifies as a disproportionate share provider in accordance with the State's Medicaid regulations and, as such, is entitled to additional payments

The Medicaid disproportionate share regulations are established by the Louisiana Department of Health and Hospitals and are subject to review and approval by the Centers for Medicare and Medicaid Services The Corporation has included $72,443,000 for Medicaid disproportionate share revenues in net patient service revenues for the year ended December 31, 2013

Note 3. Net Patient Service Revenues (Continued)

Medicare and Medicaid (Continued)

The Medicaid cost report for the year 2013 has not been final audited by the Medicaid fiscal intermediary Management regularly evaluates the adequacy of the recorded settlements and does not anticipate significant adverse adjustments to the recorded settlements for these cost report years Any changes in the estimated settlements are reported as adjustments to net patient service revenues in the year the final settlements are determined

Managed Care

The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations Inpatient and outpatient services rendered to managed care subscribers are reimbursed at prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Note 4. Property, Plant and Equipment

At December 31st, property, plant and equipment consisted of the following (in thousands)

Major Moveable Equipment	$	4,438
		4,438
Less Accumulated Depreciation		(274)
Property, Plant and Equipment, Net	$	4,164

Depreciation expense on depreciable assets was approximately $274 thousand for the year ended December 31, 2013

Note 5. Notes Payable

On June 3, 2013, the Corporation entered into a trust indenture with the Bank of New York Mellon Trust Company relating to the issuance of the Series 2013 Notes $253,000,000 with a variable interest rate per annum equal to the index rate Interest on the Notes is payable in arrears on the first business day of each month, commencing July 1, 2013 See Note 2 and its section titled Prepaid Rent, Long-Term for further details on the interest payments In order to induce the purchase of these notes, a Guaranty Agreement was established with Children's Hospital named as the Guarantor of the Series 2013 Notes The Series 2013 Notes were scheduled to mature April 1, 2014, but were converted into long-term notes that mature April 1, 2024, and are, therefore, classified as non-current on the consolidated balance sheets See Note 13

Note 6. Employee Retirement Plans

Defined Contribution Plans

The Corporation sponsors a Section 403(b) defined contribution employee benefit plan, which covers substantially all employees who meet age and length of service requirements The plan allows for participating employees to make contributions up to the applicable IRS limitations The Corporation makes matching contributions equal to 100% of an employee's annual contribution up to 3% of the employee's eligible earnings In addition, the Corporation will also make a matching contribution of 50% of the next 2% of employee annual earnings The Corporation makes a core contribution equal to 2% of the participant's annual compensation Contributions by the Corporation to this plan during the year ended December 31, 2013, were approximately $2,009,000

Note 7. Insurance Programs

Medical Professional Liability

The State enacted legislation that created a statutory limit of $500,000 for each medical professional liability claim and established the Louisiana Patient Compensation Fund (State Insurance Fund) to provide professional liability insurance to participating health care providers

The Corporation participates in the State Insurance Fund, which provides up to $400,000 coverage for settlement amounts in excess of $100,000 per claim (exclusive of future medical care awards and litigation expenses) The Corporation is self-insured with respect to the first $100,000 and any claims in excess of the State Insurance Fund up to the Umbrella limit for hospital claims All physician claims in excess of the State Insurance Fund are self-insured The State Insurance Fund does not provide coverage for litigation and expense costs

Workers' Compensation

The Corporation is self-insured for workers' compensation claims up to $1,500,000 for the period beginning August 31, 2013 The Corporation's per occurrence retention was unlimited for claims occurring June 24, 2013 to August 30, 2013 In addition, for the period beginning August 31, 2013, the Corporation maintains excess workers' compensation coverage on an occurrence basis for statutory limits through an insurance carrier

