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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
BRONSON METHODIST HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
601 JOHN STREET

City or town, state or province, country, and ZIP or foreign postal code
KALAMAZOO, MI 49007

D Employer identification number
38-1359087

E Telephone number
(269) 341-6000

G Gross receipts $ 650,007,507

F Name and address of principal officer
FRANK SARDONE
301 JOHN STREET
KALAMAZOO,MI 49007

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

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

H(c) Group exemption number ▶

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

J Website: ▶ BRONSONHEALTH COM

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

L Year of formation 1920

M State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TOGETHER, WE PROVIDE EXCELLENT HEALTHCARE

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**	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	4,405
6	Total number of volunteers (estimate if necessary)	**6**	418
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	9,609,359
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	749,416

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	131,118	488,497
9	Program service revenue (Part VIII, line 2g)	590,736,002	622,908,887
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,322,435	9,628,032
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,896,786	14,250,931
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	614,086,341	647,276,347
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	14,625,000	24,700,000
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)	296,224,998	319,795,754
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)	281,925,189	311,444,211
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	592,775,187	655,939,965
19	Revenue less expenses Subtract line 18 from line 12	21,311,154	-8,663,618

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	751,628,440	769,289,964
21	Total liabilities (Part X, line 26)	350,821,178	340,455,660
22	Net assets or fund balances Subtract line 21 from line 20	400,807,262	428,834,304

Revenue | Expenses | Net Assets or Fund Balances

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

****** | 2014-10-30
Signature of officer | Date

KENNETH TAFT EXECUTIVE VP/COO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LYNNE HUISMANN				P00053811

Firm's name ▶ PLANTE & MORAN PLLC | Firm's EIN ▶ 38-1357951

Firm's address ▶ 2601 CAMBRIDGE CT SUITE 500
AUBURN HILLS, MI 48326 | Phone no (248) 375-7100

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

TOGETHER, WE PROVIDE EXCELLENT HEALTHCARE

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 $ 473,877,158 including grants of $ 24,700,000) (Revenue $ 535,548,374)

BRONSON METHODIST HOSPITAL (BMH) IS THE FLAGSHIP OF BRONSON HEALTHCARE GROUP, A NOT-FOR-PROFIT HEALTHCARE SYSTEM SERVING ALL OF SOUTHWEST MICHIGAN BMH PROVIDES CARE IN VIRTUALLY EVERY SPECIALTY WITH ADVANCED CAPABILITIES IN BURN TREATMENT AND CRITICAL CARE AS A LEVEL I TRAUMA CENTER, IN NEUROLOGICAL CARE AS A JOINT COMMISSION CERTIFIED PRIMARY STROKE CENTER, IN CARDIAC CARE AS THE REGIONS FIRST ACCREDITED CHEST PAIN EMERGENCY CENTER, IN OBSTETRICS AS THE LEADING BIRTHPLACE AND ONLY HIGH-RISK PREGNANCY CENTER IN SOUTHWEST MICHIGAN, AND IN PEDIATRICS AS ONE OF THE ONLY SIX CHILDRENS HOSPITALS IN THE STATE AND THE ONLY INPATIENT PEDIATRIC CARE PROVIDER IN THE AREA THE BMH EMERGENCY DEPARTMENT WHICH IS OPEN 24 HOURS PER DAY, HANDLES OVER 88,000 VISITS PER YEAR BMH TREATS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY BMH WAS THE RECIPIENT OF THE 2005 MALCOLM BALDRIDGE NATIONAL QUALITY AWARD, THE NATION'S HIGHEST PRESIDENTIAL HONOR FOR QUALITY AND ORGANIZATIONAL PERFORMANCE EXCELLENCE IN 2009, THE HOSPITAL RECEIVED THE AHA MCKESSON QUEST FOR QUALITY PRIZE AWARDED ANNUALLY TO ONLY ONE U S HOSPITAL, AND JOINED THE TOP FIVE PERCENT OF HOSPITALS IN THE NATION TO BE DESIGNATED A MAGNET HOSPITAL FOR NURSING EXCELLENCE BMH PROVIDES A DISPROPORTIONATE AMOUNT OF CARE TO THE SEGMENT OF THE POPULATION USING MEDICAID BMH IS THE LARGEST MEDICAID PROVIDER OF ANY LARGE HOSPITAL IN MICHIGAN OUTSIDE OF THE DETROIT AREA (ON A PERCENATAGE BASIS) IN 2013, APPROXIMATELY 19% OF BMHS PATIENTS WERE MEDICAID RECIPIENTS WE HAVE THREE MEDICAID ENROLLERS ON SITE TO HELP THOSE WITHOUT INSURANCE ENROLL IN MEDICAID, OR REFER THEM TO COMMUNITY RESOURCES EXPENDITURES RELATED TO THE OPERATION OF THE HOSPITAL IN 2013, IN FURTHERANCE OF ITS MISSION, BMH PROVIDED $39,683,602 IN CHARITY CARE EXPENSE

