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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

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
COMMUNITY MERCY HEALTH PARTNERS

Doing Business As
SPRINGFIELD REGIONAL MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
One South Limestone Street

City or town, state or province, country, and ZIP or foreign postal code
Springfield, OH 45502

D Employer identification number
31-0785684

E Telephone number
(937) 328-7000

G Gross receipts $ 305,374,470

F Name and address of principal officer
PAUL HILTZ PRESIDENT & CEO
One South Limestone Street
Springfield, OH 45502

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 ▶ 0928

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

J Website: ▶ WWW COMMUNITY-MERCY ORG

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

L Year of formation 1983

M State of legal domicile OH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF COMMUNITY MERCY HEALTH PARTNERS IS TO EXTEND THE HEALING MINISTRY OF JESUS BY IMPROVING THE HEALTH OF OUR COMMUNITIES WITH EMPHASIS ON PEOPLE WHO ARE POOR AND UNDER-SERVED

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**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,850
6	Total number of volunteers (estimate if necessary)	**6**	963
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)	1,330,566	4,033,190
9	Program service revenue (Part VIII, line 2g)	280,736,179	292,979,492
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,792,636	279,593
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,143,226	7,426,862
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	294,002,607	304,719,137
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	108,650	13,710
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)	130,382,232	124,254,697
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)	155,127,254	156,396,933
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	285,618,136	280,665,340
19	Revenue less expenses Subtract line 18 from line 12	8,384,471	24,053,797

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	397,421,895	372,257,444
21	Total liabilities (Part X, line 26)	245,889,731	179,198,069
22	Net assets or fund balances Subtract line 21 from line 20	151,532,164	193,059,375

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 — 2014-11-04 Date

▶ WILLIAM KUSNIERZ MARKET CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
				P00961884

Firm's name ▶ BKD LLP — Firm's EIN ▶ 44-0160260

Firm's address ▶ 312 WALNUT STREET SUITE 300
CINCINNATI, OH 45202 — Phone no (513) 621-8300

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

THE MISSION OF COMMUNITY MERCY HEALTH PARTNERS IS TO CARRY OUT THE CATHOLIC HEALTH PARTNERS MISSION WITHIN OUR COMMUNITY BY PROVIDING SAFE, EFFECTIVE, PATIENT/RESIDENT CENTERED, TIMELY AND COST EFFICIENT CARE AND EDUCATION TO MEET THE HEALTH NEEDS OF ALL PEOPLE, ESPECIALLY THE POOR AND UNDER-SERVED OUR COMMITMENT TO THIS HEALING MINISTRY WILL BE EVIDENCED BY EXCEPTIONAL CARE, COMPASSION, AND RESPECT FOR THE DIVERSE RELIGIOUS BELIEFS AND FAITH TRADITIONS OF THOSE WE SERVE

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 $ 235,165,385 including grants of $ 13,710) (Revenue $ 292,979,492)

COMMUNITY MERCY HEALTH PARTNERS IS COMMITTED TO DELIVERING EXCEPTIONAL CARE AND COMPASSION AS IT SEEKS TO MEET THE HEALTH CARE NEEDS OF ALL PEOPLE, ESPECIALLY THE POOR AND UNDER-SERVED DURING 2013 COMMUNITY MERCY HEALTH PARTNERS PROVIDED $27,551,708 IN COMMUNITY BENEFITS REPRESENTING 9 88% OF TOTAL OPERATING EXPENSES

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ 235,165,385

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or 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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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**	0		
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**			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a**	2,850		
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**			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	**7h**			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	**8**			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	**9a**			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	**9b**			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	**12a**			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	**13a**			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	**14a**			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	**14b**			

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

Check if Schedule O contains a response 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**	15		
	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**	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

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

▶TRAVIS CRUM 615 ELSINORE PLACE
CINCINNATI,OH 45202 (513)639-2800

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) MARK B ROBERTSON CHAIR	1 00 1 00	X		X				0	0	0
(2) PAUL HILTZ TRUSTEE, MARKET LEADER & PRESIDENT	40 00 5 50	X		X				392,725	0	92,179
(3) PIUS KURIAN MD SECRETARY	1 00 1 00	X		X				0	0	0
(4) REV DARRYL L GRAYSON VICE CHAIR	1 00 1 00	X		X				0	0	0
(5) DEANNA L BROUGHER TRUSTEE	1 00 1 00	X						0	0	0
(6) JAMES MAY TRUSTEE, CHP EVP & COO	30 43 40	X						0	1,794,878	45,028
(7) JAMES N DOYLE TRUSTEE	1 00 1 00	X						0	0	0
(8) JOSEPH R JACKSON TRUSTEE	1 00 1 00	X						0	0	0
(9) KATHLEEN M HUGHES TRUSTEE	1 00 1 00	X						0	0	0
(10) MICHAEL S MCKEE MD TRUSTEE	1 00 1 00	X						0	0	0
(11) PAMELA R YOUNG PHD TRUSTEE	1 00 1 00	X						0	0	0
(12) RAVI C KHANNA MD TRUSTEE	1 00 1 00	X						0	0	0
(13) SR DORIS A GOTTEMOELLER RSM TRUSTEE	1 00 4 00	X						0	0	0
(14) SURENDER NERAVETLA MD TRUSTEE	1 00 1 00	X						0	0	0
(15) WENDY DOOLITTLE TRUSTEE	1 00 1 00	X						0	0	0
(16) JOHN DEMPSEY VP, CFO & TREASURER	40 00 2 00			X				293,894	0	31,144
(17) WILLIAM KUSNIERZ VP, CFO & TREASURER	40 00 2 00			X				0	319,079	13,353

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) D TERRY BOYS VP, CHIEF NURSING OFFICER	40 00 0 00				X			195,763	0	4,983
(19) GARY HAGENS VP, COO - VPMA	40 00 0				X			385,702	0	40,591
(20) KENNETH W RICH VP, BUSINESS DEVELOPMENT & ANCILLARY SERVICES	40 00 0				X			153,836	0	28,408
(21) SHERRY NELSON VP Chief Nursing Officer	40 00 0				X			211,392	0	7,280
(22) JENELLE ZELINSKI DIRECTOR OF FINANCE	40 00 0					X		179,212	0	-11,388
(23) KAREN S GORBY DIRECTOR, CLINICAL SERVICES	40 00 0					X		144,785	0	15,053
(24) PAMELA ALLEN Director, Pharmacy	40 00 0					X		169,786	0	7,498
(25) ROSE MCKELVIE Director, Clinical Services	40 00 0					X		142,408	0	19,416
(26) SANDRA CROW RN	40 00 0					X		151,067	0	25,878
(27) KATRINA ENGLISH FORMER KEY EMPLOYEE	0 00 56 00						X	0	366,634	33,810
(28) MARK WIENER FORMER OFFICER	0 00 0 00						X	338,208	0	2,784
(29) SANA WAIKHOM MD FORMER HCE	0 00 40 00						X	0	160,077	-16,104
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								2,758,778	2,640,668	339,913

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 ▶ 52

			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**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *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

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 ▶ 0

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	2,878,893			
	e	Government grants (contributions)	1e	89,917			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,064,380			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		4,033,190			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621990	291,232,574	291,232,574		
	b	INCOME FROM JV'S AND PARTNERSHIPS	900003	587,021	587,021		
	c	RENTAL INCOME FROM AFFILIATES	531120	1,063,404	1,063,404		
	d	INTERCOMPANY	900099	96,493	96,493		
	e			0			
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f . . . . . ▶		292,979,492			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		759,404			759,404
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		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) . . . . . ▶			0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	175,522				
	b	Less cost or other basis and sales expenses		655,333			
	c	Gain or (loss)	175,522	-655,333			
	d	Net gain or (loss) . . . . . ▶			-479,811			-479,811
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶			0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶			0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶			0			
		Miscellaneous Revenue		Business Code				
	11a	CAFETERIA		722210	1,073,830			1,073,830
	b	CHILDCARE		624410	47,059			47,059
	c	HITECH STIMULUS FUNDS		900099	2,773,299			2,773,299
	d	All other revenue			3,532,674	0	0	3,532,674
	e	**Total.** Add lines 11a–11d . . . . . ▶			7,426,862			
	12	**Total revenue.** See Instructions . . . . . ▶			304,719,137	292,979,492	0	7,706,455

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	13,710	13,710		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	2,176,105	1,740,884	435,221	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	95,453,601	76,362,881	19,090,720	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,224,350	4,979,480	1,244,870	
9 Other employee benefits	13,334,994	10,667,995	2,666,999	
10 Payroll taxes	7,065,647	5,652,518	1,413,129	
11 Fees for services (non-employees)				
a Management	0			
b Legal	56,500		56,500	
c Accounting	399,506		399,506	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	63,463,636	52,579,201	10,884,435	0
12 Advertising and promotion	0			
13 Office expenses	4,952,662	3,962,130	990,532	
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	8,175,344	6,540,275	1,635,069	
17 Travel	495,563	396,450	99,113	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	9,418,273	7,534,618	1,883,655	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	17,952,322	14,361,858	3,590,464	
23 Insurance	3,098,311	2,478,649	619,662	
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	36,621,733	36,621,733		
b TAXES AND STATE ASSESSMENTS	3,802,198	3,802,198		
c MEMBERSHIP DUES	869,818	695,854	173,964	
d DIETARY & LABORATORY SUPPLIES	5,510,481	5,510,481		
e All other expenses	1,580,586	1,264,470	316,116	0
25 **Total functional expenses.** Add lines 1 through 24e	280,665,340	235,165,385	45,499,955	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)	0			

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		-4,112,621	1	-1,856,001
	2	Savings and temporary cash investments		362,748	2	362,406
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		50,665,902	4	37,386,020
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		799,382	7	877,641
	8	Inventories for sale or use		4,762,728	8	4,958,816
	9	Prepaid expenses and deferred charges		-306,566	9	-317,455
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 580,970,850			
	b	Less accumulated depreciation	10b 339,224,081	263,072,773	10c	241,746,769
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		81,007,590	12	87,881,808
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,169,959	15	1,217,440
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		397,421,895	16	372,257,444
Liabilities	17	Accounts payable and accrued expenses		27,965,438	17	-763,641
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		175,074,624	23	163,646,505
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		42,849,669	25	16,315,205
	26	**Total liabilities.** Add lines 17 through 25		245,889,731	26	179,198,069
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		150,894,479	27	192,559,009
	28	Temporarily restricted net assets		353,709	28	216,390
	29	Permanently restricted net assets		283,976	29	283,976
		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		151,532,164	33	193,059,375
	34	Total liabilities and net assets/fund balances		397,421,895	34	372,257,444

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	304,719,137
2	Total expenses (must equal Part IX, column (A), line 25)	2	280,665,340
3	Revenue less expenses Subtract line 2 from line 1	3	24,053,797
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	151,532,164
5	Net unrealized gains (losses) on investments	5	2,259,059
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	15,214,356
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	193,059,375

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	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **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
COMMUNITY MERCY HEALTH PARTNERS

Employer identification number
31-0785684

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	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
COMMUNITY MERCY HEALTH PARTNERS	31-0785684

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?	Yes		0
f	Grants to other organizations for lobbying purposes?	Yes		11,251
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		2,902
j	Total Add lines 1c through 1i			14,153
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
Schedule C, Part II-B, Line 1, Description of the activities reported on Lines 1a through 1i	LOBBYING ACTIVITIES PERFORMED INCLUDE BOTH THE USE OF VOLUNTEERS ENCOURAGED TO WRITE LETTERS TO PUBLIC OFFICIALS ON ISSUES THAT IMPACT THE ORGANIZATION'S ABILITY TO CONTINUE TO PROVIDE HEALTH SERVICES TO THE COMMUNITIES SERVED, AND THE USE OF PAID STAFF MEMBERS AND MANAGEMENT PERSONNEL PAID MANAGEMENT PERSONNEL REGULARLY ISSUE MAILINGS TO LEGISLATORS ATTEMPTING TO INFLUENCE LEGISLATIVE MATTERS AND REFERENDUM, AND ORGANIZE AND HOST MEETINGS AMONG HOSPITAL EXECUTIVES AND THEIR LEGISLATORS REGARDING ISSUES THAT IMPACT THE ORGANIZATION'S ABILITY TO CONTINUE PROVIDING HEALTHCARE SERVICES TO ITS PATIENTS AND TO CONTINUE IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE PAID STAFF MEMBERS HAVE, ON LIMITED OCCASIONS, WRITTEN TO LEGISLATORS ON SUCH ISSUES THE PRIMARY PURPOSE FOR LOBBYING ACTIVITIES IS TO ENHANCE THE ORGANIZATION'S PUBLIC POSITION ON LEGISLATIVE AND REGULATORY ISSUES THAT IMPACT PATIENT CARE THROUGHOUT OUR SYSTEM THE ORGANIZATION FOCUSES ON PUBLIC POLICY ISSUES THAT EXTEND OUR HEALING MINISTRY TO THOSE WHO ARE POOR AND UNDERSERVED IN THE COMMUNITIES WE SERVE TO CARRY OUT THESE EFFORTS, THE ORGANIZATION PARTNERS WITH EXPERT CONSULTANTS AND PROFESSIONAL TRADE ASSOCIATIONS TO BUILD AWARENESS AND EXECUTE SPECIFIC STRATEGIES THAT WILL YIELD A FAVORABLE OUTCOME FOR PATIENT CARE IN THE ORGANIZATION'S FACILITIES WHERE THEY ARE TREATED

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

Employer identification number
31-0785684

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part VI Land, Buildings, and Equipment. 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		24,104,656		24,104,656
b Buildings		347,981,598	168,626,036	179,355,562
c Leasehold improvements				0
d Equipment		207,586,573	170,598,045	36,988,528
e Other		1,298,023		1,298,023
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				241,746,769

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	0	
(2) Closely-held equity interests	0	
(3) Other (A) CATHOLIC HEALTH PARTNERS INVESTMENT MANAGEMENT PROGRAM	87,881,808	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	87,881,808	

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	0
ACCRUED POST RETIREMENT BENEFITS	423,706
ACCRUED PENSION	11,067,855
OTHER	4,823,644
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	16,315,205

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part X, Line 2, FIN 48 (ASC 740) footnote	THE COMPANY [CATHOLIC HEALTH PARTNERS AND AFFILIATED ENTITIES] COMPLETED AN ANALYSIS OF ITS TAX POSITIONS IN ACCORDANCE WITH APPLICABLE ACCOUNTING GUIDANCE AT DECEMBER 31, 2013 AND 2012, AND DETERMINED THAT NO AMOUNTS WERE REQUIRED TO BE RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2013 OR 2012

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

Employer identification number
31-0785684

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 ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			10,377,945	3,601,633	6,776,312	2 430 %
b Medicaid (from Worksheet 3, column a)			46,065,146	28,908,083	17,157,063	6 150 %
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0 %
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	56,443,091	32,509,716	23,933,375	8 580 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			530,539	13,247	517,292	0 190 %
f Health professions education (from Worksheet 5)			811,849	0	811,849	0 290 %
g Subsidized health services (from Worksheet 6)			2,676,240	743,440	1,932,800	0 690 %
h Research (from Worksheet 7)					0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			356,392		356,392	0 130 %
j **Total.** Other Benefits	0	0	4,375,020	756,687	3,618,333	1 300 %
k **Total.** Add lines 7d and 7j	0	0	60,818,111	33,266,403	27,551,708	9 880 %

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					0	0 %
2	Economic development					0	0 %
3	Community support			1,050		1,050	0 %
4	Environmental improvements					0	0 %
5	Leadership development and training for community members					0	0 %
6	Coalition building					0	0 %
7	Community health improvement advocacy					0	0 %
8	Workforce development					0	0 %
9	Other					0	0 %
10	**Total**	0	0	1,050	0	1,050	0 %

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 Healthcare Financial Management Association Statement No 15?		1		No
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	24,083,774		
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	62,894,915
6	Enter Medicare allowable costs of care relating to payments on line 5	6	51,665,337
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	11,229,578
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	MERCY MEDICAL OFFICE CONDOMINIUM ASSOCIATION	REAL PROPERTY MANAGEMENT	49 6 %	0 %	50 4 %
2	NORTHPARK CONDOMINIUM ASSOCIATION	REAL PROPERTY MANAGEMENT	55 %	0 %	45 %
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? 2

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 SPRINGFIELD REGIONAL MEDICAL CENTER

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**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
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**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) www community-mercy org			
b	☑ Other website (list url) www ccchd com, www mercy com			
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**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400% 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 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 MERCY MEMORIAL 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) 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
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	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) www community-mercy org			
b	☑ Other website (list url) www mercy com			
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		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
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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**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400% 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			
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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 Sec B, Line 3, Community Served by Needs Assessment	(1) - SPRINGFIELD REGIONAL MEDICAL CENTER SPRINGFIELD REGIONAL MEDICAL CENTER (SRMC) AND COMMUNITY REPRESENTATIVES WORKED TOGETHER TO GATHER DATA AND ANALYZE THE CURRENT HEALTH CARE NEEDS IN OUR REGION A MEETING WAS HELD ON OCTOBER 22, 2012 TO REVIEW THE DATA WHICH INCLUDED THE FOLLOWING TOPICS * GENERAL HEALTH STATUS * PREVALENCE OF DISEASE * LIFESTYLE CHOICES * EARLY DETECTION * IMMUNIZATION * ACCIDENT PREVENTION * CHILDREN'S HEALTH ATTENDEES INCLUDED REPRESENTATIVES FROM CLARK COUNTY COMBINED HEALTH DISTRICT (CCCHD), COMMUNITY HEALTH FOUNDATION, COMMUNITY MERCY HEALTH PARTNERS, HYDEN CONSULTING (RHC/MHS), ROCKING HORSE CENTER, AND THE SPRINGFIELD FOUNDATION DISCUSSION LED TO THE INVITATION OF THE FOLLOWING ORGANIZATIONS TO JOIN THE COALITION UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES, OHIO VALLEY MEDICAL CENTER, LOCAL DENTAL AND MEDICAL SOCIETIES, MENTAL HEALTH BOARD, UNITED SENIOR SERVICES/AREA AGENCY ON AGING, AND DAYTON CHILDREN'S/NATIONWIDE CHILDREN'S HOSPITALS (FOR DATA ON CLARK COUNTY PEDIATRICS) THE EPIDEMIOLOGIST AT CCCHD AND SPRINGFIELD REGIONAL MEDICAL CENTER STAFF WORKED TOGETHER TO GATHER ICD-9 DATA SPRINGFIELD REGIONAL MEDICAL CENTER PARTICIPATED IN THE CLARK COUNTY COMMUNITY HEALTH ASSESSMENT THAT BEGAN IN OCTOBER 2012 AND ENDED IN JUNE 2013 AFTER TWELVE MEETINGS A TEAM OF WRIGHT STATE UNIVERSITY RESEARCHERS REVIEWED CURRENT LITERATURE TO IDENTIFY EVIDENCE-BASED PRACTICES (EBP) THAT COULD BE USED TO REMEDY THE PRIORITY ISSUES TASK FORCES RECONVENED IN APRIL 2013 WITH NINE (9) SUBSEQUENT MEETINGS TO REVIEW THE DATA AND PRIORITIZE THE NEEDS A MEETING WAS HELD IN JUNE 2013 WITH ALL PARTNERS TO REVIEW AND APPROVE THE PRIORITY LIST FEEDBACK COLLECTED FROM THIS MEETING WAS USED TO REFINE RESEARCH EFFORTS AND DEVELOP ACTION STEPS TO IMPLEMENT THE CHOSEN STRATEGIES THIS INFORMATION WAS ORGANIZED INTO AN ACTION PLAN BY THE WRIGHT STATE TEAM AND DISTRIBUTED TO TASK FORCE PARTICIPANTS FOR REVIEW IN OCTOBER 2012 INDIVIDUALS CONTACTED RACHEL STRIDSBERG, OSU EXTENSION KEVIN GRIGGS, SPRINGFIELD REGIONAL MEDICAL CENTER JUDY ANDREWS, CLARK COUNTY COMBINED HEALTH DISTRICT DEBRA HENDERSON, SANOFI CATHY FERGUSON, UNITED SENIOR SERVICES CHRISTY DETRICK, MENTAL HEALTH SERVICES PILAR GONZALEZ-MOCK, COMMUNITY MERCY CANCER CENTER DELORIS PALMER, SPRINGFIELD REGIONAL MEDICAL CENTER CHRISTINA CONOVER, CLARK COUNTY COMBINED HEALTH LIN WAGNER, UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES CURT GILLESPIE, MENTAL HEALTH SERVICES FOR CLARK & MADISON COUNTIES, INC GABE JONES, CCCHD EPIDEMIOLOGIST BECKY BONERIGO, CLARK COUNTY COMBINED HEALTH DISTRICT WENDY DOOLITTLE, MCKINLEY HALL AMANDA HOBBS, MENTAL HEALTH SERVICES FOR CLARK & MADISON COUNTIES, INC KELLEY KOEHLER, CATHOLIC CENTRAL SCHOOL SYSTEM DAVE LYLE, CLARK COUNTY SHERIFF'S OFFICE RICHARD MARSH, CLARK COUNTY CORONER DENISE ESTEP, DEPARTMENT OF JOB & FAMILY SERVICES ANGIE BEEDY, DEPARTMENT OF JOB & FAMILY SERVICES KEN BROWN, CLARK COUNTY PROBATION OFFICE ADULT PROBATION BECKY DODDS, CLARK STATE LPN PROGRAM FAITH MCDONALD, DEPARTMENT OF JOB & FAMILY SERVICES KAREN CREEL-LAKES, CLARK COUNTY COMBINED HEALTH DISTRICT BETH HITT, MENTAL HEALTH SERVICES OF CLARK & MADISON COUNTIES J DAYHART, FAMILY & YOUTH INITIATIVES, NEW CARLISLE, OH DIANE VAN AUKER, COMMUNITY HEALTH FOUNDATION SHERI JONES, HYDEN CONSULTING TRACY FRAME, CEDARVILLE UNIVERSITY PHARMACY PROGRAM SHERI HAINES, MERCY REACH SHIRLEY WISE, SPRINGFIELD REGIONAL MEDICAL CENTER LORI LAMBERT, CLARK COUNTY COMBINED HEALTH DISTRICT JILL STROUPE, MERCY MED ASSIST PAM MURMANS, CLARK COUNTY FAMILY & CHILDREN FIRST ROSELIN RUNNELS, MENTAL HEALTH RECOVERY BOARD OF CLARK, GREEN & MADISON COUNTIES TIFFANY LATTA, SPRINGFIELD NEWS SUN MARIANNE POTINA, COMMUNITY MERCY HEALTH PARTNERS CHARLES PATTERSON, CLARK COUNTY COMBINED HEALTH DISTRICT, (1) - MERCY MEMORIAL HOSPITAL MERCY MEMORIAL HOSPITAL, A CRITICAL ACCESS HOSPITAL, TOOK PART IN THE REGIONAL HEALTH NEEDS ASSESSMENT PROJECT OHIO'S CRITICAL ACCESS HOSPITALS, NORTH CENTRAL REGION THE PROCESS RELIED ON A DATA-DRIVEN, FACILITATED PLANNING APPROACH, AND WAS CONDUCTED BETWEEN NOVEMBER 2011 AND MAY 2012 IN FOUR (4) HALF-DAY SESSIONS IN ADDITION, MERCY MEMORIAL HOSPITAL PARTICIPATED IN THE CHAMPAIGN COUNTY COMMUNITY HEALTH PLAN PROCESS BEGINNING IN NOVEMBER 2012 WITH SIX (6) MEETINGS AND CONCLUDING IN JUNE 2013 A TEAM OF WRIGHT STATE UNIVERSITY RESEARCHERS REVIEWED CURRENT LITERATURE TO IDENTIFY EVIDENCE-BASED PRACTICES (EBP) THAT COULD BE USED TO REMEDY THE PRIORITY ISSUES TASK FORCES RECONVENED IN JUNE AND AUGUST OF 2012 TO REVIEW AND DETERMINE THE VIABILITY OF THE EBP FEEDBACK COLLECTED FROM THIS MEETING WAS USED TO REFINE RESEARCH EFFORTS AND DEVELOP ACTION STEPS TO IMPLEMENT THE CHOSEN STRATEGIES THIS INFORMATION WAS ORGANIZED INTO AN ACTION PLAN BY THE WRIGHT STATE TEAM AND DISTRIBUTED TO TASK FORCE PARTICIPANTS FOR REVIEW IN OCTOBER 2012 A COMMUNITY HEALTH PLANNING CYCLE WAS USED TO ANALYZE THE DATA IN 5 STEPS 1 SELF-ASSESSMENT 2 BUILD THE PARTNERSHIP 3 CONDUCT PLANNING ACTIVITIES 4 TASK FORCES 5 EVALUATION A TOTAL OF FIVE MEETINGS WERE HELD THEREAFTER WITH WRIGHT STATE CONSISTING OF THE FIRST STEERING MEETING, TWO TASK FORCE MEETINGS (COMMUNITY AND INTERNAL), AND A SECOND STEERING COMMITTEE MEETING TO COMBINE ALL THE DATA ACTIVE PARTNERS IN THIS PROCESS INCLUDED REPRESENTATIVES FROM THE CHAMPAIGN COUNTY MENTAL HEALTH/SUICIDE COALITION, COUNTY HEALTH COMMISSIONER, YMCA, MERCY MEMORIAL HOSPITAL, DRUG FREE YOUTH COALITION, EARLY CHILDHOOD COORDINATING COMMITTEE, FAMILY & CHILDREN FIRST COUNCIL, CARING KITCHEN, MERCY WELL CHILD PEDIATRICS, LOCAL CANCER ASSOCIATION, CHAMPAIGN COUNTY BOARD OF DEVELOPMENTALLY DELAYED , EDUCATIONAL SERVICES CENTER OFFICE, TRANSITIONS COUNSELING, HOME HEALTH AND AREA CHURCHES AS WELL AS THE ADMINISTRATORS OF LOCAL SENIOR RESIDENTIAL FACILITIES, SUPERINTENDENTS OF CHAMPAIGN COUNTY AND URBANA CITY SCHOOLS, NORTH LEWISBURG TOWNSHIP TRUSTEES AND THE COUNTY'S MEDICAL DIRECTOR SEVEN MEETINGS WERE HELD OVER A TWELVE MONTH PERIOD BEGINNING IN OCTOBER 2011 THROUGH NOVEMBER 2012 MAX COATES, CHAMPAIGN COUNTY COMMISSIONER SARA PRINZL, COMMUNITY HEALTH ENHANCEMENT DIRECTOR JACQUELINE HOWLEY, PARENT MENTOR ELAINE DYAR, DIETICIAN JENNIFER MEYER, SOCIAL WORKER TRACEY STUTE, BEHAVIOR HEALTH THERAPIST KILEY HORN, PROGRAM ASSISTANT, FOOD & NUTRITION PROGRAM, OSU EXTENSION STACY COX, DEPARTMENT JOBS & FAMILY SERVICES HEATHER TIEFEATHALER, YMCA, ACTIVATE CHAMPAIGN SHEILA PENA, CHAMPAIGN COUNTY HEALTH DISTRICT DETECTIVE RICK JORDAN, SHERIFF DEPARTMENT MATT SANCTIS, SNS JANE DOCKERY, WRIGHT STATE UNIVERSITY TERRI REEDER, FAMILIES & CHILDREN FIRST COUNCIL SARAH JOHNSON, CHAMPAIGN HEALTH DISTRICT CRAIG EVANS, EMERGENCY MANAGEMENT AGENCY MATT LINGRELL, URBANA POLICE DEPARTMENT JANICE RHODES, CONSOLIDATED CARE, INC SUE BAILEY, DEPARTMENT JOBS & FAMILY SERVICES CINDY MCMAKEN, CHAMPAIGN HEALTH DISTRICT AUDREY FERRYMAN, UNITED WAY JACKIE ARRINGTON , SENIOR JEFF WEBB, CHAMPAIGN HEALTH DISTRICT MICHELLE DICKERSON, HONDROS STUDENT KEVIN DINGFELDER, HONDROS STUDENT BARRY PAXTON, MEDICAL DIRECTOR BARBARA WILLMUTH, CHAMPAIGN COUNTY BOARD DD MICHELE CARNS, CHAMPAIGN HEALTH DISTRICT RUSS WELLMAN, CHAMPAIGN HEALTH DISTRICT MATT LINGRELL, URBAN POLICE DIVISION ,
Schedule H, Part V Sec B, Line 4, Other Hospital Facilities included in Needs Assessment	(1) - MERCY MEMORIAL HOSPITAL MERCY MEMORIAL HOSPITAL'S CHNA WAS CONDUCTED, IN PART, WITH THE FOLLOWING HOSPITAL FACILITIES, ALL PART OF THE OHIO CRITICAL ACCESS HOSPITAL GROUP BUCYRUS & GALION COMMUNITY HOSPITAL, CONNEAUT & GENEVA MEDICAL CENTER, HARDIN MEMORIAL HOSPITAL, LODI COMMUNITY HOSPITAL, MERCY ALLEN HOSPITAL, MERCY WILLARD HOSPITAL, MORROW COUNTY HOSPITAL AND WYANDOT MEMORIAL HOSPITAL,
Schedule H, Part V Sec B, Line 7, Needs not addressed in Needs Assessment	(1) - SPRINGFIELD REGIONAL MEDICAL CENTER * OBESITY - AS A RESULT OF THE CHNA DETERMINATION OF THIS NEED, COMMUNITY PARTNERS, WHO HAVE THE EXPERTISE AND COMPETENCIES, WILL ADDRESS THIS COMMUNITY NEED THE TASK FORCE INCLUDES THE PROMISE NEIGHBORHOOD, THE SPRINGFIELD CITY SCHOOL SYSTEM, CLARK COUNTY COMBINED HEALTH DISTRICT * SUBSTANCE ABUSE - AS A RESULT OF THE CHNA DETERMINATION OF THIS NEED, COMMUNITY PARTNERS, WHO HAVE THE EXPERTISE AND COMPETENCIES, WILL ADDRESS THIS COMMUNITY NEED THE TASK FORCE INCLUDES MERCY REACH, MCKINLEY HALL, MENTAL HEALTH SERVICES, AND MHRB * HEALTH BIRTH/SEXUALITY - - AS A RESULT OF THE CHNA DETERMINATION OF THIS NEED, COMMUNITY PARTNERS, WHO HAVE THE EXPERTISE AND COMPETENCIES, WILL ADDRESS THIS COMMUNITY NEED THE TASK FORCE INCLUDES THE FOLLOWING WIC PROGRAM AND ROCKING HORSE CENTER (FQHC) , (1) - MERCY MEMORIAL HOSPITAL * YOUTH SUBSTANCE ABUSE AND WELLNESS - AS A RESULT OF THE CHNA DETERMINATION OF THIS NEED, COMMUNITY PARTNERS, WHO HAVE THE EXPERTISE AND COMPETENCIES, WILL ADDRESS THIS COMMUNITY NEED THE TASK FORCE INCLUDES CHAMPAIGN COUNTY DRUG FREE YOUTH COALITION, CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL, TRIAD LOCAL SCHOOLS, MERCY WELL CHILD PEDIATRICS * YOUNG CHILD WELLNESS - - AS A RESULT OF THE CHNA DETERMINATION OF THIS NEED, COMMUNITY PARTNERS, WHO HAVE THE EXPERTISE AND COMPETENCIES, WILL ADDRESS THIS COMMUNITY NEED THE TASK FORCE INCLUDES EARLY CHILDHOOD COORDINATING COMMITTEE, AND MERCY WELL CHILD PEDIATRICS ,
Schedule H, Part V Sec B, Line 20d, How amounts charged to FAP-eligible patients were determined	(1) - SPRINGFIELD REGIONAL MEDICAL CENTER THE MAXIMUM AMOUNT THAT CAN BE CHARGED TO FAP-ELIGIBLE INDIVIDUALS FOR EMERGENCY CARE OR OTHER MEDICALLY NECESSARY CARE IS BASED UPON FEDERAL POVERTY LEVELS STATED IN THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY , (1) - MERCY MEMORIAL HOSPITAL THE MAXIMUM AMOUNT THAT CAN BE CHARGED TO FAP-ELIGIBLE INDIVIDUALS FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE IS BASED UPON FEDERAL POVERY LEVELS STATED IN THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY ,