As mentioned in Note 2, certificates of deposit secure the self-insured portion

Health Insurance

The Corporation offers subsidized health insurance to its employees through an employer-sponsored health plan The self-insured plan obligates the Corporation to pay the first $300,000 per claim Insurance coverage exceeding these amounts is provided by a commercial carrier for claims up to $2,000,000 per occurrence The health insurance reserve was approximately $2,628,343 at December 31, 2013 The estimated reserve for employee health care claims is based on actual claims history and includes estimates for administrative costs These costs are accrued on the balance sheet in the accrued salaries and benefits

Note 7. Insurance Programs (Continued)

In General

Through LCMC, the Corporation has purchased additional umbrella coverage for professional liability on a claims-made basis of $25,000,000 from an insurance carrier The Corporation's management believes all asserted claims are covered and will be settled within the limits of its coverage The estimated liability included in the balance sheet, which was discounted at 6%, totaled $1,619,000 at December 31, 2013, for known claims and possible losses attributable to any workers' compensation, general, or professional liability incidents that may have occurred but that have not been identified under the Corporation's incident reporting system

Note 8. Concentrations of Credit Risk

Patient accounts receivable are stated at estimated net realizable value The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements

The mix of receivables from patients and third-party payors at December 31st, was as follows

Medicare	37%
Medicaid	30%
Managed Care	32%
Self-Pay Patients	1%
	100%

Receivables from government-related programs (i e , Medicare and Medicaid) represent the only concentrated group of credit risk for the Corporation, and management does not believe that there are any credit risks associated with these government programs Commercial and managed care receivables consist of receivables from various payors involved in diverse activities and subject to differing economic conditions and do not represent any concentrated credit risks to the Corporation

The Corporation maintains allowances for uncollectible accounts for estimated losses resulting from a payor's inability to make payments on accounts The Corporation uses a balance sheet approach to value the allowance account based on historical write-offs and the aging of the accounts Accounts are written off when collection efforts have been exhausted Management continually monitors and adjusts its allowances associated with its receivables

The Corporation periodically maintains cash in bank accounts in excess of insured limits The Corporation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice

Note 9. Functional Expenses

The Corporation provides general health care services, both inpatient and outpatient, to patients in the Gulf South region For the year ended December 31, 2013, expenses related to providing these services are as follows (in thousands)

Health Care Services	$	161,277
Fiscal and Administrative Services		45,615
Total	$	206,892

Note 10. Related Party Transactions

LCMC is the sole member of the Corporation, and its affiliates Touro Infirmary and its subsidiaries (Touro) and Children's Hospital (Children's)

Below is the summary of related party activity for the year ended December 31, 2013

The Corporation is assessed a management fee by LCMC for management services provided directly to the Corporation The amount of these services for the year ended December 31, 2013 was $1,466,000 and is included within professional fees on the statement of operations There is a corresponding liability of $888,000, which is still outstanding to LCMC at December 31, 2013, and is included within due to related party on the balance sheet

Children's has advanced funds and processed payments on behalf of the Corporation to help the Corporation meet its disbursement obligations before the Corporation's systems were functional These transactions are recognized in the Corporation's financial statements Included on the balance sheet, within due to related party, at December 31, 2013 is $622,000 due to Children's for these disbursements

Children's provides patient care to individuals covered by the Corporation's employee health insurance plan The Corporation has paid $84,000 to Children's for the year ended December 31, 2013 and this amount is included within employee compensation and benefits expense on the statement of operations

Touro also provides patient care to individuals covered by the Corporation's employee health insurance plan, together with nursing services provided by Touro employees to patients of the Corporation The total paid by the Corporation for these services was approximately $309,000 for the year ended December 31, 2013

The Corporation has a contract with Touro, whereby Touro will provide services, not offered at the ILH, to the Corporation's patients, at cost The total paid to Touro for these services was $445,000 during the year ended December 31, 2013 Included on the balance sheet, within due to related party, at December 31, 2013 is $445,000 due to Touro for these services

Note 10. Related Party Transactions (Continued)