4b (Code) (Expenses $ 106,863,385 including grants of $) (Revenue $ 86,579,316)

IN 2013, BMH'S MEDICAID COST WAS $106,863,385 AND MEDICAID NET REVENUE WAS $86,579,316

4c (Code) (Expenses $ 50,376,245 including grants of $) (Revenue $)

IN 2013, IN FURTHERANCE OF ITS MISSION, BMH INCURRED $50,376,245 IN BAD DEBT TO PROVIDE CARE TO ITS PATIENTS

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ 631,116,788

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**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**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	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	162		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	4,405		
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	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**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**	21		
	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**	15		
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

▶KENNETH TAFT 301 JOHN STREET
KALAMAZOO,MI 49007 (269) 341-6000

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			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								5,601,156	5,401,575	1,087,347

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 ▶ 214

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
HEALTHCARE MIDWEST PC 601 JOHN STREET KALAMAZOO MI 49007	MEDICAL SERVICES	1,554,783
IME PHYSICIANS SERVICES 40240 BLUE STAR HIGHWAY COVERT MI 49043	MEDICAL SERVICES	1,466,939
KALAMAZOO ANESTHESIOLOGY PC 900 PEELER CHICAGO IL 60689	MEDICAL SERVICES	1,066,942
SW MI EMERGENCY SERVICES PC 125 S KALAMAZOO MALL SUITE 204 KALAMAZOO MI 49007	MEDICAL SERVICES	1,034,114
CCS PA LLC 31330 SCHOOLCRAFT ROAD LIVONIA MI 48150	MEDICAL SERVICES	651,050

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 ▶ 20

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	70,549			
	e	Government grants (contributions)	1e	22,204			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	395,744			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		488,497			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	621500	613,304,572	613,304,572		
	b	PHARMACY REVENUE	446110	5,268,817		5,268,817	
	c	LABORATORY REVENUE	541380	4,335,498		4,335,498	
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		622,908,887			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		9,628,032			9,628,032
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	2,621,937				
	b	Less rental expenses	2,731,160				
	c	Rental income or (loss)	-109,223				
	d	Net rental income or (loss) . . . . . ▶			-109,223			-109,223
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) . . . . . ▶					
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	OUTSIDE SERVICE REVENUE	900099	5,945,573	5,945,573		
	b	CAFETERIA	722210	4,333,184		5,044	4,328,140
	c	MEANINGFUL USE REVENUE	900099	2,877,545	2,877,545		
	d	All other revenue		1,203,852			1,203,852
	e	**Total.** Add lines 11a–11d . . . . . ▶		14,360,154			
	12	**Total revenue.** See Instructions . . . . . ▶		647,276,347	622,127,690	9,609,359	15,050,801