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? **11**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7, COMMUNITY BENEFIT REPORT	COMMUNITY MERCY HEALTH PARTNERS PUBLISHES AN ANNUAL COMMUNITY BENEFIT REPORT A COPY OF THIS REPORT CAN BE FOUND ON THE COMPANY'S WEBSITE AT WWW COMMUNITY-MERCY ORG
Schedule H, Part I, Line 6a, Community benefit report prepared by related organization	CATHOLIC HEALTH PARTNERS

Form and Line Reference	Explanation
Schedule H, Part I, Line 7, Costing Methodology used to calculate financial assistance	COST OF CHARITY CARE WAS CALCULATED WITH A COST TO CHARGE RATIO USING WORKSHEET 2 THE COST RELATED TO MEDICAID PATIENTS WAS DETERMINED USING THE HOSPITAL COST ACCOUNTING SYSTEM AND INCLUDED BOTH INPATIENTS AND OUTPATIENTS FOR TRADITIONAL MEDICAID AND MEDICAID MANAGED CARE PLANS FOR SUBSIDIZED SERVICES THE HOSPITAL'S COST ACCOUNTING SYSTEM IS USED TO DETERMINE COST RELATED TO THE SPECIFIC SERVICE EXCLUDING TRADITIONAL MEDICAID AND MEDICAID MANAGED CARE PATIENTS COSTS FOR CHARITY AND BAD DEBT ACCOUNTS ARE DEDUCTED USING A RATIO OF COST TO CHARGE SPECIFIC TO THAT SUBSIDIZED SERVICE COSTS FOR OTHER PROGRAMS REFLECT THE DIRECT AND INDIRECT COSTS OF PROVIDING THOSE PROGRAMS
Schedule H, Part I, Line 7, col(f), Bad Debt Expense excluded from financial assistance calculation	0

Form and Line Reference	Explanation
Schedule H, Part I, Line 7g, Subsidized Health Services	COMMUNITY MERCY HEALTH PARTNERS (CMHP) OPERATES THE MERCY WELL CHILD PEDIATRIC CLINIC SERVICES ARE PROVIDED PRIMARILY BY A NURSE PRACTITIONER, HOWEVER, WE DO HAVE A STAFF PHYSICIAN (ON OUR PAYROLL) WHO PROVIDES ON-CALL COVERAGE AND LIMITED ON-SITE HOURS
Schedule H, Part II, Community Building Activities	COMMUNITY MERCY HEALTH PARTNERS (CMHP) ENSURES ACCESS TO HEALTH SERVICES BY RECRUITING AND PROVIDING TRANSITIONAL SUPPORT TO PHYSICIANS TO ATTRACT THEM TO THE COMMUNITY FOR SPECIALTIES WHERE THERE IS A DEMONSTRATED NEED AN APPROPRIATE SUPPLY OF PHYSICIANS IS NECESSARY TO ENSURE THAT RESIDENTS HAVE ACCESS TO ADEQUATE AND TIMELY DIAGNOSIS AND TREATMENT FOR ALL HEALTH CONDITIONS IN 2008, CMHP ENGAGED DEMPSTER HEALTHCARE GROUP TO STUDY PHYSICIAN SHORTAGES AND ASSIST WITH A STRATEGIC PLAN FOR PHYSICIAN RECRUITING

Form and Line Reference	Explanation
Schedule H, Part III, Line 2, Bad debt expense - methodology used to estimate amount	THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS NET PATIENT ACCOUNTS ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL RECEIVABLES BASED UPON THE HOSPITAL'S HISTORICAL COLLECTION EXPERIENCE ADJUSTED FOR CURRENT ENVIRONMENTAL RISKS AND TRENDS FOR EACH MAJOR PAYOR SOURCE SIGNIFICANT PROVISION IS MADE FOR SELF-PAY PATIENT ACCOUNTS IN THE PERIOD OF SERVICE BASED ON PAST COLLECTION EXPERIENCE THE HOSPITAL'S CONCENTRATION OF CREDIT RISK RELATED TO NET PATIENT ACCOUNTS IS LIMITED DUE TO THE DIVERSITY OF PATIENTS AND PAYORS NET PATIENT ACCOUNTS CONSIST OF AMOUNTS DUE FROM GOVERNMENTAL PROGRAMS (PRIMARILY MEDICARE AND MEDICAID), PRIVATE INSURANCE COMPANIES, MANAGED CARE PROGRAMS AND PATIENTS THEMSELVES NET PATIENT SERVICE REVENUE FOR SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE IS RECOGNIZED BASED ON CONTRACTUAL RATES FOR SERVICES RENDERED THE HOSPITAL RECOGNIZES A SIGNIFICANT AMOUNT OF PATIENT SERVICE REVENUE AT THE TIME SERVICES ARE RENDERED EVEN THOUGH IT DOES NOT ASSESS THE PATIENT'S ABILITY TO PAY AS A RESULT, THE PROVISION FOR BAD DEBTS IS PRESENTED AS A DEDUCTION FROM PATIENT SERVICE REVENUE (NET OF CONTRACTUAL PROVISIONS AND DISCOUNTS) AMOUNTS RECOGNIZED ARE SUBJECT TO ADJUSTMENT UPON REVIEW BY THIRD-PARTY PAYORS FOR UNINSURED PATIENTS THAT DO NOT QUALIFY FOR CHARITY CARE, THE HOSPITAL RECOGNIZES REVENUE WHEN SERVICES ARE PROVIDED BASED ON HISTORICAL EXPERIENCE, A SIGNIFICANT PORTION OF THE HOSPITAL'S UNINSURED PATIENTS WILL BE UNABLE OR UNWILLING TO PAY FOR SERVICES PROVIDED THUS, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS RELATED TO UNINSURED PATIENTS IN THE PERIOD THE SERVICES ARE PROVIDED ANY DISCOUNTS APPLIED TO SELF-PAY PATIENTS WOULD BE DEEMED EITHER CHARITY OR A CONTRACTUAL ADJUSTMENT BAD DEBT WOULD BE BASED ON THE BALANCE AFTER THE CHARITY OR CONTRACTUAL ADJUSTMENT THAT IS DEEMED UNCOLLECTABLE FOLLOWING A REASONABLE COLLECTION EFFORT
Schedule H, Part III, Line 3, Bad Debt Expense Methodology	THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY DOES NOT PERMIT THE COST OF PATIENTS WHO ARE UNCOOPERATIVE OR UNABLE TO BE LOCATED TO BE RECLASSIFIED FROM BAD DEBT TO FINANCIAL ASSISTANCE THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY REQUIRES AN APPLICATION AND SUPPORTING DOCUMENTATION THEREFORE, ZERO DOLLARS ARE BEING REPORTED ON PART III, LINE 3 AS AMOUNTS INCLUDED IN BAD DEBT THAT COULD BE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY THE HOSPITAL FOLLOWS THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES POLICY DOCUMENT, COMMUNITY BENEFIT PROGRAM, A REVISED RESOURCE FOR SOCIAL ACCOUNTABILITY ("CHA GUIDELINES") FOR DETERMINING COMMUNITY BENEFIT THE CHA GUIDELINES RECOMMEND THAT HOSPITALS NOT INCLUDE BAD DEBT EXPENSE AS COMMUNITY BENEFIT

Form and Line Reference	Explanation
Schedule H, Part III, Line 4, Bad debt expense - financial statement footnote	THE HOSPITAL'S AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE THE HOSPITAL ELECTED TO EARLY ADOPT ASU 2011-07 ACCORDINGLY, BAD DEBT EXPENSE IS REFLECTED AS A DEDUCTION FROM REVENUE RATHER THAN AN OPERATING EXPENSE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, B SIGNIFICANT ACCOUNTING POLICIES, NET PATIENT ACCOUNTS AND NET PATIENT SERVICE REVENUE (PAGE 11) STATES NET PATIENT ACCOUNTS ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL RECEIVABLES BASED UPON THE HISTORICAL COLLECTION EXPERIENCE OF EACH REGIONAL AFFILIATE ADJUSTED FOR CURRENT ENVIRONMENTAL RISKS AND TRENDS FOR EACH MAJOR PAYOR SOURCE SIGNIFICANT PROVISION IS MADE FOR SELF-PAY PATIENT ACCOUNTS IN THE PERIOD OF SERVICE BASED UPON PAST COLLECTION EXPERIENCE
Schedule H, Part III, Line 8, Community benefit & methodology for determining medicare costs	THE HOSPITAL FOLLOWS THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES POLICY DOCUMENT, COMMUNITY BENEFIT PROGRAM, A REVISED RESOURCE FOR SOCIAL ACCOUNTABILITY ("CHA GUIDELINES") FOR DETERMINING COMMUNITY BENEFIT THE CHA GUIDELINES RECOMMEND THAT HOSPITALS NOT INCLUDE MEDICARE LOSSES AS COMMUNITY BENEFIT THE HOSPITAL'S COST ACCOUNTING SYSTEM WAS USED TO DETERMINE THE MEDICARE AMOUNTS IN PART III

Form and Line Reference	Explanation
Schedule H, Part III, Line 9b, Collection practices for patients eligible for financial assistance	PATIENTS KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE ARE NOT SENT TO A COLLECTION AGENCY THE ORGANIZATION REPEATEDLY OFFERS PATIENTS ACCESS TO FINANCIAL HELP DURING THEIR HOSPITAL STAYS AND AFTER, AS WELL AS WITH EACH BILLING NOTICE BILLS ARE SENT TO A COLLECTION AGENCY AS A LAST RESORT AND ONLY WHEN PATIENTS HAVE THE ABILITY TO PAY SOME PORTION OF THEIR HEALTHCARE EXPENSES BUT REFUSE TO DO SO, WHEN PATIENTS REFUSE TO WORK WITH THE ORGANIZATION TO DETERMINE IF THEY QUALIFY FOR FREE OR DISCOUNTED CARE VIA FEDERAL, STATE, LOCAL OR HOSPITAL ASSISTANCE PROGRAMS, WHEN THE ORGANIZATION IS UNABLE TO LOCATE THE PATIENT OR PERSON RESPONSIBLE FOR THE BILL
Schedule H, Part VI, Line 2, Needs assessment	COMMUNITY MERCY HEALTH PARTNERS (CMHP) USES AN EXISTING COMMUNITY HEALTH NEEDS ASSESSMENT CMHP'S PRIMARY SERVICE AREA INCLUDES CLARK AND CHAMPAIGN COUNTIES THE CLARK COUNTY COMBINED HEALTH DISTRICT AND THE CHAMPAIGN COUNTY HEALTH DISTRICT BOTH PUBLISH (AND PERIODICALLY UPDATE) COMMUNITY HEALTH ASSESSMENT REPORTS CLARK COUNTY'S MOST RECENT REPORT WAS PUBLISHED IN 2008, AND CHAMPAIGN COUNTY'S REPORT WAS PUBLISHED IN 2007 THESE TWO REPORTS ARE PRESENTED IN A COMMON FORMAT, WHICH ADDRESSES NINE CATEGORIES 1 DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS 2 HEALTH RESOURCE AVAILABILITY 3 DEATH, ILLNESS AND INJURY 4 BEHAVIORAL RISK FACTORS 5 MATERNAL, CHILD AND YOUTH HEALTH 6 COMMUNICABLE DISEASES AND SENTINEL EVENTS 7 ENVIRONMENTAL HEALTH INDICATORS 8 SOCIAL AND MENTAL HEALTH 9 QUALITY OF LIFE IN ADDITION, OUR OWN ASSOCIATES HAVE IDENTIFIED NEEDS BASED ON OBSERVATIONS IN ADMISSION/DISCHARGE TRENDS AND OTHER INTERNAL DATA ONE EXAMPLE OF THIS IS OUR PATIENT TRANSPORTATION PROGRAM THAT WAS LAUNCHED DURING 2009 STAFF FROM THE EMERGENCY DEPARTMENT AND CASE MANAGEMENT REPORTED THAT, ON AVERAGE 3-5 TIMES PER WEEK, A PATIENT WOULD BE CLEARED FOR DISCHARGE, BUT WOULD NOT HAVE ANY MEANS OF TRANSPORTATION TO GET HOME THIS WOULD DELAY THE DISCHARGE PROCESS, WHICH IN TURN AFFECTED ER WAIT TIMES AND/OR INPATIENT LENGTH OF STAY THERE ARE NO TAXI COMPANIES IN SPRINGFIELD, AND THE AREA BUS SYSTEM OPERATES ON LIMITED HOURS AND ROUTES THIS NEW PROGRAM OFFERS A SOLUTION FOR PATIENTS NEEDING TRANSPORTATION

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3, Patient education of eligibility for assistance	COMMUNITY MERCY HEALTH PARTNERS (CMHP) POSTS ITS CHARITY CARE POLICY, OR A SUMMARY THEREOF, AND FINANCIAL ASSISTANCE CONTACT INFORMATION IN ADMISSIONS AREAS, EMERGENCY DEPARTMENTS AND OTHER AREAS OF THE ORGANIZATION'S FACILITIES IN WHICH ELIGIBLE PATIENTS ARE LIKELY TO BE PRESENT CMHP PROVIDES A COPY OF THE POLICY, OR A SUMMARY THEREOF, AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO PATIENTS AS PART OF THE INTAKE PROCESS AND WITH DISCHARGE MATERIALS ADDITIONALLY, A COPY OF THE POLICY OR A SUMMARY ALONG WITH FINANCIAL ASSISTANCE CONTACT INFORMATION IS INCLUDED IN PATIENT BILLS CMHP DISCUSSES WITH THE PATIENT THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS, SUCH AS MEDICAID OR STATE PROGRAMS, AND ASSISTS THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE THE HOSPITAL ELIGIBILITY LINK PROGRAM (HELP) IS A FREE REFERRAL SERVICE PROVIDED BY CMHP THE PURPOSE OF HELP IS TO ASSIST PATIENTS IN OBTAINING MEDICAL BENEFITS THROUGH FEDERAL, STATE, AND HOSPITAL PROGRAMS HELP REPRESENTATIVES WILL PROVIDE THE FOLLOWING SERVICES AT NO COST TO THE PATIENT * EXPLORE ELIGIBILITY UNDER PUBLIC ASSISTANCE PROGRAMS * FILE APPLICATIONS ON PATIENT'S BEHALF * SCHEDULE AND ATTEND APPOINTMENTS * PROVIDE TRANSPORTATION WHEN NECESSARY * PROVIDE MEDICAL DOCUMENTATION TO SOCIAL SECURITY ADMINISTRATION FOR DISABILITY CLAIMS THROUGH HELP, PATIENTS AND THEIR COUNSELORS LOOK AT WHAT OPTIONS ARE AVAILABLE CMHP UNDERSTANDS THAT NOT EVERYONE CAN PAY FOR HEALTHCARE SERVICES HELP IS HERE TO OFFER OPTIONS AND ASSISTANCE FOR THOSE WHO ARE UNINSURED OR UNDERINSURED HELP IS AN EXTENSION OF CHMP'S MISSION TO IMPROVE THE HEALTH OF OUR COMMUNITY WITH EMPHASIS ON THE POOR AND UNDERSERVED MEETING THE NEEDS OF THOSE WITH LIMITED RESOURCES HAS ALWAYS BEEN THE HEART OF OUR MISSION CMHP IS PROUD TO MAKE OUR FINANCIAL ASSISTANCE INFORMATION AVAILABLE TO THE PUBLIC THROUGH OUR WEBSITE, WHICH CAN BE FOUND AT WWW COMMUNITY-MERCY ORG OTHER PATIENT EDUCATION INFORMATION THAT IS PROVIDED FOR ELIGIBILITY OF ASSISTANCE IS AS FOLLOWS * A BILINGUAL REPRESENTATIVE IS AVAILABLE IN OUR HELP PROGRAM TWO BILINGUAL REPRESENTATIVES ARE AVAILABLE IN OUR CUSTOMER SERVICE DEPARTMENT EACH OF THESE REPRESENTATIVES ARE IN OUR REGIONAL OFFICE IN CINCINNATI * STAFF TRAINING ON HOSPITAL CARE ASSURANCE PROGRAM (HCAP) AND HOSPITAL FINANCIAL ASSISTANCE (HFA) WAS PROVIDED IN 2009 BY A PRIVATE AUDITING COMPANY TRAINING INCLUDED A MANUAL AND IN-DEPTH INFORMATION REGARDING THE PREPARATION OF THE COST REPORT LOGS, ACCURATE COMPLETION OF THE HCAP APPLICATION, AS WELL AS AN OVERVIEW OF THE FAQ'S PROVIDED BY THE OHIO HOSPITAL ASSOCIATION * FINANCIAL ASSISTANCE COUNSELORS WORK WITH CASE MANAGERS TO EXPEDITE THE TRANSFER OF PATIENTS TO EXTENDED CARE FACILITIES * FEDERAL POVERTY GUIDELINES ARE POSTED ON OUR WEBSITE AS WELL AS A COPY OF OUR CHARITY APPLICATION * CONSISTENT REVIEW OF SELF PAY PATIENTS FOR RETROACTIVE MEDICAID COVERAGE * SERVICES PROVIDED BY VENDOR TO REACH OUT TO PATIENTS IN BAD DEBT TO SCREEN FOR HCAP ELIGIBILITY
Schedule H, Part VI, Line 4, Community information	COMMUNITY MERCY HEALTH PARTNERS'S (CMHP) PRIMARY SERVICE AREA INCLUDES CLARK AND CHAMPAIGN COUNTIES, WHICH HAVE A TOTAL POPULATION OF APPROXIMATELY 209,700 ACCORDING TO THE MOST RECENT COMMUNITY HEALTH ASSESSMENT REPORTS FROM THE TWO COUNTIES, RESIDENTS OF THE CMHP PRIMARY SERVICE AREA ARE GENERALLY OLDER, POORER AND HAVE WORSE HEALTH STATISTICS THAN STATE AND NATIONAL AVERAGES UNEMPLOYMENT HAS ALSO RISEN IN OUR COMMUNITY DURING THE LAST SEVERAL YEARS, AND WE SERVE A GROWING NUMBER OF UNINSURED AND UNDERINSURED PATIENTS CMHP OWNS TWO OF THE THREE HOSPITALS IN THIS GEOGRAPHIC AREA THE THIRD HOSPITAL (NOT OWNED BY CMHP) IS A LIMITED-SERVICE FOR-PROFIT HOSPITAL THAT SPECIALIZES IN OUTPATIENT AND SHORT-STAY SURGERY, AND IT DOES NOT HAVE AN EMERGENCY DEPARTMENT PART OF THE CITY OF SPRINGFIELD HAS BEEN FEDERALLY DESIGNATED AS A MEDICALLY UNDERSERVED AREA OTHER DEMOGRAPHICS OF OUR SERVICE AREA INCLUDE * PERCENTAGE OF ADULTS WHO HAVE NOT ACHIEVED AT LEAST A HIGH SCHOOL DIPLOMA IS HIGHER THAT BOTH THE STATE AND NATIONAL AVERAGES * HIGHER PERCENTAGE OF RESIDENTS LIVING IN POVERTY THAN IN THE STATE AND NATIONWIDE * UNEMPLOYMENT RATE IS HIGHER THAN BOTH THE STATE AND NATIONAL RATES * MEDIAN HOUSEHOLD INCOME IS BELOW THE STATE MEDIAN AND US MEDIAN * THE POPULATION OF THE SERVICE AREA CONSISTS OF 3 3% NON-ENGLISH SPEAKING PEOPLE * THE POPULATION OF THE SERVICE AREA THAT IS 65 YEARS OR OLDER IS 17% * THE OCCUPATION CLASSIFICATION IN THE COMMUNITY CONSISTS OF 29% BLUE COLLAR, 51% WHITE COLLAR AND 20% SERVICE AND FARM WORKERS THE MAJOR HEALTH PROBLEMS AND/OR LEADING CAUSES OF DEATH IN OUR SERVICE AREA ARE CARDIOVASCULAR DISEASE, DIABETES, EMPHYSEMA AND CANCER MOST OF THESE ARE PREVENTABLE THROUGH PROPER CARE AND MAINTAINING CONTROL OF THE ILLNESS/DISEASE, AS WELL AS CHOOSING HEALTHIER LIFESTYLES IN OUR SERVICE AREA 28% OF THE POPULATION ARE SMOKERS, 40% HAVE HIGH CHOLESTEROL, AND 30-40% ARE OVERWEIGHT OR AT RISK FOR BECOMING OVERWEIGHT