Touro performs certain IT services on infrastructure shared with the Corporation, has purchased IT equipment on behalf of the Corporation, has processed various disbursements on behalf of the Corporation, and provides Help Desk Support to the Corporation for both the financial system and the remote connectivity to the financial system These transactions are recognized in the Corporation's financial statements Included on the balance sheet, within due to related party, at December 31, 2013 is $25,000 due to Touro for these transactions

As mentioned in Note 5, Children's is the Guarantor on the Corporation's outstanding Series 2013 Notes As mentioned in Note 13, LCMC and Children's are named as members of the Obligated Group that, through a First Supplemental Indenture with Ancillary Obligations, obligates LCMC and Children's for the debt service of the Corporation's Series 2014-A Notes

Note 11. Commitments and Contingencies

The Corporation has certain pending and threatened litigation and claims incurred in the ordinary course of business, however, management believes that the probable resolution of such contingencies will not exceed the Corporation's recorded reserves or insurance coverage, and will not materially affect the consolidated financial position, results of operations, changes in net assets, or cash flows of the Corporation

The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, and reimbursement for patient services Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed Management believes that the Corporation is in compliance with fraud and abuse, as well as other applicable government, laws and regulations Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time

Note 11. Commitments and Contingencies (Continued)

To ensure accurate payments to providers, the Tax Relief and Healthcare Act of 2006 mandated the Centers for Medicare & Medicaid Services (CMS) to implement a so-called Recovery Audit Contractor (RAC) and Medicaid Integrity Contractor (MIC) programs on a permanent and nationwide basis The programs use RACs and MICs to search for potentially improper Medicare and Medicaid payments that may have been made to health care providers that were not detected through existing CMS program integrity efforts, on payments that have occurred at least one year ago but not longer than three years ago Once a RAC or MIC identifies a claim it believes to be improper, it notifies the Hospital to formally begin an assessment process Upon completion of the assessment and appeal process, it makes a deduction from the provider's Medicare and Medicaid reimbursement in an amount estimated to equal the overpayment

The Hospital will deduct from revenue amounts assessed under the RAC and MIC audits after the assessment and appeals process is complete until such time that estimates of net amounts due can be reasonably estimated RAC and MIC assessments against the Hospital are anticipated, however, the results of such assessments are unknown and cannot be reasonably estimated Management has determined RAC and MIC assessments to be insignificant to date

In March 2010, the Patient Protection and Affordable Care Act (PPACA) was signed into law The PPACA is creating sweeping changes across the healthcare industry, including how care is provided and paid for A primary goal of this comprehensive reform legislation is to extend health coverage to uninsured legal U S residents through a combination of public program expansion and private sector health insurance reforms To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs Management of the Corporation is studying and evaluating the anticipated effects and developing strategies needed to prepare for implementation, and is preparing to work cooperatively with other consultants to optimize available reimbursement

Leases with ILH and UMC

As mentioned in Note 1, the Corporation entered into a CEA, from which multiple lease agreements were agreed to

Effective May 29, 2013, the Corporation entered into a Master Hospital Lease Agreement with LSU for the leasing of ILH and UMC For the term of leasing ILH, the Corporation shall pay an annual rent of $24,101,208, payable in quarterly installments of $6,025,302 Upon the completion of the construction of UMC and the Corporation taking occupancy of UMC, the Corporation is obligated to minimum annual rental payments of $69,409,750, payable in quarterly installments of $17,352,437

Note 11. Commitments and Contingencies (Continued)

Leases with ILH and UMC (Continued)

The term of the ILH lease is not expected to exceed two years The term of the UMC lease will be forty years with options to extend for three fifteen-year periods The quarterly rent payments for leasing both ILH and UMC are subject to increase annually, however, that increase is limited to no more than 5% than the rent in the previous year The quarterly lease payments for UMC will be reviewed and adjusted to the Fair Market Rental Value, as defined, every twenty years