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	24,700,000	24,700,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	511,488		511,488	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	252,681,526	252,681,526		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,479,153	11,479,153		
9 Other employee benefits	40,191,263	40,191,263		
10 Payroll taxes	14,932,324	14,932,324		
11 Fees for services (non-employees)				
a Management				
b Legal	1,358,426		1,358,426	
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	59,089,469	59,089,469		
12 Advertising and promotion	71,216	71,216		
13 Office expenses	77,799,178	77,799,178		
14 Information technology	13,374	13,374		
15 Royalties . .				
16 Occupancy	9,453,445	9,453,445		
17 Travel	960,751	960,751		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	532,839	532,839		
20 Interest	12,931,239	12,931,239		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	35,889,204	35,889,204		
23 Insurance	4,243,432	3,689,917	553,515	
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 BAD DEBT EXPENSE	50,376,245	50,376,245		
b PHARMACY EXPENSE	28,331,898	28,331,898		
c BHG ALLOCATION EXPENSE	22,399,748		22,399,748	
d EQUIPMENT MAINTENANCE/R	6,260,374	6,260,374		
e All other expenses	1,733,373	1,733,373		
25 **Total functional expenses.** Add lines 1 through 24e	655,939,965	631,116,788	24,823,177	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		9,662	1	327,658
	2	Savings and temporary cash investments		310,068,622	2	327,312,191
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		98,840,146	4	98,803,865
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		9,173,768	8	9,773,716
	9	Prepaid expenses and deferred charges		613,116	9	459,912
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 672,734,129			
	b	Less accumulated depreciation	10b 381,523,585	292,100,981	10c	291,210,544
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		34,087,871	12	34,592,781
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		6,734,274	15	6,809,297
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		751,628,440	16	769,289,964
Liabilities	17	Accounts payable and accrued expenses		44,901,184	17	43,018,641
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		265,998,998	20	259,912,779
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		39,920,996	25	37,524,240
	26	**Total liabilities.** Add lines 17 through 25		350,821,178	26	340,455,660
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		400,807,262	27	428,834,304
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		400,807,262	33	428,834,304
	34	Total liabilities and net assets/fund balances		751,628,440	34	769,289,964

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	647,276,347
2	Total expenses (must equal Part IX, column (A), line 25)	2	655,939,965
3	Revenue less expenses Subtract line 2 from line 1	3	-8,663,618
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	400,807,262
5	Net unrealized gains (losses) on investments	5	27,678,925
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	9,011,735
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	428,834,304

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		No
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		

Additional Data

Software ID:
Software Version:
EIN: 38-1359087
Name: BRONSON METHODIST HOSPITAL

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RANDALL EBERTS VICE CHAIR	1 00 8 00	X		X				0	2,775	0
BARBARA JAMES CHAIRPERSON	1 00 8 00	X		X				0	1,918	0
GEOFFREY WARDWELL SECRETARY	1 00 8 00	X		X				0	2,464	0
EILEEN WILSON-OYELARAN DIRECTOR	1 00 8 00	X						0	0	0
JAMES GUNDERSON DIRECTOR	1 00 8 00	X						0	2,569	0
JAMES E GREENE DIRECTOR	1 00 8 00	X						0	2,613	0
MARIAN KLEIN DIRECTOR	1 00 8 00	X						0	0	0
DONALD PARFET DIRECTOR	1 00 8 00	X						0	0	0
CHARLES ZELLER MD DIRECTOR	1 00 8 00	X						0	2,626	0
SCOTT GIBSON MD DIRECTOR	1 00 8 00	X						31,013	0	3,282
MARK B ATKINSON MD DIRECTOR	1 00 8 00	X						0	4,017	0
WILLIAM RICHARDSON DIRECTOR	1 00 8 00	X						0	0	0
WILLIAM JOHNSTON DIRECTOR	1 00 8 00	X						0	0	0
SARDONEFRANK J PRESIDENT AND CEO	23 60 16 40	X		X				0	1,451,307	26,136
BERNARD ROEHR MD DIRECTOR	1 00 8 00	X						0	265,805	16,696
BRENDA HUNT DIRECTOR	1 00 8 00	X						0	0	0
KARAMCHANDANIMAHESH C DIRECTOR	1 00 8 00	X						480,475	0	22,393
NELSON KARRE DIRECTOR	1 00 8 00	X						0	0	0
STEVEN J LINS MD DIRECTOR	1 00 8 00	X						0	1,085	0
NEIL NYBERG DIRECTOR	1 00 8 00	X						0	1,028	0
LA JUNE MONTGOMERY TABRON TREASURER	1 00 8 00	X		X				0	0	0
TAFTKENNETH L EXECUTIVE VICE PRESIDENT	23 60 16 40			X				0	779,345	30,505
JAMES FALAHEE SR VP LEGAL & LEG AFFAIRS	23 60 16 40			X				0	544,854	30,343
SCOTT LARSON MD SR VP MEDICAL AFFAIRS/CMO	23 60 16 40			X				0	597,910	16,089
JOHN HAYDEN SR VP & CHIEF HR OFFICER	23 60 16 40			X				0	392,103	20,761