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5, Promotion of community health	COMMUNITY MERCY HEALTH PARTNERS (CMHP) OPERATES EMERGENCY ROOMS OPEN TO ALL REGARDLESS OF ABILITY TO PAY IN ADDITION TO PROVIDING EMERGENCY SERVICES, CMHP ALSO PROVIDES MINOR EMERGENCY AND URGENT CARE SERVICES TO ALL REGARDLESS OF ABILITY TO PAY CMHP PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS AND/OR OTHER GOVERNMENT SPONSORED HEALTH PROGRAMS CMHP OPERATES SKILLED NURSING UNITS, ICU, NEWBORN NURSERY, WOUND CARE, DIABETES MANAGEMENT, OUTPATIENT PEDIATRICS, SUBSTANCE ABUSE, PRESCRIPTION ASSISTANCE AND A CRITICAL ACCESS HOSPITAL CMHP HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA THE MAJORITY OF THE GOVERNING BODY CONSISTS OF INDEPENDENT PERSONS REPRESENTATIVE OF THE COMMUNITY SERVED BY CMHP CMHP PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, AND/OR OTHER GOVERNMENT -SPONSORED HEALTH CARE PROGRAMS CMHP FURTHERS ITS EXEMPT PURPOSE BY PROVIDING THE FOLLOWING COMMUNITY BENEFIT PROGRAMS IN THE COMMUNITIES IN WHICH IT SERVES COMMUNITY MERCY MED ASSIST HELPS AREA RESIDENTS WHO CANNOT AFFORD THEIR PRESCRIPTION MEDICATIONS COMMUNITY MERCY REACH OFFERS OUTPATIENT TREATMENT FOR CHEMICAL DEPENDENCY BY LICENSED PROFESSIONALS WHO HAVE MASTER'S-LEVEL EDUCATION REACH ALSO OFFERS AN INNOVATIVE AND EFFECTIVE SMOKING CESSATION PROGRAM THAT INCORPORATES EXERCISE AND NUTRITION/WEIGHT CONTROL TO PROMOTE AN OVERALL HEALTHY LIFESTYLE MERCY WELL CHILD PEDIATRICS IS A PEDIATRIC CLINIC THAT IDENTIFIES AND ADDRESSES POTENTIAL HEALTH AND DEVELOPMENTAL CONCERNS IN CHILDREN THE CLINIC PROMOTES QUALITY PEDIATRIC CARE WITH A HOLISTIC APPROACH TO MEET THE HEALTH, SOCIAL AND EMOTIONAL NEEDS OF CHILDREN AND FAMILIES MERCY WELL CHILD PEDIATRICS SERVES CHILDREN FROM INFANTS TO AGE 21, REGARDLESS OF THE FAMILIES' INCOME OR INSURANCE STATUS CMHP'S EMERGENCY DEPARTMENT TREATS AN INCREASING NUMBER OF PATIENTS WHO USE THE FACILITY FOR PRIMARY CARE NEEDS PATIENT DEMOGRAPHICS REFLECT THE CHANGING COMMUNITY AS IN OTHER COMMUNITIES, SOME AREA PHYSICIANS PLACE LIMITS ON THEIR ACCEPTANCE OF MEDICAID PATIENTS IN ADDITION, SOME PRIMARY CARE PHYSICIANS REFER PATIENTS WITH AFTER-HOURS NEEDS DIRECTLY TO AREA EMERGENCY ROOMS COMMUNITY GROUPS AND INDIVIDUALS ARE VERY SUPPORTIVE OF CMHP FOR THE PAST DECADE, THE ROCKING HORSE CENTER HAS BEEN A KEY PARTNER WITH CMHP IN MAKING BASIC HEALTHCARE MORE ACCESSIBLE, ESPECIALLY FOR THE POOR AND UNDERSERVED EARLY IN 2009, ROCKING HORSE WAS GRANTED STATUS AS A FEDERALLY QUALIFIED HEALTH CENTER, WHICH WILL PROVIDE HIGHER LEVELS OF MEDICAID REIMBURSEMENT IN ADDITION, CMHP AND ROCKING HORSE COLLABORATED TO DEVELOP AN ER REFERRAL PROCESS, TO IDENTIFY PATIENTS WHO DID NOT HAVE A MEDICAL HOME AND TO PROVIDE FOLLOW-UP CARE
Schedule H, Part VI, Line 6, Affiliated health care system	COMMUNITY MERCY HEALTH PARTNERS (CMHP) IS A MEMBER OF COMMUNITY MERCY HEALTH SYSTEMS CMHP IS SPONSORED BY THE SISTERS OF MERCY AND HAS BEEN AN INTEGRAL PART OF THE COMMUNITY SINCE 1950 CMHP INCLUDES AN ACUTE CARE HOSPITAL AND A CRITICAL CARE ACCESS HOSPITAL WITH APPROXIMATELY 641 LICENSED BEDS COMBINED COMMUNITY MERCY HEALTH SYSTEM COMMUNITY BENEFIT FOR 2013 PER THE AUDIT FOOTNOTE IS AS FOLLOWS TOTAL 2013 COMMUNITY BENEFIT $29 7 MILLION BENEFITS TO THE BROADER COMMUNITY $3 2 MILLION UNREIMBURSED CARE FOR THOSE WHO ARE POOR AND QUALIFY FOR MEDICAID $19 1 MILLION COST OF CARE FOR THOSE WHO COULD NOT AFFORD TO PAY $6 9 MILLION SUPPORT FOR OTHER PROGRAMS FOR THOSE WHO ARE POOR $0 5 MILLION COMMUNITY BENEFIT AS PERCENT OF TOTAL EXPENSE 10 1 PERCENT CMHP IS A MEMBER OF CATHOLIC HEALTH PARTNERS (CHP) CHP IS THE LARGEST HEALTH SYSTEM IN OHIO, THE STATE'S FOURTH LARGEST EMPLOYER AND ONE OF THE LARGEST CATHOLIC HEALTH SYSTEMS IN THE UNITED STATES CHP IS SPONSORED BY PARTNERS IN CATHOLIC HEALTH MINISTRIES (PCHM) PCHM IS A PUBLIC JURIDIC PERSON OF THE ROMAN CATHOLIC CHURCH CHP CONTINUES THE HEALTHCARE MINISTRIES BEGUN BY ITS FOUNDERS IN URBAN AND RURAL AREAS ACROSS OHIO, PENNSYLVANIA AND KENTUCKY MORE THAN 150 YEARS AGO CHP PROVIDES INTEGRATED HEALTH SERVICES VIA ACUTE CARE HOSPITALS, PHYSICIAN PRACTICES, LONG-TERM CARE RESIDENCES, HOUSING SITES FOR THE ELDERLY, HOME HEALTH AGENCIES, HOSPICE PROGRAMS, OUTREACH SERVICES AND WELLNESS CENTERS CHP HOSPITALS INCLUDE CRITICAL ACCESS FACILITIES THAT OFFER ESSENTIAL HEALTH SERVICES THAT OTHERWISE WOULD NOT BE AVAILABLE IN MANY COMMUNITIES CHP'S MISSION CALLS IT TO EXTEND THE HEALING MINISTRY OF JESUS BY IMPROVING THE HEALTH OF THE COMMUNITIES IT SERVES WITH SPECIAL EMPHASIS ON PEOPLE WHO ARE POOR AND UNDER-SERVED IN ADDITION TO PROVIDING PROGRAMS AND SERVICES DESIGNED TO ENHANCE THE HEALTH OF ENTIRE COMMUNITIES, CHP CARES FOR EVERYONE WHO COMES TO ITS FACILITIES, REGARDLESS OF THEIR ABILITY TO PAY CHP'S HOME OFFICE IN CINCINNATI, OHIO PROVIDES SERVICES AND SUPPORT TO THE ENTIRE SYSTEM ITS GOVERNANCE PRACTICES HAVE BEEN NATIONALLY RECOGNIZED FOR QUALITY SYSTEM LEADERSHIP PROVIDES STRATEGIC VISION AND MANAGEMENT OVERSIGHT IN SUPPORT OF THE MINISTRY BY DIRECTING RESOURCES, PROVIDING ACCESS TO LOWER COST DEBT FINANCING, IMPROVING CLINICAL OUTCOMES AND REDUCING OPERATING COSTS SYSTEM-WIDE COMMUNITY BENEFIT FOR 2013 PER THE AUDIT FOOTNOTE IS AS FOLLOWS TOTAL 2013 COMMUNITY BENEFIT $374 7 MILLION BENEFITS TO THE BROADER COMMUNITY $73 5 MILLION UNREIMBURSED CARE FOR THOSE WHO ARE POOR AND QUALIFY FOR MEDICAID $150 9 MILLION COST OF CARE FOR THOSE WHO COULD NOT AFFORD TO PAY $122 0 MILLION SUPPORT FOR OTHER PROGRAMS FOR THOSE WHO ARE POOR $28 3 MILLION COMMUNITY BENEFIT AS PERCENT OF TOTAL EXPENSE 9 8 PERCENT

Additional Data

Software ID: 13000248
Software Version: 2013v3.1
EIN: 31-0785684
Name: COMMUNITY MERCY HEALTH PARTNERS

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

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

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

	Name and address	Type of Facility (describe)
1	MERCY MEMORIAL WOUND CARE CENTER 1430 East US Highway 36 URBANA,OH 43078	WOUND CARE CENTER
2	ST JOHN'S CENTER 100 W McCreight Ave SPRINGFIELD,OH 45504	WOUND CARE CENTER
3	OAKWOOD VILLAGE 1500 Villa Road SPRINGFIELD,OH 45503	WOUND CARE CENTER
4	SPRINGFIELD REGIONAL WOUND CARE CENTER 362 S Burnett Rd SPRINGFIELD,OH 45505	WOUND CARE CENTER
5	OCCUPATIONAL HEALTH CENTER-SPRINGFIELD 2501 East High Street SPRINGFIELD,OH 45505	WOUND CARE CENTER
6	OCCUPATIONAL HEALTH CENTER-URBANA 904 Scioto St URBANA,OH 43078	WOUND CARE CENTER
7	SPRINGFIELD REGIONAL CANCER CENTER 148 W North St SPRINGFIELD,OH 45503	WOUND CARE CENTER
8	MERCY SIENA RETIREMENT COMMUNITY 6125 N Main St DAYTON,OH 45415	WOUND CARE CENTER
9	COMMUNITY MERCY HOME MEDICAL EQUIPMENT 1702 N Limestone St SPRINGFIELD,OH 45505	WOUND CARE CENTER
10	COMMUNITY MERCY HOME CARE SERVICES OF SPRINGFIELD LLC 530 South Burnett Rd SPRINGFIELD,OH 45505	WOUND CARE CENTER
11	MCAULEY CENTER 906 Scioto Street URBANA,OH 43078	WOUND CARE CENTER

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493317062414

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
COMMUNITY MERCY HEALTH PARTNERS

Employer identification number
31-0785684

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**	Yes	
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**	Yes	
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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		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**	Yes	
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				
See Additional Data Table							

Part III Supplemental Information

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

Return Reference	Explanation
Schedule J, Part I, Line 1a, Housing allowance or residence for personal use	A HOUSING ALLOWANCE WAS PROVIDED TO THE FOLLOWING LISTED INDIVIDUAL SHERRY NELSON $1,752 THE ENTIRE AMOUNT WAS TREATED AS TAXABLE COMPENSATION
Schedule J, Part I, Line 4a, Severance or change-of-control payment	SEVERANCE BENEFITS CONSISTING OF CONTINUATION OF BASE SALARY AND INSURANCE BENEFITS WERE PROVIDED TO LISTED INDIVIDUALS FOR SPECIFIED PERIODS THE LISTED INDIVIDUALS EXECUTED RELEASES AND WAIVERS OF CLAIMS IN EXCHANGE FOR THE SEVERANCE BENEFITS SALARY CONTINUATION AMOUNTS PROVIDED DURING THE YEAR TO LISTED INDIVIDUALS WERE AS FOLLOWS D TERRY BOYS $146,734, MARK WIENER $308,714
Schedule J, Part I, Line 4b, Supplemental nonqualified retirement plan	THE COMMUNITY MERCY HEALTH PARTNERS (CMHP) SERP PLAN IS A DEFERRED COMPENSATION PLAN WHICH PROVIDES SUPPLEMENTAL RETIREMENT BENEFITS TO PERSONS SELECTED BY THE CMHP COMMITTEE IT PROVIDES ANNUAL CREDITS OF A SPECIFIED PERCENTAGE OF COMPENSATION AND ANNUAL INVESTMENT RETURNS AND/OR LOSSES PARTICIPANTS VEST THE LATER OF FIVE YEARS OF ACTIVE SERVICE OR THE SECOND ANNIVERSARY OF HIS OR HER SEPARATION FROM SERVICE WITH THE EMPLOYER VESTING OCCURS EARLIER FOR DEATH OR TOTAL DISABILITY PAYMENTS DURING EMPLOYMENT ARE MADE FOR REQUIRED TAX WITHHOLDING PAYMENT OF THE VESTED ACCOUNT BALANCE IN A LUMP SUM OCCURS AFTER TERMINATION OF EMPLOYMENT AMOUNTS INCLUDABLE AS TAXABLE COMPENSATION FOR LISTED INDIVIDUALS DUE TO SERP PARTICIPATION IN THE REPORTING YEAR WERE AS FOLLOWS JOHN DEMPSEY $0, GARY HAGENS $0, D TERRY BOYS $0, KENNETH W RICH $0
SCHEDULE J, PART I, LINE 4B, THE CHP EXECUTIVE RETENTION PLAN	THE CHP EXECUTIVE RETENTION PLAN IS A DEFERRED COMPENSATION PLAN WHICH PROVIDES EMPLOYMENT CONTINUATION INCENTIVES TO PERSONS SELECTED BY THE BOARD OF TRUSTEES OR ITS DELEGATE IT PROVIDES ANNUAL CREDITS OF A SPECIFIED PERCENTAGE OF COMPENSATION AND ANNUAL INTEREST CREDITS PARTICIPANTS VEST AND CEASE TO RECEIVE CREDITS AFTER 5 YEARS OF PLAN PARTICIPATION PROVIDED THEY REMAIN EMPLOYED VESTING AND CESSATION OF CREDITS OCCUR EARLIER FOR DEATH OR TOTAL DISABILITY WHILE EMPLOYED, INVOLUNTARY TERMINATION OF EMPLOYMENT WITHIN 24 MONTHS AFTER A CHANGE IN CONTROL OF THE ORGANIZATION, OR, FOR CERTAIN PARTICIPANTS, UPON BEING OFFERED A SPECIFIED PROMOTION PAYMENT OF THE VESTED ACCOUNT BALANCE IN A LUMP SUM OCCURS UPON VESTING AMOUNTS INCLUDIBLE AS TAXABLE COMPENSATION FOR LISTED INDIVIDUALS DUE TO RETENTION PLAN PARTICIPATION IN THE REPORTING YEAR WERE AS FOLLOWS JAMES MAY $593,585, KATRINA ENGLISH $0
SCHEDULE J, PART I, LINE 4B, THE CHP SERP PLAN	THE CHP SERP PLAN IS A DEFERRED COMPENSATION PLAN WHICH PROVIDES SUPPLEMENTAL RETIREMENT BENEFITS TO PERSONS SELECTED BY THE BOARD OF TRUSTEES OR ITS DELEGATE IT PROVIDES ANNUAL CREDITS OF A SPECIFIED PERCENTAGE OF COMPENSATION AND ANNUAL INTEREST CREDITS PARTICIPANTS VEST 50%, 75%, AND 100% IN THEIR ACCOUNTS AFTER 5, 6, AND 7 YEARS OF SERVICE, RESPECTIVELY, VESTING OCCURS EARLIER FOR DEATH OR TOTAL DISABILITY OR REACHING AGE 60 WHILE EMPLOYED, OR INVOLUNTARY TERMINATION OF EMPLOYMENT WITHIN 24 MONTHS AFTER A CHANGE IN CONTROL OF THE ORGANIZATION OR DUE TO POSITION ELIMINATION, PAYMENTS DURING EMPLOYMENT ARE MADE FOR REQUIRED TAX WITHHOLDINGS PAYMENT OF THE VESTED ACCOUNT BALANCE IN A LUMP SUM OCCURS AFTER TERMINATION OF EMPLOYMENT AMOUNTS INCLUDIBLE AS TAXABLE COMPENSATION FOR LISTED INDIVIDUALS DUE TO SERP PARTICIPATION IN THE REPORTING YEAR WERE AS FOLLOWS JAMES MAY $154,309
SCHEDULE J, PART I, LINE 4B, TERMS AND CONDITIONS OF THE MHPSWO EXECUTIVE BENEFIT PLAN	THE MERCY HEALTH PARTNERS OF SOUTHWEST OHIO EXECUTIVE BENEFIT PLAN IS A DEFERRED COMPENSATION PLAN WHICH PROVIDES EMPLOYMENT CONTINUATION INCENTIVES TO ALL EXECUTIVE COUNCIL MEMBERS IT PROVIDES ANNUAL CREDITS OF A SPECIFIED PERCENTAGE OF COMPENSATION A BENEFIT IS CALCULATED FOR ANY INDIVIDUAL WHOSE COMPENSATION IS LIMITED IN THE QUALIFIED CASH BALANCE PLAN DUE TO INCOME WHICH EXCEEDS THE IRS MAXIMUM THE BENEFIT IS BASED UPON FORM W-2 COMPENSATION AND IS EQUAL TO THE AMOUNT EXCLUDED FROM THE QUALIFIED PLAN PARTICIPANTS MUST COMPLETE A TWO TIERED VESTING PROVISION PARTICIPANTS MUST BE VESTED UNDER THE BASE QUALIFIED PLAN AND MUST COUNT 24 MONTHS AFTER TERMINATION DURING WHICH THEY DO NOT COMPETE WITH MERCY HEALTH PARTNERS OF SOUTHWEST OHIO AMOUNTS INCLUDABLE AS TAXABLE COMPENSATION FOR LISTED INDIVIDUALS DUE TO EXECUTIVE BENEFIT PLAN PARTICIPATION IN THE REPORTING YEAR WERE AS FOLLOWS PAUL HILTZ $0
Schedule J, Part I, Line 7, Non-fixed payments	THE ORGANIZATION PROVIDES ANNUAL INCENTIVE COMPENSATION FOR LISTED INDIVIDUALS THE ORGANIZATION'S BOARD OF TRUSTEES ESTABLISHES OBJECTIVE THRESHOLDS FOR QUALITY, COMMUNITY BENEFIT, AND FINANCIAL PERFORMANCE WHICH MUST BE ACHIEVED FOR INCENTIVES TO BE AWARDED THE BOARD ALSO ESTABLISHES THRESHOLD, TARGET AND MAXIMUM LEVELS FOR INCENTIVE AWARDS WITHIN THESE ESTABLISHED PARAMETERS, THE BOARD DETERMINES THE CEO'S INCENTIVE AWARD AND INCENTIVE AWARDS FOR OTHER LISTED INDIVIDUALS ARE DETERMINED BY THE LISTED INDIVIDUAL'S SUPERVISOR AND DISCLOSED TO THE BOARD THE BOARD MAY AUTHORIZE MODIFIED INCENTIVE AWARDS WHEN APPROPRIATE IN ITS JUDGMENT
SCHEDULE J, PART II, COLUMN (C), REPORTING NEGATIVE DEFERRED COMPENSATION	ANNUAL ACTUARIALLY-DETERMINED CONTRIBUTIONS TO DEFINED BENEFIT PLANS, WHICH ARE BASED ON PRIOR PLAN CONTRIBUTIONS, CHANGES IN INTEREST RATES, THE PRESENT VALUE OF ACCRUED BENEFITS, AND OTHER DATA AND ASSUMPTIONS ABOUT THE FUTURE, MAY, FOR SOME PLAN PARTICIPANTS AND FOR SOME YEARS, RESULT IN NEGATIVE CONTRIBUTION AMOUNTS

Additional Data

Software ID: 13000248
Software Version: 2013v3.1
EIN: 31-0785684
Name: COMMUNITY MERCY HEALTH PARTNERS