The Master Lease Agreement required the Corporation to make advance lease payments towards it facility rental Of this total, $110,000,000 is a prepayment of a portion of the future UMC rent payments, excluding the UMC's Ambulatory Care building and its Garage The Corporation will receive an annual credit of approximately $5,500,000 against its quarterly rent obligation for UMC, for each of the first twenty years of the UMC lease term The remaining $143,000,000 represents all future rent payments for UMC's Ambulatory Care building and its Garage This will be amortized over the forty year term of the UMC lease

These advance payments are included within other assets on the balance sheet and are classified as non-current These payments were funded by the Series 2013 Notes mentioned in Note 5

LCMC is guaranteeing the future rent payments prescribed by the Master Lease agreement

In relation to the Master Lease agreement, the Corporation entered into a Right of Use, Possession and Occupancy agreement whereby the Corporation is granted the right to use and occupy the land and surface improvements for allowing the leased buildings and future buildings and other improvements to be located on the land, together with vehicular and pedestrian access to and from the leased buildings and future improvements, parking and related uses This agreement commences on the date that the UMC facility lease commences and shall only terminate and expire when the UMC facility lease expires

Effective May 29, 2013, the Corporation also entered into an Equipment Lease for an initial term of ten years with two separate and successive options to renew for a period of five years The annual consideration for this lease shall be $9,878,000 and shall be paid quarterly The Corporation is responsible for lost and stolen equipment that is being leased and the cost associated with either replacing that equipment or reimbursing the lessor for the fair market value of that equipment The Corporation has substantial reporting requirements to the Louisiana Property Assistance Agency and the State's Legislative Auditor under this equipment lease

Rent expense under the above Master Lease and Equipment Lease totaled approximately $17,460,000 for the year ended December 31, 2013

Note 11. Commitments and Contingencies (Continued)

Leases with ILH and UMC (Continued)
In projecting minimum annual lease payments, the Corporation included a growth factor of 3% to its annual rents, calculated rent for UMC lease for only the first twenty years of its lease due to the provision of that rent being reviewed and adjusted to the Fair Market Rental Value, and included the application of the advance lease payment mentioned above Minimum annual rental payments, as of December 31, 2013 for the above mentioned leases, are as follows (in thousands)

2014	$	35,148
2015		54,885
2016		74,743
2017		76,343
2018		78,337
Thereafter		1,521,495
Total	$	1,840,951

Note 12. Accounting for Uncertainty in Taxes

The Corporation follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC The Corporation recognizes a threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return The interpretation also provides guidance on recognition, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition The Corporation's tax filings are subject to audit by various taxing authorities There are currently no returns under examination Management evaluated the Corporation's tax positions and considered that the Corporation had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance

Note 13. Subsequent Events

On April 1, 2014, LCMC and Children's entered into a Master Trust Indenture in which they are named as the members of the Obligated Group Under this Master Trust Indenture, the obligations and all other payment obligations under this Indenture are the joint and several obligations of the Obligated Group These obligations shall be secured by the general credit of the Obligated Group together with a lien on the Pledged revenues, as defined, of the Obligated Group

Note 13. Subsequent Events (Continued)

Pursuant to a Trust Indenture dated April 2, 2014, the Corporation authorized the issuance of $253,000,000 aggregate principal amount of notes The notes are being issued in two series (i) Series 2014-A1 Notes in the principal amount of $125,000,000 and (ii) Series 2014-A2 Notes in the principal amount of $128,000,000 These notes are the general obligations of the Corporation and shall be secured by the Trust Estate, as defined below

The issuance of these notes, together with the payment of interest accrued on its Series 2013 Notes, cancels any and all obligations of the Series 2013 Notes

The Series 2014-A Notes mature on April 1, 2024 and bear interest at a rate of 7 25% Interest only is payable on these Notes on April 1 and October 1, beginning October 1, 2014 The Corporation will establish a Debt Service Fund (the Indenture Funds) for holding funds sufficient to support the Debt Service on the Notes