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MEITZMARY M SR VICE PRESIDENT & CFO	23 60 16 40				X			0	378,273	26,142
HARRELSONKATHLEEN M SR VP, CLINICAL OPERATIONS	23 60 16 40				X			0	376,751	23,975
JONES JRJOHN L SR VP, REG & PHYS SVS	23 60 16 40				X			0	335,955	30,277
WAYMICHAEL S SR VP MAT MGT & FACILITY SVS	23 60 16 40				X			0	258,177	23,353
FABIALAIN Y PHYSICIAN	40 00 0 00					X		1,526,092	0	130,910
WIGGINSGREGORY C PHYSICIAN	40 00 0 00					X		1,374,969	0	376,073
DELUCIA IIIALPHONSE PHYSICIAN	40 00 0 00					X		810,077	0	105,019
MILLERJEFFREY W PHYSICIAN	40 00 0 00					X		781,776	0	29,151
SLOFFERCHRIS A PHYSICIAN	40 00 0 00					X		596,754	0	176,242

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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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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 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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	8,353,218	8,040,890	7,814,789	7,363,320	7,240,418
b	Contributions	24,665	27,818	24,608	274,210	122,902
c	Net investment earnings, gains, and losses	434,228	319,840	225,614	316,058	
d	Grants or scholarships	18,500	29,219	15,000	27,650	
e	Other expenditures for facilities and programs	37,632	6,111	9,121	11,149	
f	Administrative expenses					
g	End of year balance	8,755,978	8,353,218	8,040,890	7,814,789	7,363,320

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

- a Board designated or quasi-endowment ▶ 24 050 %
- b Permanent endowment ▶ 75 950 %
- 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)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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		5,469,635		5,469,635
b Buildings		352,447,128	149,379,944	203,067,184
c Leasehold improvements				
d Equipment		299,892,184	232,143,641	67,748,543
e Other		14,925,182		14,925,182
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				291,210,544

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

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

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
DEFERRED COMPENSATION	1,544,119
SWAP LIABILITY	9,928,056
THIRD PARTY CONTRACTUAL SETTLEMENTS	26,052,065
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	37,524,240

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	601,382,000
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	0
3	Subtract line **2e** from line **1**			3	601,382,000
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	45,894,347		
c	Add lines **4a** and **4b**			4c	45,894,347
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	647,276,347

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	583,654,000
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	-72,285,965		
e	Add lines **2a** through **2d**			2e	-72,285,965
3	Subtract line **2e** from line **1**			3	655,939,965
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	0
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	655,939,965

Part XIII Supplemental Information

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

Return Reference	Explanation
PART X, LINE 2	THE HOSPITAL ADOPTED ACCOUNTING STANDARDS RELATED TO UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, REVIEWED ALL TAX POSITIONS THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENT EXPENSE -2,731,160 BAD DEBT RECLASS TO EXPENSE 50,376,245 INTEREST RATE SWAP -1,820,561 ROUNDING -726 CONTRIBUTION RECLASS 70,549
PART XII, LINE 2D - OTHER ADJUSTMENTS	JOINT VENTURE GAIN/(LOSS) -1,688,844 OFFICE RENTAL EXPENSE 2,731,160 INTEREST RATE SWAP 1,820,561 BAD DEBT EXPENSE -50,376,245 EQUITY TRANSFER -24,700,000 ROUNDING -2,048 CONTRIBUTION RECLASS -70,549