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
PAUL HILTZ TRUSTEE, MARKET LEADER & PRESIDENT	(I) (II)	313,761 0	68,733 0	10,231 0	72,464 0	19,715 0	484,904 0	0 0
JAMES MAY TRUSTEE, CHP EVP & COO	(I) (II)	0 734,698	0 262,703	0 797,477	0 10,200	0 34,828	0 1,839,906	0 0
MARK WIENER FORMER OFFICER	(I) (II)	25,763 0	0 0	312,445 0	-141 0	2,925 0	340,992 0	0 0
JOHN DEMPSEY VP, CFO & TREASURER	(I) (II)	271,103 0	11,890 0	10,901 0	13,864 0	17,280 0	325,038 0	0 0
WILLIAM KUSNIERZ VP, CFO & TREASURER	(I) (II)	0 236,932	0 62,013	0 20,134	0 6,749	0 6,604	0 332,432	0 0
KATRINA ENGLISH FORMER KEY EMPLOYEE	(I) (II)	0 274,046	0 15,508	0 77,080	0 14,054	0 19,756	0 400,444	0 0
D TERRY BOYS VP, CHIEF NURSING OFFICER	(I) (II)	23,016 0	0 0	172,747 0	3,670 0	1,313 0	200,746 0	0 0
GARY HAGENS VP, COO - VPMA	(I) (II)	324,729 0	49,202 0	11,771 0	16,925 0	23,666 0	426,293 0	0 0
KENNETH W RICH VP, BUSINESS DEVELOPMENT & ANCILLARY SERVICES	(I) (II)	146,653 0	0 0	7,183 0	4,300 0	24,108 0	182,244 0	0 0
SHERRY NELSON VP CHIEF NURSING OFFICER	(I) (II)	179,572 0	29,288 0	2,532 0	0 0	7,280 0	218,672 0	0 0
SANA WAIKHOM MD FORMER HCE	(I) (II)	0 135,775	0 6,000	0 18,302	0 -24,334	0 8,230	0 143,973	0 0
JENELLE ZELINSKI DIRECTOR OF FINANCE	(I) (II)	177,581 0	1,000 0	631 0	-13,124 0	1,736 0	167,824 0	0 0
KAREN S GORBY DIRECTOR, CLINICAL SERVICES	(I) (II)	144,009 0	0 0	776 0	173 0	14,880 0	159,838 0	0 0
SANDRA CROW RN	(I) (II)	148,804 0	2,144 0	119 0	11,446 0	14,432 0	176,945 0	0 0
PAMELA ALLEN DIRECTOR, PHARMACY	(I) (II)	168,846 0	0 0	940 0	66 0	7,432 0	177,284 0	0 0
ROSE MCKELVIE DIRECTOR, CLINICAL SERVICES	(I) (II)	142,235 0	0 0	173 0	0 0	19,416 0	161,824 0	0 0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (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
COMMUNITY MERCY HEALTH PARTNERS

Employer identification number
31-0785684

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) SPRINGFIELD HEMATOLOGY AND ONCOLOGY ASSOCIATES	RAVI KHANNA M D (BOARD MEMBER) HAS A REPORTABLE OWNERSHIP INTEREST	117,939	RENTAL PAYMENTS & LABORATORY SERVICES		No
(2) SPRINGFIELD HEART SURGEONS	SURENDER NERAVETLA, M D (BOARD MEMBER) HAS A REPORTABLE OWNERSHIP INTEREST	748,079	INDEPENDENT CONTRACTOR		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

Employer identification number
31-0785684

Return Reference	Explanation
FORM 990, PART IV, LINE 12A, CONSOLIDATED AUDITED FINANCIAL STATEMENTS	THE FILING ORGANIZATION DOES NOT HAVE SEPARATE, INDEPENDENT AUDITED FINANCIAL STATEMENTS THE ORGANIZATION IS INCLUDED IN CATHOLIC HEALTH PARTNERS' CONSOLIDATED AUDITED FINANCIAL STATEMENTS, WHICH ARE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES CATHOLIC HEALTH PARTNERS' AUDIT AND CORPORATE RESPONSIBILITY COMMITTEE HAS RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT AND THE SELECTION OF AN INDEPENDENT ACCOUNTANT

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 2, Family/business relationships amongst interested persons	JOSEPH R JACKSON, JAMES N DOYLE - BUSINESS RELATIONSHIP

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 6, Classes of members or stockholders	COMMUNITY MERCY HEALTH SYSTEM IS THE MEMBER OF COMMUNITY MERCY HEALTH PARTNERS

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 7a, Members or stockholders electing members of governing body	CATHOLIC HEALTH PARTNERS ELECTS ALL BOARD MEMBERS WHO HAVE FULL VOTING RIGHTS

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 7b, Decisions requiring approval by members or stockholders	CERTAIN MATTERS REQUIRE APPROVAL OF THE CHP CORPORATE MEMBER, CHP GOVERNING BODY, OR CHP CEO THE REGULATIONS OF THE ORGANIZATION DESCRIBE THE LEVEL OF APPROVAL REQUIRED FOR VARIOUS DECISIONS

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 11b, Review of form 990 by governing body	THE FORM 990 IS PREPARED BY CHP'S TAX DEPARTMENT AND REVIEWED BY AN INDEPENDENT ACCOUNTING FIRM A COPY OF THE FORM 990 IS THEN REVIEWED BY MANAGEMENT ONCE THE FORM 990 IS REVIEWED BY ALL APPLICABLE PARTIES A COPY OF THE FINAL VERSION IS PROVIDED TO ALL MEMBERS OF THE GOVERNING BODY PRIOR TO FILING

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 12c, Conflict of interest policy	ALL BOARD MEMBERS ARE COVERED BY THE CATHOLIC HEALTH PARTNERS (CHP) CONFLICT OF INTEREST POLICY WHICH REQUIRES DISCLOSURE ON AN ANNUAL BASIS ALL POTENTIAL CONFLICTS OF INTEREST ARE REVIEWED BY CHP CORPORATE COMPLIANCE OFFICER AT THE BEGINNING OF EACH BOARD MEETING ALL BOARD MEMBERS ARE REQUIRED TO DISCLOSE ANY CONFLICTS OF INTEREST BOARD MEMBERS DETERMINED TO HAVE A CONFLICT OF INTEREST ARE PROHIBITED FROM PARTICIPATING IN DELIBERATIONS AND DECISION-MAKING FOR THE TRANSACTION IN WHICH THE CONFLICT EXISTS

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 15a, Process to establish compensation of top management official	THE ORGANIZATION'S FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACCOMPLISHING THE ORGANIZATION'S MISSION, TO RECOGNIZE PERFORMANCE, AND TO OPERATE IN KEEPING WITH THE ORGANIZATION'S OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE COMPENSATION & EVALUATION COMMITTEE OF THE ORGANIZATION'S BOARD OF TRUSTEES CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION AND PERFORMANCE OF THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES IN DOING SO, THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT A COMPETITIVE MARKET ANALYSIS ANNUALLY OF THE MARKET RANGES OF BASE, INCENTIVE, AND TOTAL CASH COMPENSATION THE COMMITTEE UTILIZES THAT ANALYSIS AND OTHER APPROPRIATE INFORMATION IN CONNECTION WITH ITS ANNUAL REVIEW AND ADJUSTMENT OF COMPENSATION RANGES IT ALSO REVIEWS AND RECOMMENDS TO THE FULL BOARD THE THRESHOLD, TARGET, AND MAXIMUM INCENTIVE AWARDS FOR WHICH THE LISTED INDIVIDUALS MAY BE ELIGIBLE, BASED UPON THE ORGANIZATION'S PERFORMANCE RESULTS FOR COMMUNITY BENEFIT, QUALITY, AND FINANCIAL PERFORMANCE. THE COMMITTEE'S RECOMMENDATIONS CONCERNING SALARY RANGE ADJUSTMENTS AND INCENTIVE AWARDS GO TO THE FULL BOARD FOR APPROVAL THE COMMITTEE, WITH FULL BOARD APPROVAL, DETERMINES THE ADJUSTMENT TO THE CEO'S BASE COMPENSATION AND INCENTIVE AWARD, WITHIN SUCH ESTABLISHED PARAMETERS FOR THE COO, CAO, EVP, AND SVP POSITIONS, ADJUSTMENTS AND INCENTIVE AWARDS ARE APPROVED BY THE ORGANIZATION'S CEO WITHIN SUCH PARAMETERS ADJUSTMENTS AND AWARDS FOR OTHER LISTED INDIVIDUALS ARE RECOMMENDED BY THE SUPERVISING EXECUTIVE. BASE SALARY ADJUSTMENTS AND INCENTIVE AWARDS ARE DISCLOSED TO THE COMMITTEE. A FORMAL PERFORMANCE APPRAISAL PROCESS IS INCORPORATED IN THE COMPENSATION ADJUSTMENT AND AWARD PROCESS IT UTILIZES A MULTI-PERSPECTIVE APPROACH AND PERFORMANCE MEASURES WHICH ARE LINKED TO THE ORGANIZATION'S LONG-TERM STRATEGIC PLAN, ACHIEVEMENT OF ANNUAL SYSTEM OBJECTIVES, AND PERSONAL OBJECTIVES

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 15b, Process to establish compensation of other employees	COMPENSATION-RELATED DETERMINATIONS ARE CONDUCTED IN ACCORDANCE WITH APPLICABLE REQUIREMENTS OF THE INTERNAL REVENUE CODE AND REGULATIONS TO QUALIFY FOR THE PRESUMPTION THAT THE COMPENSATION IS REASONABLE, INCLUDING BUT NOT LIMITED TO APPROVAL BY AN AUTHORIZED BODY COMPOSED OF INDIVIDUALS WHO DO NOT HAVE A CONFLICT OF INTEREST, OBTAINING AND RELYING ON APPROPRIATE DATA AS TO COMPARABILITY, AND CONCURRENT DOCUMENTATION OF THE BASIS FOR THE COMPENSATION DETERMINATIONS

Return Reference	Explanation
Form 990, Part VI, Sec C, Line 19, Required documents available to the public	THE CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE POSTED ON THE CATHOLIC HEALTH PARTNERS WEBSITE.

Return Reference	Explanation
Form 990, Part IX, Line 11g, Other Expenses	MEDICAL PROFESSIONAL FEES - TOTAL EXPENSE 9041456, PROGRAM SERVICE EXPENSE 9041456, MANAGEMENT AND GENERAL EXPENSES , FUNDRAISING EXPENSES , CONSULTING - TOTAL EXPENSE 1942791, PROGRAM SERVICE EXPENSE 1554233, MANAGEMENT AND GENERAL EXPENSES 388558, FUNDRAISING EXPENSES , COLLECTION SERVICES - TOTAL EXPENSE 1388030, PROGRAM SERVICE EXPENSE 1110424, MANAGEMENT AND GENERAL EXPENSES 277606, FUNDRAISING EXPENSES , AFFILIATE PURCHASED SERVICES - TOTAL EXPENSE 27065632, PROGRAM SERVICE EXPENSE 21652506, MANAGEMENT AND GENERAL EXPENSES 5413126, FUNDRAISING EXPENSES , OTHER PURCHASED SERVICES - TOTAL EXPENSE 24025727, PROGRAM SERVICE EXPENSE 19220582, MANAGEMENT AND GENERAL EXPENSES 4805145, FUNDRAISING EXPENSES ,

Return Reference	Explanation
Form 990 , Part XI, Line 9, Other changes in net assets or fund balances	PRIOR YEAR ADJUSTMENT TO FUND BALANCE - 1313000, ELIMINATION OF INTERCOMPANY BALANCES - -15808181, PENSION LIABILITY ADJUSTMENT - 24292527, AFFILIATE FUND BALANCE TRANSFERS - 5559010, NET ASSETS RELEASED FROM RESTRICTION - -142000,

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" 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
COMMUNITY MERCY HEALTH PARTNERS

Employer identification number
31-0785684

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) SPRINGFIELD REGIONAL CANCER CENTER 148 W NORTH STREET SPRINGFIELD, OH 45502 35-2216018	CANCER CENTER	OH	2,977,474	4,686,701	COMMUNITY MERCY HEALTH PARTNERS

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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	
See Additional Data Table												

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

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) THE COMMUNITY MERCY FOUNDATION	C	2,878,893	GAAP

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

Additional Data

Software ID: 13000248
Software Version: 2013v3.1
EIN: 31-0785684
Name: COMMUNITY MERCY HEALTH PARTNERS

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) CATHOLIC HEALTH PARTNERS 615 ELSINORE PLACE CINCINNATI, OH 45202 31-1161086	HEALTHCARE SYSTEM PARENT	OH	501(C)(3)	11 - Type III - FI	NA		No
(1) CATHOLIC HEALTH PARTNERS FOUNDATION 615 ELSINORE PLACE CINCINNATI, OH 45202 20-1072726	FUNDRAISING	OH	501(C)(3)	7	CATHOLIC HEALTH PARTNERS		No
(2) CATHOLIC HEALTHCARE PARTNERS HOUSING DEVELOPMENT 615 ELSINORE PLACE CINCINNATI, OH 45202 20-8943658	HUD PARENT	OH	501(C)(3)	9	CATHOLIC HEALTH PARTNERS		No
(3) CATHOLIC HEALTHCARE PARTNERS RETIREMENT TRUST 615 ELSINORE PLACE CINCINNATI, OH 45202 31-6046304	RETIREMENT TRUST	OH	501(C)(3)	8	CATHOLIC HEALTH PARTNERS		No
(4) COMMUNITY HEALTH PARTNERS REGIONAL HEALTH SYSTEM 3700 KOLBE ROAD LORAIN, OH 44053 27-0071694	MARKET PARENT	OH	501(C)(3)	11 - Type II	CATHOLIC HEALTH PARTNERS		No
(5) COMMUNITY HEALTH PARTNERS REGIONAL MEDICAL CENTER 3700 KOLBE ROAD LORAIN, OH 44053 34-0714704	HOSPITAL	OH	501(C)(3)	3	COMMUNITY HEALTH PARTNERS REGIONAL HEALTH SYSTEM		No
(6) ALLEN MEDICAL CENTER 200 WEST LORAIN ST OBERLIN, OH 44074 34-0864230	HOSPITAL	OH	501(C)(3)	3	COMMUNITY HEALTH PARTNERS REGIONAL HEALTH SYSTEM		No
(7) COMMUNITY HEALTH PARTNERS REGIONAL FOUNDATION 3700 KOLBE ROAD LORAIN, OH 44053 34-1504558	FOUNDATION	OH	501(C)(3)	11 - Type III - FI	COMMUNITY HEALTH PARTNERS REGIONAL MEDICAL CENTER		No
(8) COMMUNITY HEALTH PARTNERS PHYSICIANS OFFICE BUILDINGS 3700 KOLBE ROAD LORAIN, OH 44053 34-1268828	MEDICAL OFFICE RENTAL	OH	501(C)(3)	9	COMMUNITY HEALTH PARTNERS REGIONAL MEDICAL CENTER		No
(9) ALLEN MEDICAL CENTER MEDICAL OFFICE BUILDING 200 WEST LORAIN ST OBERLIN, OH 44074 36-4504991	MEDICAL OFFICE RENTAL	OH	501(C)(3)	11 - Type II	ALLEN MEDICAL CENTER		No
(10) MERCY HEALTH PARTNERS OF SOUTHWEST OHIO 4600 MCAULEY PLACE CINCINNATI, OH 45242 31-1063783	MARKET PARENT	OH	501(C)(3)	11 - Type III - FI	CATHOLIC HEALTH PARTNERS		No
(11) MERCY HEALTH PARTNERS OF SOUTHWEST OHIO FOUNDATION 4600 MCAULEY PLACE CINCINNATI, OH 45242 31-1217563	FOUNDATION	OH	501(C)(3)	7	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(12) MERCY HOSPITALS WEST 2446 KIPLING AVENUE CINCINNATI, OH 45239 31-1091597	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(13) MERCY HOSPITAL ANDERSON 7500 STATE ROAD CINCINNATI, OH 45255 31-0537085	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(14) THE SISTERS OF MERCY OF HAMILTON OHIO 3000 MACK ROAD FAIRFIELD, OH 45014 31-0538532	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(15) THE SISTERS OF MERCY OF CLERMONT COUNTY OHIO 3000 HOSPITAL DRIVE BATAVIA, OH 45103 31-0830955	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(16) MERCY FRANCISCAN SENIOR HEALTH AND HOUSING SERVICES INC 7010 ROWAN HILLS DR CINCINNATI, OH 45227 31-1308729	RETIREMENT HOME	OH	501(C)(3)	9	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(17) MERCY SACRED HEART INC 2120 PAYNE STREET LOUISVILLE, KY 40206 61-1318326	RETIREMENT HOME	KY	501(C)(3)	9	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(18) MERCY LONG TERM CARE INITIATIVE 4915 CHARLESTOWN RD NEW ALBANY, IN 47150 31-1332491	RETIREMENT HOME	IN	501(C)(3)	9	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(19) MERCY FRANCISCAN SOCIAL MINISTRIES INC 1800 LOGAN STREET CINCINNATI, OH 45210 31-1222942	LOW INCOME HOUSING	OH	501(C)(3)	7	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(21) MERCY FRANCISCAN AT ST RAPHAEL INC 610 HIGH STREET HAMILTON, OH 45011 20-2934871	SERVICES TO THE POOR	OH	501(C)(3)	7	MERCY HEALTH PARTNERS OF SOUTHWEST OHIO		No
(1) COMMUNITY MERCY HEALTH SYSTEM ONE S LIMESTONE ST SPRINGFIELD, OH 45502 30-0272454	MARKET PARENT	OH	501(C)(3)	11 - Type III - FI	CATHOLIC HEALTH PARTNERS		No
(2) COMMUNITY MERCY HEALTH PARTNERS ONE S LIMESTONE ST SPRINGFIELD, OH 45502 31-0785684	HOSPITAL	OH	501(C)(3)	3	COMMUNITY MERCY HEALTH SYSTEM		No
(3) THE COMMUNITY MERCY FOUNDATION 1343 N FOUNTAIN BLVD SPRINGFIELD, OH 45504 31-1443778	FOUNDATION	OH	501(C)(3)	7	COMMUNITY MERCY HEALTH SYSTEM		No
(4) C H HEALTH SERVICES COMPANY ONE S LIMESTONE ST SPRINGFIELD, OH 45502 31-1181984	HOSPITAL	OH	501(C)(3)	3	COMMUNITY MERCY HEALTH SYSTEM		No
(5) CLARKE & CHAMPAIGN COUNTIES HEALTH INFORMATION EXCHANGE 1150 E HOME ROAD SPRINGFIELD, OH 45503 26-0698515	MEDICAL INFORMATION EXCHANGE	OH	501(C)(3)	9	COMMUNITY MERCY HEALTH SYSTEM		No
(6) THE WALLACE S MURRAY AND FRANCES RABBITTS MURRAY MEMORIAL TRUST ONE S LIMESTONE ST SPRINGFIELD, OH 45502 34-6827136	INDIGENT MEDICAL CARE	OH	501(C)(3)	11 - Type I	NA		No
(7) MERCY HEALTH SYSTEM - NORTHERN REGION 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1344482	MARKET PARENT	OH	501(C)(3)	11 - Type III - FI	CATHOLIC HEALTH PARTNERS		No
(8) MERCY PROPERTY HOLDINGS 2200 JEFFERSON AVENUE TOLEDO, OH 43604 30-0699825	TITLE HOLDING COMPANY	OH	501(C)(2)	N/A	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(9) ST CHARLES MERCY HOSPITAL OF OREGON OHIO 2600 NAVARRE AVENUE OREGON, OH 43616 34-4445373	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(10) RIVERSIDE MERCY HOSPITAL 3404 W SYLVANIA AVE TOLEDO, OH 43623 31-1556401	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(11) MERCY HOME CARE INC 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1587572	HOME HEALTHCARE	OH	501(C)(3)	9	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(12) MERCY COLLEGE OF OHIO 2221 MADISON AVENUE TOLEDO, OH 43604 34-1726619	MEDICAL COLLEGE	OH	501(C)(3)	2	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(13) MERCY COLLEGE OF OHIO FOUNDATION INC 2221 MADISON AVENUE TOLEDO, OH 43604 14-1963204	FOUNDATION	OH	501(C)(3)	11 - Type I	MERCY COLLEGE OF OHIO		No
(14) MERCY HOSPITAL OF TIFFIN OHIO 45 ST LAWRENCE DRIVE TIFFIN, OH 44883 34-4431174	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(15) MERCY TIFFIN HEALTH FOUNDATION 45 ST LAWRENCE DRIVE TIFFIN, OH 44883 34-1499894	FOUNDATION	OH	501(C)(3)	11 - Type III - FI	MERCY HOSPITAL OF TIFFIN OHIO		No
(16) THE SISTERS OF MERCY OF WILLARD OHIO 110 EAST HOWARD ST WILLARD, OH 44890 34-1577110	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(17) MERCY HOSPITAL OF WILLARD FOUNDATION 110 EAST HOWARD ST WILLARD, OH 44890 11-3742347	FOUNDATION	OH	501(C)(3)	11 - Type III - FI	THE SISTERS OF MERCY OF WILLARD OHIO		No
(18) ST VINCENT MERCY MEDICAL CENTER 2213 CHERRY STREET TOLEDO, OH 43608 34-4428250	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(19) MERCY FOUNDATION 2213 CHERRY STREET TOLEDO, OH 43608 23-7393213	FOUNDATION	OH	501(C)(3)	11 - Type III - FI	ST VINCENT MERCY MEDICAL CENTER		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(41) LIFESTAR AMBULANCE INC 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1354653	MEDICAL TRANSPORTATION	OH	501(C)(3)	11 - Type II	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(1) RSM MEDICAL FOUNDATION 2200 JEFFERSON AVENUE TOLEDO, OH 43624 34-1693671	HOSPITAL	OH	501(C)(3)	3	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(2) SIMON OUTREACH SERVICES 2600 NAVARRE AVENUE OREGON, OH 43616 34-1383325	MEDICAL OFFICE RENTAL	OH	501(C)(3)	11 - Type II	ST CHARLES MERCY HOSPITAL OF OREGON OHIO		No
(3) FARLEY HEALTHCARE CORPORATION 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1363204	HEALTH SERVICES	OH	501(C)(3)	9	MERCY HEALTH SYSTEM - NORTHERN REGION		No
(4) ST RITA'S MEDICAL CENTER 730 W MARKET STREET LIMA, OH 45801 34-1105619	HOSPITAL	OH	501(C)(3)	3	CATHOLIC HEALTH PARTNERS		No
(5) SRHC FOUNDATION 730 W MARKET STREET LIMA, OH 45801 34-1368429	FOUNDATION	OH	501(C)(3)	11 - Type III - FI	ST RITA'S MEDICAL CENTER		No
(6) NEW VISION MEDICAL LABORATORIES INC 750 W HIGH ST STE 400 LIMA, OH 45801 34-1937267	MEDICAL LAB SERVICES	OH	501(C)(3)	11 - Type III - FI	ST RITA'S MEDICAL CENTER		No
(7) HUMILITY OF MARY HEALTH PARTNERS 1044 BELMONT AVENUE YOUNGSTOWN, OH 44501 34-0505560	HOSPITAL	OH	501(C)(3)	3	CATHOLIC HEALTH PARTNERS		No
(8) THE ASSUMPTION VILLAGE 9800 N MARKET STREET NORTH LIMA, OH 44452 34-1013695	NURSING HOME	OH	501(C)(3)	9	HUMILITY OF MARY HEALTH PARTNERS		No
(9) HOSPICE OF THE VALLEY 5190 MARKET STREET YOUNGSTOWN, OH 44512 34-1288745	HOSPICE SERVICES	OH	501(C)(3)	9	HUMILITY OF MARY HEALTH PARTNERS		No
(10) HUMILITY OF MARY DEVELOPMENT FOUNDATION 1044 BELMONT AVENUE YOUNGSTOWN, OH 44501 34-1826978	FOUNDATION	OH	501(C)(3)	11 - Type III - FI	HUMILITY OF MARY HEALTH PARTNERS		No
(11) HUMILITY HOUSE 755 OHLTOWN ROAD AUSTINTOWN, OH 44515 34-1894783	NURSING HOME	OH	501(C)(3)	9	HUMILITY OF MARY HEALTH PARTNERS		No
(12) ST JOSEPH HEALTH CENTER AUXILIARY 677 EASTLAND SE WARREN, OH 44484 34-6556121	FUNDRAISING	OH	501(C)(3)	9	HUMILITY OF MARY HEALTH PARTNERS		No
(13) MERCY HEALTH PARTNERS - LOURDES INC 1530 LONE OAK ROAD PADUCAH, KY 42003 61-0600313	HOSPITAL	KY	501(C)(3)	3	CATHOLIC HEALTH PARTNERS		No
(14) LOURDES FOUNDATION INC 1530 LONE OAK ROAD PADUCAH, KY 42003 61-1258960	FOUNDATION	KY	501(C)(3)	7	MERCY HEALTH PARTNERS - LOURDES INC		No
(15) LOURDES HOSPITAL AUXILIARY GIFT SHOP 1530 LONE OAK ROAD PADUCAH, KY 42003 61-0927805	FUNDRAISING	KY	501(C)(3)	11 - Type III - FI	LOURDES FOUNDATION INC		No
(16) MARCUM AND WALLACE MEMORIAL HOSPITAL INC 60 MERCY COURT IRVINE, KY 40336 61-0927491	HOSPITAL	KY	501(C)(3)	3	MERCY HEALTH PARTNERS - LOURDES INC		No
(17) MARCUM AND WALLACE HOSPITAL FOUNDATION INC 60 MERCY COURT IRVINE, KY 40336 32-0026557	FOUNDATION	KY	501(C)(3)	11 - Type III - FI	MARCUM AND WALLACE MEMORIAL HOSPITAL INC		No
(18) MERCY HEALTH PARTNERS INC 615 ELSINORE PLACE CINCINNATI, OH 45202 73-1627534	MARKET PARENT	TN	501(C)(3)	11 - Type I	CATHOLIC HEALTH PARTNERS		No
(19) MERCY HEALTH PARTNERS - NORTHEAST REGION INC 615 ELSINORE PLACE CINCINNATI, OH 45202 23-2813196	MARKET PARENT	PA	501(C)(3)	11 - Type III - FI	CATHOLIC HEALTH PARTNERS		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(61) MERCY HOSPITAL OF WILKES-BARRE 746 JEFFERSON AVENUE SCRANTON, PA 18510 24-0795625	HOSPITAL	PA	501(C)(3)	3	MERCY HEALTH PARTNERS - NORTHEAST REGION INC		No
(1) MERCY HEALTH CARE CENTER 746 JEFFERSON AVENUE SCRANTON, PA 18510 23-2322809	HOSPITAL	PA	501(C)(3)	3	MERCY HEALTH PARTNERS - NORTHEAST REGION INC		No
(2) HEALTHSPAN PARTNERS 615 ELSINORE PLACE CINCINNATI, OH 45202 46-3055925	MARKET PARENT	OH	501(C)(3)	11 - Type III - FI	CATHOLIC HEALTH PARTNERS		No
(3) HEALTHSPAN INTEGRATED CARE 1001 LAKESIDE AVE SUITE 1200 CLEVELAND, OH 44114 34-0922268	HMO	OH	501(C)(3)	9	HEALTHSPAN PARTNERS		No