As security for payment of these Notes, the Corporation pledges and assigns (i) a security interest in their Indenture Funds mentioned above, (ii) Pledged Revenues that includes all receipts, income, rents, royalties, benefits and other revenue from the operation of the Corporation's facilities, exclusive of revenue from donors that have a restriction as to the use of the revenue and exclusive of revenues where applicable law precludes the granting of a security interest in those revenues, and (iii) any and all property of every kind that may be subjected to the lien of the Indenture Collectively, these three elements define the Trust Estate

LAPORTE

LaPorte, APAC
111 Veterans Blvd Suite 600
Metairie, LA 70005
504 835 5522 | Fax 504 835 5535
LaPorte.com

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
University Medical Center Management Corporation
New Orleans, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of University Medical Center Management Corporation (the Corporation) which comprise the balance sheet as of December 31, 2013, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2014

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses However, material weaknesses may exist that have not been identified

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance Accordingly, this communication is not suitable for any other purpose

This report is intended solely for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana and federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties Under Louisiana Revised Statute 24 513, this report is distributed by the Legislative Auditor as a public document

A Professional Accounting Corporation

Metairie, LA
April 22, 2014

LAPORTE

LaPorte, APAC
111 Veterans Blvd Suite 600
Metairie, LA 70005
504 835 5522 | Fax 504 835 5535
LaPorte.com

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133

To the Board of Directors of
University Medical Center Management Corporation
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited University Medical Center Management Corporation's (the Corporation) compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2013 The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major programs based on our audit of the types of compliance requirements referred to above We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program However, our audit does not provide a legal determination of the Corporation's compliance

Opinion on Each Major Federal Program

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above However, material weaknesses may exist that have not been identified

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 Accordingly, this report is not suitable for any other purpose

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana and federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties Under Louisiana Revised Statute 24 513, this report is distributed by the Legislative Auditor as a public document

A Professional Accounting Corporation

Metairie, LA
April 22, 2014

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity No.	Federal Revenue/ Expenditures Recognized
U.S. Department of Transportation			
Passed through from Louisiana Highway Safety Commission			
Highway Planning and Construction	20 205	726640	$ 30,500
Alcohol Impaired Driving Countermeasures Incentive Grants I	20 601	721404	23,234
Occupation Protection Incentive Grants	20 602	722673	44,789
Alcohol Open Container Requirements	20 607	726664	5,509
Total U.S. Department of Transportation			104,032
Department of Health and Human Services			
Health Resources and Services Administration direct programs			
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93 918		322,859
Pass-through programs from			
City of New Orleans			
HIV Emergency Relief Project	93 914	K13-894	696,410
Total Department of Health and Human Services			1,019,269
Total Expenditures of Federal Awards			$ 1,123,301

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Corporation and is presented on the accrual basis of accounting The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Part I - Summary of Auditor's Results

Financial Statement Section

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weaknesses?	No
Noncompliance Material to Financial Statements Noted?	No

Federal Awards Section

Internal Control Over Major Programs	
Material Weaknesses Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	No
Type of Auditor's Report on Compliance for Major Programs	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with OMB Circular A-133 (Section 510(a))?	No

Identification of Major Programs

Title	CFDA Number
HIV Emergency Relief Project	93 914
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93 918

Dollar Threshold Used to Determine Type A Programs	$300,000
Auditee Qualified as Low-Risk Auditee?	No

Part II - Financial Statement Findings Section

None noted

Part III - Federal Awards Findings and Questioned Costs

None noted

Findings - Financial Statements and Segregation of Duties

2012-1 - Drafting of Financial Statements and Related Notes

Criteria	The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual financial statements, which for the Corporation, is that financial statements are prepared in accordance with generally accepted accounting principles (GAAP) Internal control over financial reporting should also include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance
Condition	As part of the audit process, we assisted management in drafting the financial statements and related note disclosures required for the year-end financial reporting The fact that our role is a key part of the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP) is an indication that the internal control over year-end GAAP financial statements by Corporation personnel is not sufficient We also noted that one person was responsible for issuing the checks and compiling the financial information This is a repeat finding from the prior year
Current Status	Resolved