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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 30000 0000000000 %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	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)		45,933	15,281,639	0	15,281,639	2 330 %
b Medicaid (from Worksheet 3, column a)			108,092,460	86,579,316	21,513,144	3 280 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		45,933	123,374,099	86,579,316	36,794,783	5 610 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	236	26,866	131,047	0	131,047	0 020 %
f Health professions education (from Worksheet 5)	116	1,501	24,488,104	7,445,344	17,042,760	2 600 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	5,263	253,232	1,102,748	0	1,102,748	0 170 %
j **Total.** Other Benefits	5,615	281,599	25,721,899	7,445,344	18,276,555	2 790 %
k **Total.** Add lines 7d and 7j	5,615	327,532	149,095,998	94,024,660	55,071,338	8 400 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 50,376,245		
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 2,510,727		
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	125,423,844
6	Enter Medicare allowable costs of care relating to payments on line 5	6	135,555,939
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-10,132,095
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		No

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

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

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BRONSON METHODIST HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	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 2013			
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.BRONSONHEALTH.COM			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		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 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	12	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
BRONSON METHODIST HOSPITAL	PART V, SECTION B, LINE 3 BRONSON METHODIST HOSPITAL TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENTED THE COMMUNITY USING THREE METHODS, FOCUS GROUPS, SURVEYS, AND KEY INFORMANT INTERVIEWS FIVE DEMOGRAPHIC-SPECIFIC FOCUS GROUPS WERE CONDUCTED WITH SENIORS, LOW INCOME FAMILIES, WOMEN, YOUTH, AND AFRICAN AMERICANS/BLACKS TO GAIN A DEEPER INSIGHT INTO COMMUNITY HEALTH NEEDS AMONG VULNERABLE POPULATIONS A COMMUNITY WIDE SURVEY SEEKING INPUT FROM COMMUNITY MEMBERS PERTAINING TO HEALTH NEEDS AND BARRIERS WAS CONDUCTED APRIL 22, 2013 TO JUNE 19, 2013 THE SURVEY WAS AVAILABLE IN BOTH ON-LINE AND WRITTEN FORM AND WAS WIDELY PROMOTED AND AVAILABLE THROUGHOUT THE COMMUNITY FOCUSED EFFORTS WERE UNDERTAKEN TO INCREASE PARTICIPATION BY VULNERABLE POPULATIONS AS A RESULT, 1159 COMPLETED SURVEYS WERE RECEIVED AND ANALYZED IN ADDITION, 16 KEY INFORMANT INTERVIEWS WERE CONDUCTED ASSESSING STAKEHOLDER PERCEPTIONS OF THE COUNTYS HEALTH STATUS AND UNMET NEEDS THESE KEY INFORMANTS INCLUDED PERSONS REPRESENTING BROAD INTERESTS OF THE COMMUNITY AND KNOWLEDGE AND EXPERTISE