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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 K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
NWO INTEGRATED LABORATORIES MERCY LLC 2200 JEFFERSON AVENUE TOLEDO, OH 43624 34-1898285	LABORATORY SERVICES	OH	NA	N/A								
TIFFIN AMBULATORY SURGICAL ASSOCIATES 45 ST LAWRENCE DRIVE TIFFIN, OH 44833 37-1567866	AMBULATORY SURGERY CENTER	OH	NA	N/A								
NEW VISION MEDICAL LAB LLC 750 W HIGH STREET LIMA, OH 45801 34-1913433	LAB SERVICES	OH	NA	N/A								
WEST CENTRAL OHIO GROUP LTD 801 MEDICAL DRIVE LIMA, OH 45804 34-1848147	ORTHOPEDIC HOSPITAL	OH	NA	N/A								
KIDNEY SERVICES OF WEST CENTRAL OHIO 750 W HIGH STREET SUITE 100 LIMA, OH 45801 06-1644264	DIALYSIS CENTER	OH	NA	N/A								
WEST CENTRAL OHIO REGIONAL HEALTHCARE ALLIANCE LTD 2615 FORT AMANDA ROAD LIMA, OH 45805 34-1817078	HEALTHCARE QUALITY	OH	NA	N/A								
ST ELIZABETH SOUTHWOODS IMAGING 250 DEBARTOLO PLACE BLDG B YOUNGSTOWN, OH 44512 26-1626482	DIAGNOSTIC IMAGING	OH	NA	N/A								
ST ELIZABETH CARDIAC CATH LAB LLC P O BOX 16008 PITTSBURGH, PA 15242 30-0023795	LAB SERVICES	PA	NA	N/A								
UROLOGIC ONCOLOGY OF MAHONING VALLEY LLC 1044 BELMONT AVE YOUNGSTOWN, OH 44501 26-2989686	RADIATION THERAPY	OH	NA	N/A								
HMHPUSP SURGERY CENTERS LLC 15305 DALLAS PKWY STE 1600 ADDISON, TX 75001 27-1953122	SURGERY CENTER	TX	NA	N/A								
OSC-HMHP LLC 6505 MARKET ST BLDG B STE 101 BOARDMAN, OH 44512 01-0724836	ORTHOPEDIC SURGERY CENTER	OH	NA	N/A								
LOURDES AMBULATORY SURGERY CENTER 225 MEDICAL CENTER DRIVE PADUCAH, KY 42003 61-1258960	SURGERY CENTER	KY	NA	N/A								

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
CHP INSURANCE LTD 615 ELSINORE PLACE CINCINNATI, OH 45202 98-0621978	INSURANCE	CJ	NA	C CORPORATION					
SISTERS OF MERCY WORKERS COMPENSATION SELF-INSURANCE TRUST 615 ELSINORE PLACE CINCINNATI, OH 45202 31-0990309	WORKERS COMPENSATION TRUST	MA	NA	TRUST					
MHSWO HEALTH VENTURES INC 1 S LIMESTONE ST SPRINGFIELD, OH 45502 31-1072139	PHYSICIAN PRACTICES	OH	NA	C CORPORATION					
NORTHPARKE MEDICAL COMMONS CONDO ASSN 333 N LIMESTONE ST SPRINGFIELD, OH 45503 31-1391230	REAL PROPERTY MGMNT	OH	NA	C CORPORATION					
MERCY HEALTH AFFILIATES INC 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1372633	PHYSICIAN SERVICES	OH	NA	C CORPORATION					
PHYSICIAN'S HEALTH COLLABORATIVE 2200 JEFFERSON AVENUE TOLEDO, OH 43604 20-3986844	MEDICAL & HOSPITAL SERVICES	OH	NA	C CORPORATION					
NORTHSIDE CORPORATION 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1318438	RESIDENT RENTALS	OH	NA	C CORPORATION					
MERCY WORK SOLUTIONS 2200 JEFFERSON AVENUE TOLEDO, OH 43604 30-0066340	WORKERS COMPENSATION	OH	NA	C CORPORATION					
MERCY HEALTH SYSTEM PHO 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1778321	MEDICAL SERVICES	OH	NA	C CORPORATION					
PHYSICIAN MANAGED CARE INC 2200 JEFFERSON AVENUE TOLEDO, OH 43604 34-1565320	HEALTH SERVICES	OH	NA	C CORPORATION					
MCAULEY MANAGEMENT SERVICES INC 730 W MARKET STREET LIMA, OH 45801 34-1379037	PROPERTY RENTAL	OH	NA	C CORPORATION					
LIMA MEDICAL SUPPLIES INC 730 W MARKET STREET LIMA, OH 45801 34-0944477	MEDICAL EQUIPMENT	OH	NA	C CORPORATION					
COMMUNITY HEALTH PARTNERS ENTERPRISES INC 3700 KOLBE ROAD LORAIN, OH 44053 34-1455525	HOLDING COMPANY	OH	NA	C CORPORATION					
COMMUNITY HEALTH PARTNERS PHYSICIANS INC 3700 KOLBE ROAD LORAIN, OH 44053 34-1803352	PHYSICIAN PRACTICES	OH	NA	C CORPORATION					
AMC PHYSICIANS INC 200 W LORAIN STREET OBERLIN, OH 44074 37-1439554	PHYSICIAN SERVICES	OH	NA	C CORPORATION					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
MERCY HEALTH VENTURES INC 4600 MCAULEY PLACE CINCINNATI, OH 45242 31-1185477	DIVERSIFIED ACTIVITIES	OH	NA	C CORPORATION					
MERCY FRANCISCAN MEDICAL MANAGEMENT SERVICES 4600 MCAULEY PLACE CINCINNATI, OH 45242 31-1640789	DIVERSIFIED ACTIVITIES	OH	NA	C CORPORATION					
MERCY FRANCISCAN AT WINTON WOODS I INC 10290 MILL ROAD CINCINNATI, OH 45231 31-1658668	LOW-INCOME HOUSING	OH	NA	C CORPORATION					
MERCY HEALTH MANAGEMENT INC 1530 LONE OAK ROAD PADUCAH, KY 42003 61-1086762	MEDICAL OFFICES	KY	NA	C CORPORATION					
HEALTH DYNAMICS INC 900 E OAK HILL AVENUE KNOXVILLE, TN 37917 62-1247729	MEDICAL EQUIPMENT SALES	TN	NA	C CORPORATION					
HEALTH VENTURES INC & SUBSIDIARIES P O BOX 1788 KNOXVILLE, TN 37901 62-1175587	MEDICAL SERVICES	TN	NA	C CORPORATION					
ANNE KILCAWLEY CHRISTMAN FOUNDATION 100 FEDERAL PLAZA EAST YOUNGSTOWN, OH 44503 35-6735706	BENEFICIAL TRUST	OH	NA	TRUST					
RALPH EWE TRUST 270 PARK AVENUE NEW YORK, NY 10017 34-6866422	BENEFICIAL TRUST	NY	NA	TRUST					
ELIZABETH HINES CATES TRUST PNC 1900 E 9TH ST CLEVELAND, OH 44114 34-6515678	BENEFICIAL TRUST	OH	NA	TRUST					
WILLIS PARK TRUST PNC 1900 E 9TH ST CLEVELAND, OH 44114 34-6519904	BENEFICIAL TRUST	OH	NA	TRUST					
ERMA GIBSON BALDWIN TRUST PNC 1900 E 9TH ST CLEVELAND, OH 44114 34-6515566	BENEFICIAL TRUST	OH	NA	TRUST					
HEALTHSPAN INC 225 PICTORIA DR CINCINNATI, OH 45246 31-1431434	INSURANCE	OH	NA	C CORPORATION					

Ernst & Young LLP
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Building a better working world

Report of Independent Auditors

The Board of Trustees
Catholic Health Partners

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Health Partners at December 31, 2013 and 2012, and the results of its operations and changes in net assets, and its cash flows for the years then ended in conformity with US generally accepted accounting principles

Ernst & Young LLP

April 28, 2014

Catholic Health Partners

Consolidated Balance Sheets

	December 31	
	2013	2012
	(In Thousands)	
Assets		
Current assets		
Cash and cash equivalents	$ 151,644	$ 141,976
Investments	173,590	107,440
Funds held by trustees	90	47,319
Total cash and investments	325,324	296,735
Net patient accounts less allowance for doubtful receivables of $203,456 (2013) and $170,951 (2012)	456,790	455,958
Other receivables	115,625	53,719
Assets whose use is limited under securities lending arrangements	65,741	59,154
Inventories	87,328	72,352
Prepaid expenses and other current assets	36,451	35,367
Assets held for sale	–	65,793
Total current assets	1,087,259	1,039,078
Assets whose use is limited		
Board designated funds	1,917,578	1,947,456
Trustee-held assets and funds for self-insurance liabilities	110,426	158,583
Securities on loan under securities lending arrangements	75,952	60,654
Restricted for interest rate swap agreements collateral requirements	1,641	77,984
Total assets whose use is limited	2,105,597	2,244,677
Property and equipment, net	2,352,763	2,122,146
Retirement assets	27,856	–
Investments in unconsolidated organizations	275,883	18,838
Other long-term assets	210,296	186,916
Total assets	$ 6,059,654	$ 5,611,655
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 219,309	$ 194,824
Salaries and related liabilities	203,114	183,296
Accrued claims expense and related liabilities	48,162	–
Estimated payables to third-party payors, net	37,973	3,739
Accrued interest	15,024	16,389
Current portion of long-term debt	160,161	325,347
Payable under securities lending arrangements	65,741	59,154
Liabilities associated with assets held for sale	–	32,837
Other current liabilities	59,449	52,606
Total current liabilities	808,933	868,192
Long-term debt, net of current portion	1,681,879	1,571,565
Interest rate swap agreements liability	29,508	103,221
Retirement liabilities	121,619	260,834
Self-insurance liabilities	137,043	148,792
Other long-term liabilities	183,622	128,695
Total liabilities	2,962,604	3,081,299
Net assets		
Unrestricted	2,871,236	2,334,370
Temporarily restricted	63,504	56,888
Permanently restricted	67,125	65,372
Total net assets excluding noncontrolling interest	3,001,865	2,456,630
Noncontrolling interest	95,185	73,726
Total net assets	3,097,050	2,530,356
Total liabilities and net assets	$ 6,059,654	$ 5,611,655

See notes to consolidated financial statements

Catholic Health Partners

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2013	2012
	(In Thousands)	
Unrestricted revenues		
Patient service revenue (net of contractual provisions and discounts)	$ 3,948,860	$ 3,833,680
Provision for bad debt	294,607	254,633
Net patient service revenue less provision for bad debts	3,654,253	3,579,047
Member revenue, net	117,809	–
Other revenue, net	183,539	173,607
Total unrestricted revenues	3,955,601	3,752,654
Expenses		
Salaries and wages	1,623,797	1,556,457
Employee benefits	384,165	376,348
Supplies	653,958	626,415
Purchased services	457,609	435,000
Utilities	66,679	64,986
Rent	92,425	87,678
Medical professional fees	103,795	97,901
Medical claims expense	34,396	–
Insurance	33,594	25,017
Interest	48,499	56,669
Depreciation and amortization	225,680	216,976
Other	103,000	86,591
Total expenses	3,827,597	3,630,038
Excess of revenue over expenses before other income	128,004	122,616
Other income		
Loss on extinguishment of debt	–	(3,587)
Realized and unrealized interest rate swap agreements gain (loss)	41,832	(6,650)
Other expenses related to long-lived assets	(9,744)	(3,088)
Foundation net operating loss	(7,839)	(6,185)
Other, primarily investment income	179,254	193,003
Excess of revenue over expenses before business combination	331,507	296,109
Excess of fair value of assets acquired over liabilities assumed in business combination	33,319	–
Excess of revenue over expenses	364,826	296,109
Excess of revenue over expenses attributable to noncontrolling interest	20,867	19,428
Excess of revenue over expenses attributable to Catholic Health Partners	343,959	276,681
Changes in net assets		
Gain on discontinued operations	30,632	17,191
Change in unrealized gains and losses on restricted investments	2,246	2,223
Restricted contributions	17,016	20,229
Net assets released from restriction for operating activities	(14,698)	(20,167)
Distributions to noncontrolling interests	(15,450)	(17,592)
Change in plan assets and benefit obligations of postretirement plans	172,527	(17,862)
Transfer of restricted net assets to external foundations	–	(19,206)
Other changes, net	9,595	8,271
Changes in net assets	566,694	269,196
Changes in net assets attributable to noncontrolling interest	21,458	(190)
Changes in net assets attributable to Catholic Health Partners	545,236	269,386
Increase in total net assets	566,694	269,196
Net assets at beginning of period	2,530,356	2,261,160
Net assets at end of period	$ 3,097,050	$ 2,530,356

See notes to consolidated financial statements

Catholic Health Partners

Consolidated Statements of Cash Flows

	Year ended December 31	
	2013	2012
	(In Thousands)	
Operating activities		
Increase in net assets	$ **566,694**	$ 269,196
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for bad debts	**294,607**	254,633
Depreciation and amortization	**224,045**	215,722
Unrealized gain on interest rate swap agreements	**(95,160)**	(20,124)
Impairment of long-lived assets	**7,796**	1,875
Loss on extinguishment of debt	**–**	3,587
Change in net unrealized gains on investments	**(49,413)**	(115,146)
Equity income from alternative investments	**(30,323)**	(69,420)
Gain on sale of discontinued operations	**(36,071)**	–
Excess of fair value of assets acquired over liabilities in a business combination	**(33,319)**	–
Change in plan assets and benefit obligations of postretirement plans	**(172,527)**	17,862
Restricted contributions	**(17,016)**	(20,229)
Cash (used in) provided by changes in operating assets and liabilities		
Net patient accounts	**(276,077)**	(250,984)
Other current assets	**(5,258)**	(71,861)
Investments and assets whose use is limited	**252,767**	(7,106)
Assets whose use is limited under securities lending arrangements	**(6,587)**	52,147
Other assets	**19,213**	(3,790)
Current liabilities	**26,673**	(24,428)
Other long-term liabilities	**115**	(84,276)
Net cash provided by operating activities	**670,159**	147,658
Investing activities		
Additions to property and equipment	**(419,055)**	(301,231)
Purchases of alternative investments	**(56,989)**	(77,094)
Proceeds from sale of Senior Health & Housing facilities	**72,477**	–
Cash received in HealthSpan Integrated Care transaction	**31,390**	–
Investment in Summa Health System	**(250,000)**	–
Change in investments in unconsolidated organizations	**(7,045)**	5,066
Net cash used in investing activities	**(629,222)**	(373,259)
Financing activities		
Principal payments of long-term debt	**(54,872)**	(53,143)
Refunding of long-term debt	**–**	390,675
Proceeds from issuance of long-term debt	**–**	(232,970)
Cost of long-term debt issuance	**–**	(3,295)
Restricted contributions	**17,016**	20,229
Increase in payable under securities lending arrangements	**6,587**	(52,147)
Net cash (used in) provided by financing activities	**(31,269)**	69,349
Increase (decrease) in cash and cash equivalents	**9,668**	(156,252)
Cash and cash equivalents at beginning of period	**141,976**	298,228
Cash and cash equivalents at end of period	$ **151,644**	$ 141,976

See notes to consolidated financial statements

A. Basis of Presentation

Catholic Health Partners (CHP) is a Catholic health organization, supervising market delivery systems consisting of hospitals, nursing homes, and other organizations providing health-related services CHP is sponsored by Partners in Catholic Health Ministries (PCHM) PCHM is a public juridic person of the Roman Catholic Church CHP provides management direction to these separately incorporated health organizations (market affiliates), which operate in Ohio and Kentucky and carry out the mission, vision and values of CHP

As required, in conformity with U S generally accepted accounting principles, the consolidated financial statements include the financial position, results of operations and changes in net assets, and cash flows of CHP, CHP's market affiliates, HealthSpan Partners (HSP), Senior Health and Housing Services (SHHS), the CHP Home Office, the CHP Shared Services Organization, and CHP Insurance (SPC), Ltd (the Captive) (collectively, the Company) All intercompany balances and transactions have been eliminated upon consolidation HSP is a distinct, secular and non-profit organization with the primary objective of developing expanded provider networks and insurance products HSP is in the process of applying for its formal tax-exempt status

On October 1, 2013, HSP through a membership substitution became the sole corporate member of HealthSpan Integrated Care (formerly known as Kaiser Foundation Health Plan of Ohio [KFHPO]) HealthSpan Integrated Care is a tax-exempt organization that is licensed by the State of Ohio to provide prepaid health care services, which include health insurance The membership substitution furthers HSP's objective of developing expanded provider networks and insurance products

Through the membership substitution, HSP assumed all assets and liabilities of KFHPO with the exception of KFHPO's pension, post-retirement and long-term debt obligations No consideration was transferred at the time of the membership substitution Contingent consideration of $50,000 to $100,000 will be paid, prior to March 31, 2019, to the previous corporate member of KFHPO based on certain future operating targets Based on the projected future operating targets, a liability was estimated and recorded at fair value at the time of the membership substitution in the consolidated balance sheet

(Dollar Amounts in Thousands)

A. Basis of Presentation (continued)

The membership substitution was accounted for using the purchase method of accounting The assets and liabilities assumed as part of the membership substitution were recorded based on their determined fair value The following summarizes the fair values of the assumed or identified assets and liabilities of HealthSpan Integrated Care at the date of the membership substitution (October 1, 2013) as well as the inherent contribution recognized

Assets assumed/identified	
Cash and cash equivalents	$ 31,390
Other receivables	20,133
Inventories	6,727
Prepaid expenses and other current assets	1,206
Assets whose use is limited	400
Property and equipment, net	78,063
Identifiable intangible assets	6,500
Assets assumed/identified	144,419
Liabilities assumed/identified	
Accounts payable	(9,795)
Salaries and related liabilities	(5,863)
Estimated payable to third-party payors	(14,443)
Accrued medical claims expense and related liabilities	(26,954)
Other current liabilities	(9,313)
Contingent consideration (discounted)	(43,517)
Other long term liabilities	(1,215)
Liabilities assumed/identified	(111,100)
Excess of fair value of assets over liabilities assumed/identified in business combination	$ 33,319

The financial position of HealthSpan Integrated Care is included in the consolidated financial statements as of December 31, 2013 and the results of operations and cash flows are included for the period of October 1, 2013 to December 31, 2013 For the period of October 1, 2013 through December 31, 2013, the operations of HealthSpan Integrated Care contributed $113,264 in operating revenue, and $510 of excess of expenses over revenue to the consolidated results of operations

A. Basis of Presentation (continued)

On an unaudited pro forma basis, had HSP owned HealthSpan Integrated Care at the beginning of fiscal year 2013 (January 1, 2013), HealthSpan Integrated Care would have contributed $484,396 of operating revenue and $35,539 of excess of expenses over revenue to fiscal year 2013 On an unaudited pro forma basis, had HSP owned HealthSpan Integrated Care for all of the year ending December 31, 2012, HealthSpan Integrated Care would have contributed $518,469 of operating revenue and $60,275 of excess of expenses over revenue to fiscal year 2012 However, unaudited pro forma information is not necessarily indicative of the historical results that would have been obtained had the transaction actually occurred on those dates, or of future results

During 2013, the Company divested of substantially all assets of certain facilities within SHHS No liabilities or commitments were retained by the Company as part of the SHHS divestiture The assets, which consisted primarily of property and equipment, and liabilities, which consisted primarily of accounts payable and deferred revenue, of these certain SHHS facilities were presented as held for sale at December 31, 2012 The Company previously divested of substantially all assets of Mercy Health Partners – Northeast Market (Pennsylvania), Mercy Health Partners – Tennessee Market (Tennessee), Catholic Health Partners Housing Development (HUD) and Mercy St John's Center The Company retained responsibility for all current and long-term liabilities, including postretirement liabilities, but excluding capital leases for Pennsylvania and Tennessee No liabilities or commitments were retained by the Company as part of the HUD and Mercy St John's Center divestitures

Based on the criteria in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 205, *Discontinued Operations* (ASC 205), the results of operations for certain SHHS facilities, Pennsylvania, Tennessee, HUD and Mercy St John's Center have been classified as a single consolidated financial statement line within changes in net assets for all periods presented

(Dollar Amounts in Thousands)

A. Basis of Presentation (continued)

The following is a summary of the components of gain on discontinued operations for the years ended December 31

	2013	2012
Total revenue, net	**$ 58,140**	$ 70,887
Employment expenses	**32,504**	43,286
Supplies	**5,512**	6,070
Purchased services	**10,807**	10,417
Utilities	**2,823**	3,321
Rent	**180**	82
Medical professional fees	**88**	306
Insurance	**4,875**	1,570
Interest	**20**	–
Depreciation and amortization	**3,950**	4,563
Other	**2,820**	(15,919)
Total expenses	**63,579**	53,696
Excess of (expenses over revenue) revenue over expenses before other income	**(5,439)**	17,191
Gain on sale of certain SHHS facilities	**36,071**	–
Gain on discontinued operations	**$ 30,632**	$ 17,191

The gain on discontinued operations excludes general corporate overhead allocations, certain interest expense and other, primarily investment income as investments and assets limited as to use, except restricted funds, are being retained by the Company

During the year ended December 31, 2012, in connection with the sale of Tennessee, the Company made a one-time transfer of the permanently and temporarily restricted net assets to certain external foundations in the Tennessee area of $19,206

B. Significant Accounting Policies

Cash and Cash Equivalents

The Company considers highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents

Investments and Funds Held By Trustees

Investments and funds held by trustees consist primarily of marketable equity securities, U S government obligations, corporate debt obligations, certificates of deposit and money market funds Funds held by trustees at December 31, 2013 and 2012 are primarily related to the unexpended proceeds of the 2012 tax-exempt bond obligation issuance

Fair Value Measurements

The Company follows the provisions of ASC 820, *Fair Value Measurements and Disclosure* (ASC 820), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value ASC 820 defines a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date

ASC 820 emphasizes that fair value is a market-based measurement, not an entity specific measurement Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability As a basis for considering market participant assumption in fair value measurements ASC 820 defines a three-level fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participants The fair value hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date

B. Significant Accounting Policies (continued)

The three levels are defined as follows

Level 1 – inputs utilize quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access

Level 2 – inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset and liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals

Level 3 – inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability

In order to meet the requirements of ASC 820, the Company utilizes three basic valuation approaches to determine the fair value of its assets and liabilities required to be recorded at fair value The first approach is the cost approach The cost approach is generally the value a market participant would expect to replace the respective asset or liability The second approach is the market approach The market approach looks at what a market participant would consider an exact or similar asset or liability to that of the Company, including those traded on exchanges, to determine value The third approach is the income approach The income approach uses estimation techniques to determine the estimated future cash flows of the Company's respective asset or liability expected by a market participant and discounts those cash flows back to present value (more typically referred to as a discounted cash flow approach)

B. Significant Accounting Policies (continued)

Net Patient Accounts and Net Patient Service Revenue

Net patient accounts are reduced by an allowance for doubtful receivables based upon the historical collection experience of each market affiliate adjusted for current environmental risks and trends for each major payor source Significant provision is made for self-pay patient accounts in the period of service based on past collection experience

For patient receivables associated with self-pay patients, including patients with deductible and copayment balances for which third-party coverage provides for a portion of the services provided, the Company records an estimated provision for bad debts in the year of service Self-pay write-offs decreased $2,366 for the year ended December 31, 2013, compared to the same period in fiscal 2012 due to improved economic conditions in the markets in which the Company operates The allowance for doubtful receivables for self-pay patients as a percentage of self-pay accounts receivable was approximately 69% at December 31, 2013 and 2012 The Company does not maintain a material allowance for doubtful receivables from third-party payors

The Company's concentration of credit risk related to net patient accounts is limited due to the diversity of patients and payors Net patient accounts consist of amounts due from governmental programs (primarily Medicare and Medicaid), private insurance companies, managed care programs and patients themselves Significant concentrations of patient accounts at December 31, 2013 and 2012 include the Medicare program 18%, and the Medicaid program 15% Excluding the Medicare and Medicaid programs, no one other payor represents more than 10% of the Company's net patient accounts at December 31, 2013 or 2012

Net patient service revenue for services provided to patients who have third-party payor coverage is recognized based on contractual rates for the services rendered The Company recognizes a significant amount of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay As a result, the provision for bad debt is presented as a deduction from patient service revenue net of contractual provisions and discounts Amounts recognized are subject to adjustment upon review by third-party payors For uninsured patients that do not qualify for charity care, the Company recognizes revenue when services are provided Based on historical experience, a significant portion of the Company's uninsured patients (self-pay) will be unable or unwilling to pay for the services provided Thus, the Company records a significant provision for bad debts related to uninsured patients in the

(Dollar Amounts in Thousands)

B. Significant Accounting Policies (continued)

period the services are provided Patient service revenue, net of contractual provisions and discounts (but before the provision for bad debt), recognized by major payor source, is as follows for the years ended December 31

	2013	2012
Medicare	**$ 1,458,639**	$ 1,454,515
Medicaid	**473,204**	428,629
Other governmental	**62,503**	65,213
Commercial and other third party	**1,765,393**	1,691,265
Self-pay	**189,121**	194,058
	$ 3,948,860	$ 3,833,680

Securities Lending Arrangements

The Company participates in securities lending arrangements with its custodian whereby the Company lends a portion of its marketable securities to various brokers or financial institutions in exchange for cash or non-cash collateral for the marketable securities loaned, usually on a short-term basis The initial collateral provided by brokers or financial institutions is maintained at levels of at least 100% of the fair value of the marketable securities on loan and is adjusted for market fluctuations The Company maintains effective control of the loaned marketable securities through its custodian during the term of the arrangement in that they or similar securities may be recalled at any time Under the terms of the arrangement, the borrower must return the same, or substantially the same, marketable securities that were borrowed

Cash collateral received in connection with the securities lending arrangements is invested in a short-term pooled fund (Pooled Fund) maintained by the Company's custodian (State Street Bank and Trust Company) The fair value of cash collateral held for loaned marketable securities is reported as assets whose use is limited under securities lending arrangements The Company is required to fund any decline in the underlying market value of invested collateral below the initial amount provided by the various brokers or financial institutions upon exit from the securities lending arrangements A corresponding payable is reported for repayment of such collateral upon settlement of the securities lending arrangements

B. Significant Accounting Policies (continued)

The market value of non-cash collateral at December 31, 2013 and 2012 was $18,115 and $2,247, respectively, and is not recorded in the consolidated balance sheets in accordance with applicable accounting guidance

Inventories

Inventories, consisting primarily of pharmacy drugs and medical and surgical supplies are stated at the lower of cost or market and are valued principally by the first-in, first-out and weighted average methods

Assets and Liabilities Held for Sale

A long-lived asset or disposal group of assets and liabilities that is expected to be sold within one year is classified as held for sale For long-lived assets held for sale, an impairment charge is recorded if the carrying amount of the asset exceeds its fair value less costs to sell Such valuations include estimates of fair values generally based upon firm offers, discounted cash flows and incremental direct costs to transact a sale (Level 2 and Level 3 inputs)

Assets Whose Use Is Limited

Assets whose use is limited include board-designated funds for the acquisition of property and equipment, funds restricted by donors for charitable purposes, funds for self-insurance liabilities, securities on loan under securities lending arrangements, restricted cash for interest rate swap agreements collateral requirements and trustee-held assets for the retirement of long-term liabilities and the funding of certain capital projects

Assets whose use is limited include cash and cash equivalents, marketable debt securities (including U S government, U S government agencies, corporate, mortgage-backed, and asset-backed), marketable equity securities (including U S large cap, U S mid cap, U S small cap, and foreign), exchange traded/mutual funds (including equity and diversified bond funds), commingled investment funds, hedge funds, private equity funds and limited partnerships/companies

The Company has elected to account for commingled investment funds at fair value The Company believes that this election is appropriate given the nature of the investments and their similarity to exchange traded/mutual funds

B. Significant Accounting Policies (continued)

The carrying value of hedge funds, private equity funds and limited partnerships/companies, collectively, referred to as alternative investments, are based on valuations provided by the administrators of the specific financial instruments Alternative investments are accounted for using the equity method of accounting based on the net asset value (NAV) provided by the respective administrators of the individual alternative investments The underlying investments may include marketable debt and equity securities, commodities, foreign currencies, derivatives and private equity investments The underlying investments are subject to various risks including market, credit, liquidity and foreign exchange risk The Company believes the carrying amount of alternative investments in the consolidated balance sheets is a reasonable estimate of its ownership interest in the alternative investments NAV Because these alternative investments are not readily marketable, the estimated carrying value is subject to uncertainty and, therefore, may differ from the value that would have been used had a public market existed Such differences could be material The Company's risk related to alternative investments is limited to the carrying value plus amounts committed to private equity disclosed in Note H

Primarily all of the Company's alternative investments have liquidity restrictions, meaning amounts can be divested only at specific times based on the terms of the respective partnership agreements

Investment income (including interest and dividends, net realized gains on investments and net changes in unrealized gains on investments that have been designated as trading) is included in the excess of revenue over expenses as other, primarily investment income

The global financial markets and banking system are subject to volatility which could adversely impact the Company The Company's assets whose use is limited are exposed to various risks such as interest rate, market, and credit risks

Property and Equipment

Property and equipment is stated at historical cost or, if donated, impaired, or acquired under a business combination, at fair market value at the date of receipt or determination Depreciation is principally on the straight-line method at rates which are expected to amortize the cost of the property and equipment over their estimated useful lives which range from 3 to 60 years Amortization of assets held under capital lease obligations is included in depreciation and

B. Significant Accounting Policies (continued)

amortization expense Depreciation expense was $219,296 and $211,601 for the years ended December 31, 2013 and 2012, respectively, and is included primarily in depreciation and amortization expense

The cost and related accumulated depreciation of property and equipment that is sold or retired is removed from the respective accounts and the resulting gain or loss is recorded in other, primarily investment income

Certain property and equipment purchased prior to period end is excluded from additions to property and equipment, net in the consolidated statements of cash flows as cash payments have not been made at the end of the respective period These excluded additions were $24,413 and $35,739 at December 31, 2013 and 2012, respectively

Other Expenses Related to Long-Lived Assets

The Company evaluates the carrying value of long-lived assets and the related estimated remaining lives when events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed

Any resulting impairment losses, asset retirement obligations, or additional required depreciation due to shortened useful lives are reflected as other expenses related to long-lived assets in the consolidated statements of operations and changes in net assets

The Company performs an evaluation to determine whether to recognize a liability for a conditional asset retirement obligation If the Company has sufficient information, including a determinable settlement date, to reasonably estimate the fair value of an obligation in connection with asset retirement activities, it is required to recognize a liability Management monitors its legal obligation to perform asset retirement activities, and records a liability and related expense when circumstances arise

B. Significant Accounting Policies (continued)

Unamortized Debt Issuance Cost

Unamortized debt issuance cost of $19,413 and $20,634 at December 31, 2013 and 2012, respectively, represents costs related to the issuance of tax-exempt bond obligations and is included in other long-term assets Substantially all of these amounts are being amortized over the terms of the related tax-exempt bond obligations at amounts approximating the effective interest method

Investments in Unconsolidated Organizations

The Company maintains an ownership percentage of 50% or less in various joint ventures and other companies that do not require consolidation The majority of these investments are accounted for using the equity method of accounting

Goodwill and Identifiable Intangible Assets

Other long-term assets include goodwill and identifiable intangible assets Goodwill and identifiable intangible assets have been primarily generated from the acquisition of certain healthcare related businesses including physician practices The carrying value of goodwill is $60,071 and $43,952 at December 31, 2013 and 2012, respectively The Company annually performs an evaluation of goodwill for impairment considering qualitative and quantitative factors There was no impairment loss recognized in 2013 or 2012, or indicators that an impairment loss will be recognized in the near term

Identifiable intangible assets consist primarily of market access rights, customer lists, trademarks, and non-compete agreements The carrying value of identifiable intangible assets is $41,603 and $37,966 at December 31, 2013 and 2012, respectively, and is stated at cost, net of accumulated amortization Amortization of the identifiable intangible assets is calculated using the straight-line method over estimated lives ranging from 2 to 15 years Amortization expense was $5,351 and $4,430 for the years ended December 31, 2013 and 2012, respectively, and is included in depreciation and amortization expense Amortization expense is expected to be approximately $5,000 for each of the next five fiscal years

B. Significant Accounting Policies (continued)

Accrued Medical Claims Expense and Related Liabilities

Accrued medical claims expense and related liabilities consist of unpaid health care expenses and premium deficiency reserves Unpaid health care expenses, which include an estimate of the cost of services provided to members by third-party providers that have been incurred but not reported, is $38,582 at December 31, 2013 The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims and other relevant data Estimates are monitored and reviewed and, as settlements are made or estimates are revised, adjustments are reflected in current operations Such estimates are subject to the impact of changes in the regulatory environment and economic conditions Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided While the ultimate amount of paid claims is dependent on future developments, management is of the opinion that the reserves for claims are adequate to cover such claims

Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care and maintenance costs under a group of existing insurance contracts will exceed anticipated future premiums and reinsurance recoveries over the insurance contract period Expected investment income and interest expense are included in the calculation of premium deficiency reserves, as appropriate The premium deficiency reserve was $9,580 at December 31, 2013 and was actuarially determined The methods for making such estimates and for establishing the resulting reserves are reviewed and updated, and any resulting adjustments are reflected in current operations Given the inherent variability of such estimates, the actual liability could differ significantly from the calculated amount

Noncontrolling Interests

The consolidated financial statements include all assets, liabilities, revenue and expenses of less than 100% owned entities that the Company controls in accordance with applicable accounting guidance Accordingly, the Company has reflected a noncontrolling interest for the portion of the Company's assets, liabilities, revenue and expenses not controlled by the Company, separately in the consolidated balance sheets and the consolidated statements of operations and changes in net assets

B. Significant Accounting Policies (continued)

CHP and Community Hospital Health Services Foundation (CHF), an unrelated entity, are the corporate members of Community Mercy Health Partners (CMHP) each owning 50% of CMHP While CHP is neither the sole corporate member nor the majority owner of CMHP, it does have ultimate authority in relation to material changes in use, mergers or dissolution as well as direct approval authority of other elements demonstrating control These elements of control, along with economic interest, provide for the consolidation of CMHP as a market affiliate of CHP and the recognition of a noncontrolling interest

Net Assets

Unrestricted net assets are those assets whose use has not been restricted by donors or for which restrictions have expired Temporarily restricted net assets are those assets whose use by the Company has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Company in perpetuity for the donors' stipulated purpose Temporarily and permanently restricted net assets are primarily restricted for strategic capital projects and in support of the Company's mission

Medicare and Medicaid Programs

The Company renders services to patients under contractual arrangements with the Medicare and Medicaid programs Payment for the majority of Medicare and Medicaid services is based on a prospectively determined fixed price, according to a patient classification system, based on clinical and other diagnostic factors

Contractual adjustments for the Medicare and Medicaid programs are recognized when the related patient service revenue is reported in the consolidated financial statements These contractual adjustments represent the difference between established rates and the prospectively determined payments and amounts reimbursed Amounts earned under these contractual arrangements are subject to review and final determination by Medicare and Medicaid intermediaries and other appropriate governmental authorities or their agents, and may be adjusted in future periods as settlements are determined

B. Significant Accounting Policies (continued)

In the opinion of management, adequate provision has been made in the consolidated financial statements for any adjustments resulting from the respective intermediary reviews The Company received settlements related to prior years' cost reports and other third-party contracts which resulted in an increase to net patient service revenue of $19,338 and $47,071 for the years ended December 31, 2013 and 2012, respectively

In the health care industry, laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation Failure to comply with such laws and regulations can result in significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs

The United States Department of Justice (DOJ) sent preservation letters in prior years to the Company as part of a national fraud investigation into whether hospitals billed Medicare for implantable cardioverter defibrillators The Company is fully cooperating with the DOJ and believes it can support the medical necessity of any claims included in the investigation and that it has complied with all federal regulations These types of investigations have resulted in a broad range of outcomes As a result, there is at least a reasonable possibility that the recorded estimates at December 31, 2013 and 2012, will change by a material amount in the near term

Member Revenue, Net

Member revenue, net includes premiums from employer groups and individuals Member revenue is recognized over the period in which members are entitled to insurance coverage for health care services Premiums collected in advance are deferred and recorded as dues collected in advance within other current liabilities Revenue is adjusted to reflect estimates of collectability, including retrospective membership adjustment trends and economic conditions

Other Revenue, Net

The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified electronic health record technology Payments under the program are calculated based upon estimated discharges, charity care and other input data and are predicated upon the Company's attainment of program and attestation criteria and are subject to regulatory audit The Company has opted to follow a grant accounting method, which provides for ratable recognition

B. Significant Accounting Policies (continued)

over the respective attestation period As a result, management estimated and recognized revenue of $35,007 and $37,627 within other revenue, net for the years ended December 31, 2013 and 2012, respectively Amounts recognized are subject to change, with such changes impacting operations in the period in which they occur

Other revenue, net also includes gains and losses from investments in unconsolidated organizations, cafeteria revenue, rental income and revenue from other miscellaneous sources

Charity Care

The Company has a policy of treating certain patients regardless of their ability to pay as defined by established policies of the Company The estimated direct and indirect costs of charity care, quantified as the cost of free or discounted health services provided to persons who cannot afford to pay, was $160,899 and $160,564 for the years ended December 31, 2013 and 2012, respectively Charity care costs are estimated based on multiplying the ratio of costs to gross charges for all payments not attributable to other community benefits programs by the revenue recognized and written-off for health services provided to persons who cannot afford to pay The Ohio Hospital Care Assurance Program (HCAP) provides some reimbursement to the Company for services provided to qualified persons who cannot afford to pay The amount of HCAP reimbursements was $39,266 and $34,785 for the years ended December 31, 2013 and 2012, respectively Charity care amounts are not included in net patient service revenue

Pension and Other Postemployment Benefits

The Company has several defined benefit pension plans covering the majority of employees who qualify as to age and length of service The Company funds actuarially determined pension amounts in accordance with a long-term funding policy to ensure the defined benefit pension plans maintain adequate funding over time In addition, the Company has several defined contribution plans

Certain market affiliates also provide post-employment healthcare benefits for employees who meet certain age and service requirements and agree to contribute a portion of the cost It is the Company's policy to fund these post-employment benefit costs as they are incurred

B. Significant Accounting Policies (continued)

Excess of Revenue over Expenses

The consolidated statements of operations and changes in net assets include the line excess of revenue over expenses which represents the operating indicator for the Company Consistent with industry practice, changes in net assets which are excluded from the excess of revenue over expenses may include gain on discontinued operations, changes in net unrealized gains on restricted investments, restricted contributions, distributions to noncontrolling interests, certain pension and other postemployment benefit adjustments, and certain transfers of restricted net assets to external foundations

Federal Income Taxes

The Company completed an analysis of its tax positions in accordance with applicable accounting guidance at December 31, 2013 and 2012 and determined that no amounts were required to be recognized in the consolidated financial statements at December 31, 2013 or 2012

Most of the affiliated entities of the Company are recognized as exempt from federal income tax under Section 501(a) of the Internal Revenue Code as a tax-exempt organization qualifying under Internal Revenue Code Section 501(c)(3) The provision for federal income taxes for other affiliated entities is not significant to the Company

Use of Estimates

The preparation of the consolidated financial statements in conformity with U S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenue and expenses during the period Actual results could differ from those estimates

Reclassification

Certain reclassifications were made to the 2012 consolidated financial statement presentation to conform to the 2013 presentation

B. Significant Accounting Policies (continued)

Contingencies

During the normal course of business, the Company may become involved in litigation It is not possible to determine the eventual outcome of any presently unresolved litigation However, after consultation with legal counsel, management believes that these matters will be resolved without material adverse impact to the consolidated financial position or results of operations of the Company

Recent Accounting Pronouncements

The FASB has issued Accounting Standards Update (ASU) No 2011-11, *Disclosures about Offsetting Assets and Liabilities* (ASU 2011-11) ASU 2011-11 requires disclosures that affect all entities with financial instruments and derivatives that are either offset on the consolidated balance sheet in accordance with ASC 210-20-45 or ASC 815-10-45, or subject to a master netting arrangement, irrespective of whether they are offset on the consolidated balance sheet ASU 2011-11 is effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods The Company has adopted the provisions of ASU 2011-11 and made all required consolidated financial statement disclosures

C. Fair Value Measurements

The carrying amount reported in the consolidated balance sheets for current assets (other than investments which are separately disclosed) and current liabilities are reasonable estimates of fair value due to the short-term nature of these financial instruments These financial instruments are not required to be marked to fair value on a recurring basis and therefore are not disclosed in the accompanying table

(Dollar Amounts in Thousands)

C. Fair Value Measurements (continued)

The following table represents the financial instruments measured at fair value on a recurring basis based on the fair value hierarchy as of December 31

	2013				2012			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets								
Cash and cash equivalents	**$ 151,644**	**$ –**	**$ –**	**$ 151,644**	$ 141,976	$ –	$ –	$ 141,976
Funds held by trustee	**90**	**–**	**–**	**90**	47,319	–	–	47,319
Investments and assets whose use is limited								
Cash equivalents	**169,826**	**36,462**	**–**	**206,288**	209,864	20,338	–	230,202
Marketable debt securities								
U S government	**60,316**	**–**	**–**	**60,316**	211,634	–	–	211,634
U S government agencies	**–**	**29,400**	**–**	**29,400**	–	39,763	–	39,763
Corporate	**–**	**114,946**	**–**	**114,946**	–	197,122	–	197,122
Mortgage-backed	**–**	**99,684**	**–**	**99,684**	–	140,036	–	140,036
Asset-backed	**–**	**17,703**	**–**	**17,703**	–	33,740	–	33,740
Other	**–**	**28,731**	**–**	**28,731**	–	18,733	–	18,733
Marketable equity securities								
U S large cap	**143,935**	**–**	**–**	**143,935**	117,280	–	–	117,280
U S mid cap	**81,640**	**–**	**–**	**81,640**	67,977	–	–	67,977
U S small cap	**25,432**	**–**	**–**	**25,432**	34,347	–	–	34,347
Foreign	**150,002**	**–**	**–**	**150,002**	126,611	–	–	126,611
Exchange traded mutual funds								
Equity funds	**121,236**	**–**	**–**	**121,236**	135,955	–	–	135,955
Diversified bond funds	**127,405**	**15,187**	**–**	**142,592**	133,144	–	–	133,144
Commingled investment funds	**–**	**255,023**	**–**	**255,023**	–	124,845	–	124,845
Total investments and assets whose use is limited	**879,792**	**597,136**	**–**	**1,476,928**	1,036,812	574,577	–	1,611,389
Assets whose use is limited under securities lending arrangements	**–**	**65,741**	**–**	**65,741**	–	59,154	–	59,154
Total assets at fair value	**$ 1,031,526**	**$ 662,877**	**$ –**	**$ 1,694,403**	$ 1,226,107	$ 633,731	$ –	$ 1,859,838
Liabilities								
Interest rate swap agreements liability	**$ –**	**$ –**	**$ 29,508**	**$ 29,508**	$ –	$ –	$ 103,221	$ 103,221
Contingent consideration	**–**	**–**	**62,467**	**62,467**	–	–	18,283	18,283
Total liabilities at fair value	**$ –**	**$ –**	**$ 91,975**	**$ 91,975**	$ –	$ –	$ 121,504	$ 121,504

(Dollar Amounts in Thousands)

C. Fair Value Measurements (continued)

The following table represents financial instruments at fair value and at other than fair value which reconcile to the consolidated balance sheets of the Company at December 31

	2013			2012		
	Financial Instruments at Fair Value	Financial Instruments at Other Than Fair Value	Total	Financial Instruments at Fair Value	Financial Instruments at Other Than Fair Value	Total
Assets						
Cash and cash equivalents	**$ 151,644**	**$ –**	**$ 151,644**	$ 141,976	$ –	$ 141,976
Investments	**173,590**	**–**	**173,590**	107,440	–	107,440
Funds held by trustee	**90**	**–**	**90**	47,319	–	47,319
Assets whose use is limited	**1,303,338**	**802,259**	**2,105,597**	1,503,949	740,728	2,244,677
Assets whose use is limited under securities lending arrangements	**65,741**	**–**	**65,741**	59,154	–	59,154
Total assets	**$1,694,403**	**$ 802,259**	**$2,496,662**	$1,859,838	$ 740,728	$2,600,566
Liabilities						
Interest rate swap agreements liability	**$ 29,508**	**$ –**	**$ 29,508**	$ 103,221	$ –	$ 103,221
Other long term liabilities	**62,467**	**121,155**	**183,622**	18,283	110,412	128,695
Total liabilities	**$ 91,975**	**$ 121,155**	**$ 213,130**	$ 121,504	$ 110,412	$ 231,916

Cash and Cash Equivalents, Funds Held by Trustee, Investments and Assets Whose Use is Limited

The Company's cash and cash equivalents, funds held by trustee, investments and assets whose use is limited, with the exception of alternative investments, which are accounted for using the equity method of accounting, are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations or alternative pricing sources, primarily matrix pricing, with reasonable levels of price transparency Matrix pricing, primarily used for marketable debt securities, is based on quoting prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for the specific security The types of financial instruments based on quoted market prices in active markets (over the counter) include most U S government marketable debt securities, marketable equity securities, exchange traded/mutual funds, and money market securities Such instruments are generally classified within Level 1 of the fair value hierarchy The Company does not adjust the quoted market price for such financial instruments

C. Fair Value Measurements (continued)

The types of financial instruments valued based on quoted market prices in markets that are not active, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency include U S government agency, corporate, mortgage-backed, asset-backed and other marketable debt securities, certain thinly traded marketable equity securities, exchange traded/mutual funds and commingled investment funds

Such financial instruments are generally classified within Level 2 for the fair market value hierarchy Primarily all of the Company's marketable debt securities, including mortgage-backed and asset-backed obligations, are actively traded and the recorded fair value reflects current market conditions However, due to the inherent volatility in the investment market there is at least a possibility that recorded investment values may change by a material amount in the near term The commingled investments funds are valued at NAV provided by the respective fund administrators Management has determined that the NAV is an appropriate estimate of the fair value of the commingled investments funds at December 31, 2013 and 2012 based on the fact that the commingled investment funds are audited and accounted for at fair value by the administrators of the respective commingled investment funds There are no restrictions on the ability of the Company to redeem any of the commingled investment funds at December 31, 2013 or 2012

Following is the summary of the inputs and valuation techniques as of December 31, 2013 and 2012 used for valuing Level 2 financial instruments

Financial Instrument	Input	Valuation
Cash equivalents	Broker/Dealer	Market
Marketable debt securities		
U S government agencies	Broker/Dealer	Market
Corporate	Broker/Dealer	Market
Mortgage-backed	Matrix	Market/Income
Asset-backed	Matrix	Market/Income
Other	Matrix	Market/Income
Exchange traded/mutual funds	NAV	Market
Commingled investment funds	NAV	Market

C. Fair Value Measurements (continued)

Assets Whose Use is Limited Under Securities Lending Arrangements

Assets whose use is limited under securities lending arrangement consists of the Pooled Fund and is not valued based on a quoted market price The Pooled Fund, which is structured similar to that of a money market financial instrument, consists primarily of short-term marketable debt securities and cash equivalents, which are stated at fair value, as determined by the administrator of the Pooled Fund, based on readily determinable market values of the underlying securities The underlying investments within the Pooled Fund are transparent and allow for observable market inputs As such, the asset whose use is limited under securities lending arrangements is classified within Level 2