OF PUBLIC HEALTH KEY INFORMANTS INCLUDED -MARY GUSTUS, EXECUTIVE DIRECTOR COMSTOCK COMMUNITY CENTER-FRAN DENNY, EXECUTIVE DIRECTOR CATHOLIC CHARITIES-RICK STRAVERS, EXECUTIVE DIRECTOR OPEN DOORS-CARLA CAMPBELL JACKSON, VICE PRESIDENT KALAMAZOO CHAPTER NAACP-JANICE BROWN, EXECUTIVE DIRECTOR KALAMAZOO PROMISE-BOBBY HOPEWELL, KALAMAZOO MAYOR-ERIKA LEE, NEXT DOOR SHELTER MANAGER-ANN CRABB, PSYCHIATRIST DELANO OUTPATIENT CENTER/BORGESS MENTAL HEALTH-KATHY ROBERTS, CONTINUUM OF CARE DIRECTOR LOCAL INITIATIVES SUPPORT CORPORATION-LINDA VAIL, DIRECTOR KALAMAZOO COUNTY HEALTH & COMMUNITY SERVICES-ANGELA ANDERSON, COMMUNITY EDUCATOR AND NAC COORDINATOR HEALTHY BABIES HEALTHY START-3 HOMELESS WOMEN (NAMES NOT PROVIDED AT REQUEST OF INTERVIEWEE)-HOMELESS MAN (NAME NOT PROVIDED AT REQUEST OF INTERVIEWEE)-COMMUNITY SERVICE USER (NAME NOT PROVIDED AT REQUEST OF INTERVIEWEE)
BRONSON METHODIST HOSPITAL	PART V, SECTION B, LINE 7 THE CHNA PROCESS INCLUDED A PRIORITIZATION OF HEALTH NEEDS BASED UPON CONSENSUS CRITERIA, INCLUDING MAGNITUDE OF NEED, MEASURABLE OUTCOMES, BRONSON CAPABILITIES, EVIDENCE FOR EFFECTIVE INTERVENTIONS, COMMUNITY COMMITMENT, AND CONSISTENCY WITH BRONSON STRATEGY AT THE CONCLUSION OF THIS PRIORITIZATION PROCESS, IMPROVING ACCESS TO CARE WAS SELECTED AS THE FOCUS FOR COMMUNITY HEALTH ACTIVITIES IN 2014-2016 THIS FOCUSED EFFORT WILL REQUIRE SUBSTANTIAL FINANCIAL AND STAFFING RESOURCES AS WELL AS SIGNIFICANT COLLABORATIONS WITH COMMUNITY ORGANIZATIONS GIVEN THE EXTRAORDINARY CHALLENGE OF SUBSTANTIALLY AND MEASURABLY IMPROVING ACCESS TO CARE IN AN ENVIRONMENT OF LIMITED RESOURCES, BRONSON LEADERS AND COMMUNITY HEALTH BOARD COMMITTEE MEMBERS HAVE CHOSEN TO LIMIT OUR INITIAL FOCUS TO THIS TOP PRIORITY HEALTH NEED OTHER NEEDS IDENTIFIED INCLUDE OBESITY, LACK OF MENTAL HEALTH SUPPORT, CHRONIC DISEASE MANAGEMENT, ADDICTION PREVENTION, ORAL HEALTH IMPROVEMENT, CANCER SCREENING, AND INFANT MORTALITY AND STD RATES WHILE THESE HEALTH NEEDS WERE NOT SELECTED AS FOCUS AREAS, BRONSON ANTICIPATES THAT IMPROVING ACCESS TO QUALITY CARE WILL IMPACT AND IMPROVE OUTCOMES FOR MANY OF THE OTHER NEEDS IDENTIFIED IN THE CHNA THE ACCESS OF CARE PLAN IS ATTACHED TO THE 990 FOR REFERENCE OF AREAS NOT BEING ADDRESSED AT THIS TIME
BRONSON METHODIST HOSPITAL	PART V, SECTION B, LINE 18E THE HOSPITAL ACKNOWLEDGES THAT ALL INDIVIDUALS ARE NOT EQUALLY CAPABLE OF PAYING FOR HEALTHCARE SERVICES, EITHER BY THEMSELVES OR THROUGH A THIRD PARTY INSURANCE CARRIER THE HOSPITAL RECOGNIZES ITS RESPONSIBILITY TO OFFER CARE FOR PERSONS IN NEED, AND THEREFORE PROVIDES AND PROMOTES ACCESS TO EMERGENCY OR MEDICALLY NECESSARY SERVICES WITHOUT REGARD TO ABILITY TO PAY THE HOSPITAL HAS SIGNS AT ENTRANCES TO THE EMERGENCY DEPARTMENT THAT INFORM PATIENTS OF THE FINANCIAL ASSISTANCE POLICY THE POLICY IS ALSO ON THE HOSPITALS WEBSITE (WWW BRONSONHEALTH COM) AND ON PATIENT INVOICES THE PATIENT MAY REQUEST AN APPLICATION TO DETERMINE IF THEY QUALIFY FOR FINANCIAL ASSISTANCE BY CALLING A PATIENT FINANCIAL COUNSELOR