Interest Rate Swap Agreements

The Company participates in interest rate swap agreements to manage its exposures to fluctuations in interest rates and overall long-term debt portfolio The Company's interest rate swap agreements are not traded on an exchange The valuation of interest rate swap agreements is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each interest rate swap agreement based on the respective fixed rates and the LIBOR (or SIFMA) yield curve adjusted for the spread between the LIBOR (or SIFMA) yield curve and the federal funds rate for collateralized portions of the liability The valuation of the Company's interest rate swap agreements is performed by the Company's counterparty and validated through the use of independent third-party valuation, including the unobservable inputs used in the calculation Management monitors the changes in the Company's interest rate swap agreements period to period and ensures all significant changes are disclosed in the consolidated financial statements

(Dollar Amounts in Thousands)

C. Fair Value Measurements (continued)

The following is a summary of key inputs used to determine the fair value for each interest rate swap agreement at December 31

Interest Rate	Variable Rate Curve		Fixed Rate		Discount Rate	
Swap Agreement	2013	2012	2013	2012	2013	2012
December 2006	**LIBOR**	LIBOR	**3.63%**	3 63%	**Avg of LIBOR curve**	Avg of LIBOR curve
October 2007	**N/A**	LIBOR	**N/A**	3 39%	**N/A**	Avg of LIBOR curve
December 2007	**SIFMA**	SIFMA	**N/A**	N/A	**Avg of SIFMA curve**	Avg of SIFMA curve
October 2009	**N/A**	LIBOR	**N/A**	3 49%	**N/A**	Avg of LIBOR curve

The discounted cash flow analysis reflects the contractual terms of the interest rate swap agreement, including the period to maturity, and uses observed market-based inputs, including interest rate curves and implied volatilities Valuation adjustments are required to be considered in the determination of fair value This includes amounts to reflect counterparty credit quality and liquidity risk Although the Company has determined that certain of the inputs used to value its interest rate swap agreements fall within Level 2 of the fair value hierarchy, certain inputs and the credit valuation adjustment associated with the interest rate swap agreements utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company or the counterparty As a result, the Company has determined that its interest rate swap agreements in their entirety are classified in Level 3 of the fair value hierarchy Increases (decreases) in any of those inputs, specifically assumptions related to the LIBOR or SIFMA curves, in isolation would result in a lower (higher) fair value measurement that could be material to the consolidated financial statements However, based on historical experience, the inputs, including the LIBOR and SIFMA curves, typically change gradually over time

(Dollar Amounts in Thousands)

C. Fair Value Measurements (continued)

The following table summarizes the activity related to interest rate swap agreements having fair value measurements based on significant unobservable inputs (Level 3) as of

	Interest Rate Swap Agreements
Fair value at January 1, 2012	$ (120,113)
Realized settlement loss	(7,457)
Unrealized gains	20,124
Realized gains	4,225
Fair value at December 31, 2012	(103,221)
Realized settlement loss	**(21,447)**
Unrealized gains	**98,904**
Unrealized losses	**(3,744)**
Fair value at December 31, 2013	**$ (29,508)**

All realized and unrealized interest rate swap agreements gains (losses), including payments to and from a counterparty, are presented net and included in the consolidated statements of operations and changes in net assets as other income

Contingent consideration due to the previous owners/corporate members of certain acquired organizations is required to be recorded at fair value on a recurring basis under applicable accounting guidance The Company's contingent consideration consists of the following at December 31

	2013	2012
Payable to Jewish Foundation	**$ 18,950**	$ 18,283
Payable to previous corporate member of KFHPO	**43,517**	–
	$ 62,467	$ 18,283

(Dollar Amounts in Thousands)

C. Fair Value Measurements (continued)

Payable to Jewish Foundation

The contingent payable to Jewish Foundation in connection with the 2010 purchase of The Jewish Hospital of Cincinnati, Ohio (Jewish Hospital), an Ohio nonprofit corporation located in Cincinnati, Ohio, is based on certain future operating targets of Jewish Hospital The fair value of the contingent payable to Jewish Foundation is based on unobservable inputs including internal estimates of future cash flows and discounted to estimated net present value using a discount rate of 2 6% and 1 7% at December 31, 2013 and 2012, respectively Increases (decreases) in any of the unobservable inputs in isolation would result in lower (higher) fair value measurement The value of the Company's contingent payable to Jewish Foundation is performed by management on a quarterly basis based on widely accepted valuation methodologies (discounted cash flows) Management regularly validates its unobservable inputs through historical review in the form of the Jewish Hospital budget to actual analysis Based on the result of the budget to actual analysis, the unobservable inputs used in the fair value determination may be revised Management monitors the changes in the Company's contingent payable to Jewish Foundation period to period and ensures all significant changes are disclosed in the consolidated financial statements

The following table summarizes the activity related to the contingent payment to Jewish Foundation having fair value measurements based on significant unobservable inputs (Level 3) as of

Fair value at January 1, 2012	$ (17,533)
Accretion expense	(750)
Fair value at December 31, 2012	(18,283)
Accretion expense	**(667)**
Fair value at December 31, 2013	**$ (18,950)**

Accretion expense related to the contingent payable to the Jewish Foundation is included in interest expense in the consolidated statements of operations and changes in net assets

C. Fair Value Measurements (continued)

Payable to Previous Corporate Member of KFHPO

The contingent payable to the previous corporate member of KFHPO, as disclosed in Note A, is based on certain future operating targets of HealthSpan Integrated Care The fair value of the contingent payable to the previous corporate member of KFHPO is based on unobservable inputs including internal estimates of the net present value of the liability based on estimated future cash flows, discounted using a discount rate of 2 8% at December 31, 2013 Increases (decreases) in any of the unobservable inputs in isolation would result in lower (higher) fair value measurement The value of the contingent payable to the previous corporate member of KFHPO is performed by management based on widely accepted valuation methodologies (discounted cash flows) Management will validate its unobservable inputs through historical review in the form of the HealthSpan Integrated Care budget to actual analysis Based on the result of this budget to actual analysis, the unobservable inputs used in the fair value determination may be revised Management will monitor the changes in the contingent payable to the previous corporate member of KFHPO period to period and ensure all significant changes are disclosed in the consolidated financial statements

The fair value of the contingent payable to the previous corporate member of KFHPO having fair value measurements based on significant unobservable inputs (Level 3) is $43,517 at December 31, 2013 There were no changes in the fair value of the contingent payable to the previous corporate member of KFHPO from the date of the membership substitution (October 1, 2013) to the consolidated balance sheet date

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair value Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the consolidated balance sheet dates

The Company's non-financial assets and liabilities not permitted or required to be measured at fair value on a recurring basis typically relate to assets and liabilities acquired in a business combination and long-lived assets held for sale The Company is required to provide additional disclosures about fair value measurements as part of the consolidated financial statements for each major category of assets and liabilities measured at fair value on a non-recurring basis In

(Dollar Amounts in Thousands)

C. Fair Value Measurements (continued)

general, non-recurring fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities, which generally are not applicable to non-financial assets and liabilities Fair values determined by Level 2 inputs utilize data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets, and historical cash payment trends Fair values determined by Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability, such as internal estimates of future cash flows

On October 1, 2013, HSP through a membership substitution became the sole corporate member of HealthSpan Integrated Care (Note A) The membership substitution was accounted for using the purchase method of accounting which requires that the assumed or identified assets and liabilities be initially recorded at fair value (non-recurring) The following table presents the assumed or identified assets and liabilities of HealthSpan Integrated Care as of October 1, 2013, and indicates the fair value hierarchy of the valuation techniques HSP utilized to determine such estimated fair values

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ 31,390	$ –	$ –	$ 31,390
Current assets	–	28,066	–	28,066
Assets whose use is limited	400	–	–	400
Property and equipment, net	–	78,063	–	78,063
Identifiable intangible assets	–	–	6,500	6,500
Total assets	$ 31,790	$ 106,129	$ 6,500	$ 144,419
Current liabilities	$ –	$ 39,414	$ –	$ 39,414
Accrued medical claims expense and related liabilities	–	–	26,954	26,954
Contingent consideration	–	–	43,517	43,517
Long term liabilities	–	1,215	–	1,215
Total liabilities	$ –	$ 40,629	$ 70,471	$ 111,100

C. Fair Value Measurements (continued)

Following is the summary of the inputs and valuation methodology used for valuing Level 2 and Level 3 non-financial assets and liabilities

Non-Financial Assets and Liabilities	Input	Valuation Methodology
Current assets	Estimate of replacement cost	Cost
Property and equipment, net	Estimate of replacement cost	Cost
Identifiable intangible assets	Discounted cash flows	Income
Current liabilities	Estimate of replacement cost	Cost
Accrued medical claims expense and related liabilities	Historical claims experience	Income
Contingent payment	Discounted cash flows	Income
Long term liabilities	Estimate of replacement cost	Cost

Management utilizes third-party valuation firms to assist in the determination of purchase accounting fair values, including those considered Level 3 measurements Management ultimately oversees the third-party valuation firms to ensure that the transaction specific assumptions are appropriate for the Company For Level 3 measurements, when observable prices are not available, the valuation might use one or more valuation techniques such as the cost approach or the income approach for which sufficient and reliable data is available Within Level 3, the use of the cost approach generally consists of using historical purchase data or similar transaction cost data while the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors Significant increases (decreases) in any of those observable inputs in isolation would result in a significantly lower (higher) fair value measurement

(Dollar Amounts in Thousands)

D. Long-Term Debt

The following is a summary of the Company's long-term debt as of December 31

Long-Term Debt	Interest Rate	2013	2012
Master Trust Indenture Obligations – Hospital Facilities Revenue and Revenue Refunding Bonds			
CHP Series 2002B Auction Rate Bonds	Variable Average 0 59% at December 31, 2013	**$ 51,825**	$ $51,825
CHP Series 2003 C-1 and C-2 Converted Fixed Rate Bonds	5 00%	**175,500**	178,500
CHP Series 2003 C-3 and C-4 Auction Rate Bonds	Variable Average 0 59% at December 31, 2013	**6,700**	11,355
CHP Series 2006 Converted Fixed Rate Bonds	4 50% to 5 25%	**159,850**	163,350
CHP Series 2008 Variable Rate Demand Bonds	Variable Average 0 80% at December 31, 2013	**300,000**	300,000
CHP Series 2010A/B Fixed Rate Bonds	3 50% to 5 25%	**435,285**	459,285
CHP Series 2010C/D Variable Rate Demand Bonds	Variable Average 0 77% at December 31, 2013	**195,000**	195,000
CHP Series 2011 Variable Rate Bonds	Variable 1 01% at December 31, 2013	**63,130**	75,395
CHP Series 2012A Fixed Rate Bonds	2 25% to 5 00%	**273,620**	273,620
CHP Series 2012B Variable Rate Demand Bonds	Variable 0 05% at December 31, 2013	**100,000**	100,000
Total Master Trust Indenture Obligations		**1,760,910**	1,808,330
Other debt	Various	**26,154**	31,824
Capital lease obligations	Various	**22,503**	22,562
		1,809,567	1,862,716
Original issue net premium		**32,473**	34,196
Less current portion of long-term debt		**(160,161)**	(325,347)
		$ 1,681,879	$ 1,571,565

(Dollar Amounts in Thousands)

D. Long-Term Debt (continued)

The following is a schedule of future minimum payments for the principal repayment of master trust indenture obligations, other debt and capital lease obligations based on scheduled maturities at December 31

Period	Master Trust Indenture Obligations	Other Debt	Capital Lease Obligations
2014	$ 52,200	$ 6,320	$ 2,832
2015	54,830	6,985	2,664
2016	57,995	2,893	2,653
2017	57,930	9,152	2,486
2018	57,685	370	2,523
Thereafter	1,480,270	434	17,384
Total minimum payments	$ 1,760,910	$ 26,154	30,542
Less amounts representing interest			(8,039)
Present value of minimum lease payments			22,503
Less current portion			(1,640)
			$ 20,863

Interest payments for the years ended December 31, 2013 and 2012 were $59,777 and $61,769, respectively The Company capitalized interest of $12,263 and $7,545 for the years ended December 31, 2013 and 2012, respectively

The Company's master trust indenture (the MTI) provides that CHP is the sole obligor on all outstanding indebtedness incurred under the MTI Substantially all tax-exempt bond obligations of the Company have been evidenced by obligations issued under the MTI

CHP's MTI obligations mature at various dates through 2042 and are subject to optional and mandatory redemption features While only CHP is obligated under the terms of the MTI, CHP has covenanted to cause its controlled affiliates to transfer such funds to CHP as necessary to pay amounts due under the MTI Controlled affiliates of CHP have entered into agreements obligating them to make these transfers at the request of CHP

D. Long-Term Debt (continued)

The Company has provided, through a supplemental master trust indenture, an assignment of the Company's rights under the controlled affiliate loan agreements for the transfer of gross revenue to the master trustee for the benefit of all MTI holders in the event of a default This assignment remains in effect as long as insured tax-exempt bond obligations remain outstanding

The Company is subject to certain restrictive covenants under the MTI, municipal bond insurance policies, revolving credit agreements, reimbursement agreements, and for irrevocable letters of credit at December 31, 2013 and 2012 The Company was in compliance with all restrictive covenants at December 31, 2013 and 2012

Outstanding tax-exempt bond obligations that were insured under municipal bond insurance policies were $393,875 at December 31, 2013 ($405,030 at December 31, 2012) Under terms of these policies, the insurer guarantees the Company's payment of principal and interest

The Company's variable rate tax-exempt bond obligations were comprised of $225,000 variable rate demand bonds with letter of credit support, $333,130 variable rate bonds held under direct purchase agreements with certain financial institutions, $100,000 variable rate demand bonds supported by the Company's liquidity and $58,525 auction rate securities at December 31, 2013 ($395,000, $175,395, $100,000 and $63,180, respectively, at December 31, 2012) The Company's risk associated with auction rate securities is limited to interest rate risk as the auction rate securities cannot be put back to the Company by bondholders

In May 2013, the Company replaced the dedicated letters of credit supporting the Series 2008B tax-exempt bond obligations in the amount of $75,000 and the Series 2010D tax-exempt bond obligations in the amount of $95,000 with direct purchase agreements with certain financial institutions

The Company's dedicated liquidity facilities and direct placement agreements on variable rate demand bonds have expiration dates that extend from May 2015 to April 2020, and their respective term-out repayment provisions extend beyond the subsequent fiscal year

D. Long-Term Debt (continued)

The Company routinely maintains a revolving credit agreement for purposes of working capital support or capital asset acquisition This revolving credit agreement has a commitment amount of $200,000 and is secured by the MTI This agreement expires on December 16, 2016 No amounts were borrowed during fiscal 2013 and 2012, and no amounts were outstanding under the revolving credit agreement at December 31, 2013 or 2012

In May 2012, the Company issued its Series 2012 tax-exempt bond obligations The issuance included $273,620 fixed rate term and serial tax-exempt bond obligations with various maturities through 2042, without credit enhancement, which sold at a net premium of $17,055 The tax-exempt bond obligations also included $100,000 variable rate demand bonds supported by the Company's self-liquidity with mandatory sinking fund redemptions through 2036, which is included in the current portion of long-term debt Proceeds from the issuance of the Series 2012 tax-exempt bond obligations were used to defease $144,675 of Series 2001A Ohio tax-exempt bond obligations, to defease $66,355 of Series 2002A Ohio tax-exempt bond obligations and to provide future project fund monies of $171,891 As a result of the transactions, the Company incurred a loss on extinguishment of debt in the amount of $3,486 for the year ended December 31, 2012, which is reported in other income on the consolidated statements of operations and changes in net assets

In October 2012, the Company defeased $8,805 Series 2001A KY tax-exempt bond obligations and $13,135 Series 2002A KY tax-exempt bond obligations As a result of the transactions, the Company incurred a loss on extinguishment of debt in the amount of $101 for the year ended December 31, 2012, which is reported in other income on the consolidated statements of operations and changes in net assets

The fair value of outstanding MTI obligations (excluding capital lease obligations and other debt) was $1,798 at December 31, 2013 ($1,930 at December 31, 2012) Management has determined the carrying amount of the Company's variable rate demand bonds and auction rate bonds are representative of fair value as the interest rates associated with these tax-exempt bond obligations are set by market participants The fair value of the Company's fixed rate tax-exempt bond obligations is determined by applying the yield of openly marketable bonds that have substantially the same characteristics as the tax-exempt bond obligations issued for the benefit of the Company (i e , bond rating, call provisions, maturity, etc) to outstanding amounts of the Company's tax-exempt bond obligations The determination of fair value of the Company's MTI obligation is consistent with a Level 2 measurement under the fair value hierarchy

(Dollar Amounts in Thousands)

E. Derivatives and Interest Rate Swap Agreements

The Company has entered into derivative transactions in the form of interest rate swap agreements which it uses to manage the relative amounts of its fixed and variable rate long-term debt exposure The interest rate swap agreements are contracts between the Company and a third-party (counterparty) that provide for economic payments between parties based on specified notional amounts and defined interest rates The risk of interest swap agreements is estimated and managed on an ongoing basis by the Company The interest rate swap agreements are exposed to counterparty credit risk, which is the risk that contractual obligations of the counterparty will not be fulfilled Collateralization requirements mitigate some of the credit risk associated with the Company's interest rate swap agreements

The following table includes the notional and valuation amounts (parenthetical amounts represent liabilities) of the Company's interest rate swap agreements as of December 31

Interest Rate Swap Agreement	Transaction Type	Payment Rate/Basis	Termination Date	Notional Amount 2013	Notional Amount 2012	Valuation Amount 2013	Valuation Amount 2012
December 2006	Pay Fixed	3 63%	2033	**$ 389,200**	$ 389,200	**$ (57,243)**	$ (101,001)
October 2007	Pay Fixed	N/A	N/A	–	82,235	–	(14,255)
December 2007	Constant Maturity	N/A	2027	**250,000**	250,000	**26,785**	23,000
October 2009	Pay Fixed	N/A	N/A	–	62,465	**950**	(12,565)
Credit valuation adjustment						–	1,600
						$ (29,508)	$ (103,221)

All changes in the fair value of the Company's interest rate swap agreements are recognized in other income in the consolidated statements of operations and changes in net assets The differences between settlement payments made and settlement payments received on all interest rate swap agreements are included in other income on the consolidated statements of operations and changes in net assets in realized and unrealized interest rate swap agreements gain (loss) The net payments paid were $11,529 and $16,631 for the years ended December 31, 2013 and 2012, respectively

E. Derivatives and Interest Rate Swap Agreements (continued)

The Company has undertaken a systematic reduction of its fixed payer interest rate swap agreement exposure In December 2012, the Company canceled $40,000 notional amount of the October 2007 fixed payer interest rate swap Through December 31, 2013, the Company canceled the remaining $82,235 notional amount of the October 2007 fixed payer interest rate swap agreement and the entire $62,465 notional amount of the October 2009 fixed payer interest rate swap agreement These cancellations resulted in a realized settlement loss of $21,447 and $7,457 for the years ended December 31, 2013 and 2012, respectively, which have been recognized in other income in the consolidated statements of operations and changes in net assets

In March, 2014, the Company canceled $40,000 notional amount of the December 2006 fixed payer interest rate swap agreement This cancellation resulted in a realized settlement loss of $6,968

In connection with the defeasance of the Series 2001A KY tax-exempt bond obligations, the remaining hedge was eliminated, resulting in a gain of $278 for the year ended December 31, 2012, which is reported in other income on the consolidated statements of operations and changes in net assets

The Company's interest rate swap agreements include certain collateralization requirements based on the market value of these transactions The amount required for collateral is determined daily based on the current market value of the interest rate swap agreements All of the Company's interest rate swap agreements outstanding at December 31, 2013 and 2012 were issued pursuant to a single International Swaps and Derivatives Association, Inc ("ISDA") agreement with a single counterparty Therefore, all interest rate swap agreements are viewed under a master netting arrangement to determine the aggregate amount of collateral to be posted or received by the Company

The Company has posted collateral with a designated custodian of $1,641 at December 31, 2013 ($77,984 at December 31, 2012) commensurate with the valuation of the interest rate swap agreements All collateral posted is in the form of cash and cash equivalents and is shown separately on the consolidated balance sheets as assets whose use is limited – restricted for interest rate swap agreements collateral requirements Interest earned while collateralized funds are held by the custodian is shown in other income on the consolidated statements of operations and changes in net assets

(Dollar Amounts in Thousands)

F. Professional Liability and General Insurance

The Company's hospital professional liability (HPL) and hospital general liability (HGL) exposures are covered primarily through the Captive The Captive is an offshore insurance company domiciled in the Cayman Islands and 100% owned by the Company In addition to providing HPL and HGL coverage to its insureds, the Captive provides policies for certain employed physician, commercial insurance deductibles, stop-loss medical coverage, and the Company's fleet property damage coverage Commercial excess insurance is provided by CNA, Zurich American Insurance Company, Endurance and ACE

The liability represents the estimated ultimate cost of all asserted and unasserted claims incurred through the consolidated balance sheet date The reserve for unpaid losses and loss adjustment expenses are estimated using individual case-based valuations, statistical analyses and the expertise of an independent actuary The hospital professional and general liability, employed physician, commercial deductible and stop-loss medical accrual of $108,112 and $113,201 at December 31, 2013 and 2012, respectively, is included in self-insurance liabilities in the consolidated balance sheets The Company recorded a decrease in insurance expense of approximately $13,000 and $24,000 in 2013 and 2012, respectively, related to changes in actuarial estimates reflecting lower claim activity, closed claims, tort reform and other environmental factors and improved claims resolution history As the actuarially determined hospital professional and general liability accrual is an estimate, the possibility exists that the estimate could be revised by a material amount in the near term Management believes that the Captive is adequately funded to provide for all asserted and unasserted claims at December 31, 2013 and 2012

As part of the sale of Pennsylvania and Tennessee, the Company retained risk for professional liability related to services performed in prior years on an occurrence basis, and has included an estimate for the ultimate cost of asserted and unasserted claims related to those markets Changes in the estimated liabilities and claims settlement expense for Pennsylvania and Tennessee will be recorded as part of discontinued operations in the period in which losses are projected, or in which changes in loss estimated are projected, as actuarially determined

The Company's workers' compensation liability is $26,927 and $29,378 at December 31, 2013 and 2012, respectively, and is included in self-insurance liabilities in the consolidated balance sheets The discount rate used to compute the workers' compensation liability was 2 0% at December 31, 2013 and 2012, respectively Commercial excess insurance for the workers' compensation program is provided by Safety National Casualty Corporation

(Dollar Amounts in Thousands)

G. Guarantees and Other Long-Term Obligations

The Company has recorded a liability for the value, which is primarily determined using the net present value of estimated future cash flows, of certain guarantees of $19,062 and $17,804 as of December 31, 2013 and 2012, respectively This amount is included in other long-term liabilities

The following is a schedule of aggregate future minimum payments under non-cancelable operating leases as of December 31, 2013

2014	$ 53,350
2015	36,452
2016	27,238
2017	20,905
2018	14,201
Thereafter	35,064
	$ 187,210

(Dollar Amounts in Thousands)

H. Cash and Cash Equivalents, Investments, Funds Held By Trustees and Assets Whose Use is Limited

The following is a summary of the carrying amounts of the Company's cash and cash equivalents, investments, funds held by trustees and assets whose use is limited (excluding assets whose use is limited under securities lending arrangements) as of December 31

	2013	2012
Cash and cash equivalents	**$ 358,022**	$ 419,497
Marketable debt securities		
U S government	**60,316**	211,634
U S government agencies	**29,400**	39,763
Corporate	**114,946**	197,122
Mortgage-backed	**99,684**	140,036
Asset-backed	**17,703**	33,740
Other	**28,731**	18,733
Marketable equity securities		
U S large cap	**143,935**	117,280
U S mid cap	**81,640**	67,977
U S small cap	**25,432**	34,347
Foreign	**150,002**	126,611
Exchange traded/mutual funds		
Equity funds	**121,236**	135,955
Diversified bond funds	**142,592**	133,144
Commingled investment funds	**255,023**	124,845
Alternative investments		
Hedge funds	**502,508**	413,239
Private equity funds	**261,052**	236,559
Limited partnerships/companies	**38,699**	90,930
	$ 2,430,921	$ 2,541,412

H. Cash and Cash Equivalents, Investments, Funds Held By Trustees and Assets Whose Use is Limited (continued)

At December 31 2013, approximately $2,399,000 ($2,456,000 at December 31, 2012) of the Company's cash and cash equivalents, investments, funds held by trustees and assets whose use is limited, are centrally managed by the CHP Home Office The Company maintains diversification in its investment programs by allocating assets to various asset classes and market segments and retaining multiple professional investment firms with different philosophies, styles and approaches Accordingly, based on this diversification, management does not believe there are any material concentrations of credit at December 31, 2013 and 2012

Funds restricted by donors for charitable purposes included in cash and cash equivalents, investments and assets whose use is limited was $101,094 and $100,803 at December 31, 2013 and 2012, respectively

The Company, through its professional investment managers, enters into derivative transactions (primarily in the form of money market, equity index and government futures) which are used in conjunction with the Company's portfolio of marketable debt securities to economically hedge various investment risks At December 31, 2013 and 2012, the notional amount of these derivative instruments was $656,800 and $(26,850), respectively The fair value of these derivative instruments was approximately zero at December 31, 2013 and 2012, as the net position of these derivative instruments are generally settled daily with the amount recognized in other, primarily investment income in the consolidated statements of operations

At December 31, 2013, the Company has committed capital yet to be called of approximately $159,000 ($161,000 at December 31, 2012) to private equity funds over the next one to three years

(Dollar Amounts in Thousands)

H. Cash and Cash Equivalents, Investments, Funds Held By Trustees and Assets Whose Use is Limited (continued)

Interest and dividend earnings (net of expenses), net realized gains on investments and the net change in unrealized gains on investments are considered investment income and are included in other, primarily investment income on the consolidated statements of operations The following is a summary of other, primarily investment income for the years ended December 31

	2013	2012
Interest and dividend earnings (net of expenses)	**$ 22,345**	$ 25,472
Net realized gains on investments	**95,385**	52,338
Net change in unrealized gains on investments	**49,413**	115,146
Other, net	**12,111**	47
	$ 179,254	$ 193,003

Funds held by trustees and assets whose use is limited include the proceeds of tax-exempt bond obligations of $681 and $47,417 as of December 31, 2013 and 2012, respectively, which are primarily invested in cash equivalents

I. Property and Equipment

The following is a summary of the Company's property and equipment, net as of December 31

	2013	2012
Land	**$ 167,443**	$ 158,477
Land improvements	**61,022**	58,173
Buildings and fixed equipment	**2,856,900**	2,490,300
Moveable equipment	**1,745,925**	1,620,603
Computer software	**341,395**	278,300
	5,172,685	4,605,853
Less accumulated depreciation	**(2,927,363)**	(2,720,087)
	2,245,322	1,885,766
Construction in progress	**107,441**	236,380
	$ 2,352,763	$ 2,122,146

(Dollar Amounts in Thousands)

I. Property and Equipment (continued)

The amortization expense for computer software recorded in depreciation and amortization expense on the consolidated statements of operations and changes in net assets was $32,693 and $30,800 for the years ended December 31, 2013 and 2012, respectively

The Company has entered into certain transactions with developers to construct medical office buildings or other structures on land which is owned by the Company The Company will lease portions of these buildings from the developer in the future Under applicable accounting guidance, the Company has determined that it maintains certain risk of ownership on these transactions and as a result has recorded property and equipment, net and a related liability, which is included in other long-term liabilities, of $41,612 and $34,808 at December 31, 2013 and 2012, respectively, related to these transactions

As of December 31, 2013, the Company is contractually obligated for construction projects totaling $37,284 at current construction cost levels It is expected that all of these costs will be incurred in 2014 The Company will finance these construction projects through the use of tax-exempt bond obligations proceeds, assets whose use is limited and operating activity

J. Functional Expenses

The Company provides general health care services to residents within its various geographic locations Expenses related to providing these services are as follows for the years ended December 31

	2013	2012
Health care services	**$ 3,073,765**	$ 2,755,663
General and administrative	**753,832**	874,375
	$ 3,827,597	$ 3,630,038

(Dollar Amounts in Thousands)

K. Unsponsored Community Benefit – Unaudited

The following is a summary of the Company's community service as measured by services to the poor and benefits provided to the broader community The summary has been prepared in accordance with the Catholic Health Association of the United States' (CHA) document, *A Guide for Planning and Reporting Community Benefit, 2008 Edition*

The following represents unsponsored community benefit expense at cost for the years ended December 31

	2013	2012
Benefits for the poor		
Traditional charity care	**$ 122,026**	$ 125,778
Unpaid costs of public programs	**150,861**	152,635
Community health services	**12,172**	12,795
Subsidized health services	**10,354**	13,505
Financial and in-kind donations	**1,656**	1,072
Community building activities	**4,090**	4,320
Total quantifiable benefits for the poor	**301,159**	310,105
Benefits for the broader community		
Community health services	**4,250**	4,590
Health professional education and research	**32,334**	27,186
Subsidized health services	**29,660**	29,727
Financial and in-kind donations	**1,823**	6,601
Community building activities	**4,958**	3,413
Community benefit operations	**473**	683
Total quantifiable benefits for the broader community	**73,498**	72,200
Total quantifiable community benefits	**$ 374,657**	$ 382,305
Percent of total expenses	**9.8%**	10 5%

Benefits include the provision of health services to uninsured persons who cannot afford to pay for their care, participation in government programs for low income persons that reimburse services at less than cost, education of healthcare professionals, community health education, activities to identify and manage chronic health conditions and other healthcare and community supportive services

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits

The Company recognizes in the consolidated balance sheets the funded status of its defined benefit pension and other postemployment plans (collectively, referred to as the Plans), measured as the difference between the fair value of plan assets and the benefit obligation (the projected benefit obligation for defined benefit pension plans and accumulated benefit obligation for other postemployment benefit plans) Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets

The following is a summary of the components of the change in benefit obligation and plan assets for the Plans as of December 31

	Pension Benefits		Postemployment Benefits	
	2013	**2012**	**2013**	**2012**
Change in benefit obligation				
Benefit obligation at beginning of year	**$ 1,664,900**	$ 1,530,214	**$ 26,028**	$ 24,842
Service cost	**52,126**	54,566	**740**	675
Interest cost	**59,805**	67,175	**867**	1,004
Settlements	**(7,986)**	(12,694)	**–**	–
Amendments	**(6,791)**	(81,835)	**–**	–
Actuarial (gains) losses	**(13,791)**	17,907	**(56)**	348
Benefits paid	**(75,332)**	(57,505)	**(1,682)**	(2,016)
Change in discount rate	**(144,574)**	147,072	**(1,392)**	1,175
Benefit obligation at end of year	**1,528,357**	1,664,900	**24,505**	26,028
Change in plan assets				
Fair value of plan assets at beginning of year	**1,441,948**	1,289,236	**–**	–
Actual return on plan assets	**87,485**	148,800	**–**	–
Contributions	**23,951**	74,445	**1,682**	2,016
Benefit distribution at settlement	**(8,471)**	(13,028)	**–**	–
Benefits paid	**(75,332)**	(57,505)	**(1,682)**	(2,016)
Fair value of plan assets at end of year	**1,469,581**	1,441,948	**–**	–
Under funded status	**$ (58,776)**	$ (222,952)	**$ (24,505)**	$ (26,028)

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

Settlements of $7,986 and $12,694 were recorded during the year ended December 31, 2013 and 2012, respectively, of which $5,085 and $10,085, respectively, related to the defined benefit pension plans of Pennsylvania

Certain of the Company's Plans were frozen in the years ended December 31, 2013 and 2012, resulting in curtailments of $28,388 and $56,503, respectively, which were offset by existing net losses included in unrestricted net assets

During the year ended December 31, 2013, retrospective amendments to certain plans increased the benefit obligation by $21,597 and resulted in an increase to the prior service cost included in unrestricted net assets During the year ended December 31, 2012, retrospective amendments to certain plans reduced the benefit obligation by $25,332 and resulted in an increase to the prior service credit included in unrestricted net assets

Amounts recognized in the consolidated financial statements consist of the following as of December 31

	Pension Benefits		Postemployment Benefits	
	2013	**2012**	**2013**	**2012**
Retirement assets	**$ 27,856**	$ –	**$ –**	$ –
Current liabilities	**–**	–	**(1,895)**	(1,843)
Retirement liabilities	**(86,632)**	(222,952)	**(22,610)**	(24,185)
Net amount recognized	**$ (58,776)**	$ (222,952)	**$ (24,505)**	$ (26,028)

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

Included in unrestricted net assets are the following amounts that have not yet been recognized in net periodic benefit cost for the years ended December 31

	Pension Benefits		Postemployment Benefits	
	2013	**2012**	**2013**	**2012**
Net prior service credit (cost)	**$ 322**	$ 32,160	**$ 280**	$ (259)
Net actuarial (loss) gain	**(310,622)**	(513,324)	**2,083**	959
Net amount unrecognized	**(310,300)**	(481,164)	**2,363**	700
Cumulative excess (shortfall) of employer contributions over net periodic benefit cost	**251,524**	258,212	**(26,868)**	(26,728)
	$ (58,776)	$ (222,952)	**$ (24,505)**	$ (26,028)

Net actuarial loss (gain) is amortized as a component of net periodic benefit cost, only if the losses exceed 10% of the greater of the projected benefit obligation or the fair value of plan assets Net prior service credit (cost) is amortized on a straight line basis over the estimated life of the Plan's participants The net prior service credit and net actuarial loss included in unrestricted net assets expected to be recognized as a gain (loss) in net periodic benefit cost during the year ending December 31, 2014 is $732 and $(10,270), respectively

The following amounts related to pension and other postemployment benefit activity have been recognized as an increase (decrease) in unrestricted net assets for the years ended December 31

	2013	**2012**
Amortization of prior service credit	**$ (10,242)**	$ (1,955)
Prior service (cost) credit	**(21,597)**	25,333
Net actuarial gain (loss)	**175,896**	(120,776)
Amortization of net actuarial loss	**26,807**	81,128
	170,864	(16,270)
Other postemployment benefit changes	**1,663**	(1,592)
	$ 172,527	$ (17,862)

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The following amounts are a summary of the components of net periodic benefit cost for the Plans for the years ended December 31

	Pension Benefits		Postemployment Benefits	
	2013	**2012**	**2013**	**2012**
Service cost	**$ 52,126**	$ 54,566	**$ 740**	$ 675
Interest cost	**59,805**	67,175	**867**	1,004
Expected return on plan assets	**(97,857)**	(104,263)	**–**	–
Amortization of prior service (cost) credit	**(4,397)**	(1,961)	**266**	61
Recognized net actuarial loss (gain)	**22,757**	18,441	**(50)**	(129)
Curtailment/settlement (credit) cost	**(1,795)**	6,347	**–**	–
Net periodic benefit cost	**$ 30,639**	$ 40,305	**$ 1,823**	$ 1,611

As part of the sale of Pennsylvania and Tennessee, the Company retained certain liabilities including the defined benefit pension and other postemployment benefit plans The net periodic benefit costs of $3,129 and $4,512 for the years ended December 31, 2013 and 2012, respectively, related to these defined benefit plans is recorded as part of the gain on discontinued operations in the period actuarially determined All net periodic benefit cost related to continuing operations is recorded as employee benefit expense in the consolidated statements of operations and changes in net assets

The accumulated benefit obligation (ABO) for all of the Company's defined benefit pension plans was $1,517,917 and $1,601,462 at December 31, 2013 and 2012, respectively For certain Company defined benefit pension plans, the ABO exceeded the fair value of plan assets as follows at December 31

	2013	**2012**
Accumulated benefit obligation	**$ 1,023,155**	$ 1,121,359
Fair value of plan assets	**946,944**	957,190

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The projected benefit obligation exceeded the fair value of plan assets for certain of the Company's defined benefit pension plans as follows as of December 31

	2013	2012
Projected benefit obligation	**$ 1,033,576**	$ 1,664,900
Fair value of plan assets	**946,944**	1,441,948

The following weighted-average assumptions were used to determine the benefit obligation as of December 31

	Pension Benefits		Postemployment Benefits	
	2013	2012	2013	2012
Discount rate	**4.63%**	3 72%	**4.63%**	3 72%
Rate of compensation increase	**2.5%**	4 0 – 6 0%	**N/A**	N/A

The following weighted-average assumptions were used to determine net periodic benefit cost for the years ended December 31

	Pension Benefits		Postemployment Benefits	
	2013	2012	2013	2012
Discount rate	**3.72%**	4 54%	**3.72%**	4 54%
Expected long-term return on plan assets	**6.75%**	7 50%	**N/A**	N/A
Rate of compensation increase	**4.0 – 6.0%**	4 0 – 6 0%	**N/A**	N/A

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The following healthcare cost trend rate assumptions were used in determining the benefit obligation of the post-employment healthcare benefits as of December 31

	2013	2012
Healthcare cost trend rate assumed for next year	**7.4% – 7.8%**	7 7% – 8 6%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	**4.5%**	4 5%
Year the rate reaches the ultimate trend rate	**2030**	2030

The healthcare cost trend rate assumptions can have a significant effect on the amounts reported A one-percentage-point change in assumed healthcare cost trend rate assumptions would have the following effects

	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on total of service and interest cost	$ 122	$ (104)
Effect of post-employment benefit obligation	1,518	(1,337)

In selecting the expected long-term return on plan assets, the Company considered the average rate of earnings on the assets invested or to be invested to provide the benefits for the defined benefit pension plans This included considering the target asset allocation and the expected returns likely to be earned over the life of the defined benefit pension plans This basis is consistent with the prior year

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The Company's defined benefit pension plans targeted asset allocations, by asset category, as of December 31, are as follows

	2013	2012
Marketable equity securities	**26%**	26%
Marketable debt securities	**45%**	43%
Alternative investments	**29%**	31%
	100%	100%

Primarily all plan assets are held in the CHP Retirement Trust (the Retirement Trust), which is centrally managed by the CHP Home Office The Retirement Trust has entered into a series of interest rate swap agreements The combined targeted duration of these interest rate swap agreements and the marketable debt securities approximates the duration of the defined benefit obligation pension plans At December 31, 2013, 45% (35% at December 31, 2012) of the duration of the benefit obligation is subject to these interest rate swaps and cash bonds (15% through swaps and 30% through cash bonds) The purpose of this strategy is to economically hedge the changes in the net funded status due to changes in interest rates over the duration of the benefit obligation Provisions of the interest rate swap agreements require 100% of the daily cash collateralization through the use of a designated custodian by the counterparty (or the Company) This mitigates the credit risk associated with these interest rate swap agreements

The Company maintains diversification in its plan assets by allocating assets to various asset classes and market segments and retaining multiple professional investment firms with different philosophies, styles and approaches Accordingly, based on this diversification, management does not believe there are any concentrations of credit at the measurement date The marketable debt securities within plan assets, including mortgage-backed and asset-backed obligations, are actively traded and the fair value reflects current market conditions

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The following is a summary of plan assets as of December 31, measured at fair value on a recurring basis based on the fair value hierarchy

	2013				2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Plan assets								
Cash and cash equivalents	$ 5	$ 17,484	$ –	$ 17,489	$ 332	$ 41,233	$ –	$ 41,565
Marketable debt securities								
U S government	54,357	–	–	54,357	116,856	–	–	116,856
U S government agencies	–	2,827	–	2,827	–	3,298	–	3,298
Corporate	–	267,225		267,225	–	215,088		215,088
Interest rate swap agreements	–	(12,796)	–	(12,796)	–	(5,167)	–	(5,167)
Other	–	1,263	–	1,263	–	571	–	571
Marketable equity securities								
U S large cap	59,280	–	–	59,280	59,856	–	–	59,856
U S mid cap	39,715	–	–	39,715	33,608	–	–	33,608
U S small cap	11,643	–	–	11,643	15,122	–	–	15,122
Foreign	80,512	–	–	80,512	92,144	–	–	92,144
Exchange traded mutual funds								
Equity funds	70,933	59,790	–	130,723	56,984	46,370	–	103,354
Diversified bond funds	52,265	–	–	52,265	106,898	–	–	106,898
Commingled investment funds	–	210,243	–	210,243	–	81,821	–	81,821
Alternative investments								
Hedge funds	–	248,592	–	248,592	–	223,250	34,261	257,511
Private equity funds	–	–	278,971	278,971	–	–	273,019	273,019
Limited partnerships companies	–	16,088	–	16,088	–	41,995	–	41,995
Total investments	368,710	810,716	278,971	1,458,397	481,800	648,459	307,280	1,437,539
Due from broker custodian for investment activity, net	–	11,184	–	11,184	–	4,409	–	4,409
Total plan assets at fair value	$ 368,710	$ 821,900	$ 278,971	$ 1,469,581	$ 481,800	$ 652,868	$ 307,280	$ 1,441,948

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

Fair value methodologies for cash and cash equivalents, marketable debt securities, marketable equity securities, exchange traded/mutual funds and commingled investment funds included in Level 1 and Level 2 are consistent with the inputs described in Note C The valuation of interest rate swap agreements is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each interest rate swap agreement The discounted cash flow analysis reflects the contractual terms of the interest rate swap agreement, including the period to maturity, and uses observed market-based inputs, including interest rate curves and implied volatilities The Company has categorized the interest rate swap agreements as a Level 2 measurement based on the transparency of inputs, including observable inputs, as well as the daily collateralization thresholds

Following is the summary of the inputs and valuation techniques as of December 31, 2013 and 2012 used for valuing Level 2 securities in the portfolio

Securities	Input	Valuation Technique
Marketable debt securities		
U S government agencies	Broker/Dealer	Market
Corporate	Broker/Dealer	Market
Interest rate swap agreements	Broker/Dealer	Market
Other	Matrix	Market/Income
Exchange traded/mutual funds	NAV	Market
Commingled investment funds	NAV	Market
Hedge funds	NAV	Market/Income
Limited partnerships/companies	NAV	Market/Income

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

Alternative investments are not necessarily readily marketable and may include short sales on securities and trading in future contracts, options, foreign currency contracts, other derivative instruments and private equity investments However, management has determined that the NAV is an appropriate estimate of the fair value of these investments at December 31, 2013 and 2012 based on the fact that the alternative investments are audited and accounted for at fair value by the administrators of the respective alternative investments If the Company has the ability to redeem its investment in the respective alternative investment at the NAV with no significant restrictions on the redemption at the consolidated balance, the Company has categorized the alternative investment as a Level 2 measurement in the fair value hierarchy If the Company does not have the ability to redeem the alternative investment at NAV due to significant restrictions, the Company has categorized the alternative investment as a Level 3 measurement

Following is the summary of the inputs and valuation techniques as of December 31, 2013 and 2012 used for valuing Level 3 securities in the portfolio

Securities	Input	Valuation Technique
Hedge funds	NAV	Income
Private equity funds	NAV	Income

For Level 3 securities, when observable prices are not available, the investment manager might use one or more valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available Within Level 3, the use of the market approach generally consists of using either the guideline company method or similar transaction method while the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors Significant increases (decreases) in any of those observable inputs in isolation would result in a significantly lower (higher) fair value measurement The impact of these changes would be recognized over a period of time in accordance with applicable accounting guidance

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The following table summarizes the activity related to plan assets having fair value measurements based on significant unobservable inputs (Level 3)

	Hedge Funds	Private Equity Funds
Fair value at January 1, 2012	$ 32,251	$ 250,125
Purchases	–	52,228
Sales/settlement	–	(58,308)
Realized gains	–	49,580
Realized losses	–	(58,485)
Unrealized gains	2,010	37,879
Fair value at December 31, 2012	34,261	273,019
Purchases	–	72,000
Sales/settlement	(34,314)	(90,983)
Realized gains	1,151	21,239
Realized losses	–	(389)
Unrealized (losses) gains	(1,098)	4,085
Fair value at December 31, 2013	$ –	$ 278,971

Similar to assets whose use is limited, the Company participates in securities lending arrangements within the Retirement Trust with its custodian whereby the Retirement Trust lends a portion of its marketable securities to various brokers or financial institutions in exchange for cash or non-cash collateral for the marketable securities loaned Cash collateral received in connection with the securities lending arrangements is invested in a short-term pooled fund (Retirement Pooled Fund) maintained by the Retirement Trust's custodian (State Street Bank and Trust Company) The Retirement Pooled Fund, which is structured similar to that of a money market financial instrument, consists primarily of short-term marketable debt securities and cash equivalents, which are stated at fair value, as determined by the administrator of the Retirement Pooled Fund, based on readily determinable market values of the underlying securities The fair value of cash collateral held for loaned marketable securities and the obligation to return the collateral is shown net in plan assets The Company is required to fund any decline in the underlying market value of invested collateral below the initial amount provided by the various brokers or financial institutions

(Dollar Amounts in Thousands)

L. Defined Benefit Pension Plans and Other Postemployment Benefits (continued)

The projected benefit payments for the Plans are as follows

	Pension Benefits	Post-Employment Benefits
2014	$ 69,322	$ 1,895
2015	72,812	2,053
2016	84,496	2,154
2017	89,961	1,793
2018	94,785	1,804
2019 – 2023	502,647	9,085

The Company expects to contribute $14,873 to its defined benefit pension plans and $1,895 to its post-employment benefit plans in 2014

M. Investments in Unconsolidated Organizations

The Company maintains an ownership percentage of 50% or less in various joint ventures and other companies that do not require consolidation These investments are accounted for primarily using the equity method of accounting On September 30, 2013, HSP invested $250,000 in a not-for-profit health system, Summa Health System (Summa) Summa, located in Akron, Ohio, is a tax-exempt integrated health care delivery system and provides health services and insurance to communities in Northeast Ohio HSP has an ownership interest of 30% in Summa and does not manage or control the operations The investment is accounted for under the equity method of accounting wherein HSP's share of the income (loss) of Summa is reflected in the Company's consolidated statements of operations and changes in net assets as in increase (decrease) in the income (loss) from investments in unconsolidated organizations, and is recorded on the consolidated statements of operations and changes in net assets as other revenue, net

(Dollar Amounts in Thousands)

M. Investments in Unconsolidated Organizations (continued)

The following is a summary of the investments in unconsolidated organizations as of December 31

	2013	2012
Summa Health System	**$ 258,201**	$ –
Other	**17,682**	18,838
	$ 275,883	$ 18,838

The following is a summary of the income from unconsolidated organizations, which is included in other revenue, net, for the years ended December 31

	2013	2012
Summa Health System	**$ 8,201**	$ –
Other	**201**	1,605
	$ 8,402	$ 1,605

(Dollar Amounts in Thousands)

M. Investments in Unconsolidated Organizations (continued)

The following is a summary of Summa's assets, liabilities, and net assets as of December 31, 2013 (from its unaudited financial statements)

Assets	
Cash and cash equivalents	$ 265,258
Net patient accounts receivable	148,334
Property and equipment, net	462,484
Assets whose use is limited	599,104
Other assets	142,893
Total assets	$ 1,618,073
Liabilities and net assets	
Salaries and related liabilities	$ 56,719
Accounts payable and accrued expenses	54,725
Accrued claims expense and related liabilities	33,576
Retirement liabilities	45,530
Long-term debt	421,563
Other liabilities	106,607
Total liabilities	718,720
Net assets	899,353
Total liabilities and net assets	$ 1,618,073

(Dollar Amounts in Thousands)

M. Investments in Unconsolidated Organizations (continued)

The following is a summary of Summa's results of operations for the year ended December 31, 2013 (from its unaudited financial statements)

Unrestricted revenue	
Net patient service revenue less provision for bad debts	$ 821,366
Member revenue, net	494,794
Other revenue, net	80,632
	1,396,792
Expenses	
Salaries and wages	460,754
Employee benefits	79,837
Medical claims expense	333,015
Purchased services	203,044
Supplies	230,725
Depreciation and amortization	51,144
Interest	18,921
	1,377,440
Excess of revenue over expenses before other income	19,352
Other income	
Other, primarily investment income	24,979
Other	8,097
	33,076
Excess of revenue over expenses	52,428
Changes in net assets	
Change in unrealized gains and losses on restricted investments	2,097
Restricted contributions	8,890
Net assets released from restriction for operating activities	(4,958)
HealthSpan Partners investment	250,000
Other changes, net	(4,112)
Change in net assets	$ 304,345

N. Fourth Quarter Adjustments – Unaudited

Companies that are considered public (e g , have publicly traded debt) are required to disclose significant changes occurring in the fourth quarter that may impact previously reported quarterly financial statements Management has determined there are no transactions that require disclosure for the quarter ended December 31, 2013

O. Subsequent Events

The Company has evaluated and disclosed any subsequent events through April 28, 2014 which is the date the consolidated financial statements were issued and made publicly available No other recognized or non-recognized subsequent events were identified for recognition or disclosure in the consolidated financial statements