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? **1**

	Name and address	Type of Facility (describe)
1	BRONSON VICKSBURG OUTPATIENT CENTER 601 JOHN STREET KALAMAZOO,MI 49007	24 HOUR ER, THERAPIES, LAB AND RADIOLOGY
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
PART I, LINE 3C	THE ORGANIZATION USES THE FOLLOWING FPG TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS 225% OF FPL IS ENTITLED TO AN 80% REDUCTION250% OF FPL IS ENTITLED TO A 60% REDUCTION275% OF FPL IS ENTITLED TO A 40% REDUCTION300% OF FPL IS ENTITLED TO A 20% REDUCTION
PART I, LINE 7	(A-C)- COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS INSTRUCTIONS FOR LINES A-C PART I, LINE 7 (E-I)- COSTING METHODOLOGY IS ACTUAL COSTS PER THE HOSPITAL ACCOUNTING SYSTEM FOR LINES E-I

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $50,376,245
PART II, COMMUNITY BUILDING ACTIVITIES	BRONSON METHODIST HOSPITALS COMMUNITY BUILDING ACTIVITIES GENERALLY FALL WITHIN ONE OF THE THREE AREAS COMMUNITY SUPPORT, COALITION BUILDING, OR COMMUNITY HEALTH IMPROVEMENT IN COMMUNITY SUPPORT, BRONSON SUPPORTED EARLY CHILDHOOD LITERACY BY PROVIDING THE FAMILIES OF EVERY NEWBORN A BOOK TO PROMOTE READING, BY TRAINING AREA CLERGY IN PASTORAL CARE FOR ILL AND END-OF-LIFE PATIENTS, BY STAFFING THE COUNTY SAFE KIDS COALITION AND BY OFFERING HEALTH-RELATED EDUCATIONAL SEMINARS THROUGHOUT THE COMMUNITY BRONSONS COALITION BUILDING ACTIVITIES INCLUDE SUPPORTING A YOUTH RESIDENT READING PROGRAM AT THE KALAMAZOO COUNTY JUVENILE HOME COMMUNITY HEALTH IMPROVEMENT HAS PRIMARILY INVOLVED PATIENT ADVOCACY THROUGH CASE MANAGEMENT IN ADDITION, BRONSON FINANCIALLY SUPPORTS THE COUNTY MEDICAL CONTROL AUTHORITY AND SITS ON THE WEST MICHIGAN CANCER CENTER INSTITUTIONAL REVIEW BOARD EVALUATING CANCER RESEARCH PROTOCOLS INVOLVING PATIENTS BRONSON METHODIST HOSPITAL (AND THE OTHER HOSPITALS THAT ARE PART OF THE BRONSON HEALTHCARE GROUP) CONDUCTED AN EXTENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN 2013 PLEASE REFER TO SCHEDULE H, PART V, SECTION B, COMMUNITY HEALTH NEEDS ASSESSMENT, ALONG WITH SCHEDULE H, PART V, SECTION C SUPPLEMENTAL INFORMATION, FOR A FULL DESCRIPTION OF THE CHNA THE CHNA PROCESS INCLUDED A PRIORITIZATION OF HEALTH NEEDS BASED UPON CONSENSUS CRITERIA, INCLUDING MAGNITUDE OF NEED, MEASURABLE OUTCOMES, BRONSON CAPABILITIES, EVIDENCE FOR EFFECTIVE INTERVENTIONS, COMMUNITY COMMITMENT, AND CONSISTENCY WITH BRONSON STRATEGY AT THE CONCLUSION OF THIS PRIORITIZATION PROCESS, IMPROVING ACCESS TO CARE WAS SELECTED AS THE FOCUS FOR COMMUNITY HEALTH ACTIVITIES IN 2014-2016

Form and Line Reference	Explanation
PART III, LINE 4	PART III, LINE 2 UNCOLLECTIBLE AMOUNTS ARE WRITEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE BAD DEBT EXPENSE IS DISCLOSED BASED ON GROSS CHARGES PART III, LINE 3 BAD DEBT WRITEOFFS SUPPORT THE COMMUNITY BY PROVIDING A PORTION OF SERVICES WITHOUT PAYMENT THE AMOUNT OF BAD DEBT EXPENSES ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY WAS ESTIMATED BY REVIEWING THE BAD DEBT DETAIL FOR A SPECIFIC WRITE-OFF CODE PART III, LINE 4 AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENT ADVANCES IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON ON CURRENT REIMBURESMENT METHODOLOGIES ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA RELATED TO THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE THIS CAN BE FOUND IN THE ATTACHED AUDITED FINANCIAL STATEMENTS ON PAGE 8 UNDER NOTE 2 SIGNIFICANT ACCOUNTING POLICIES FOR ACCOUNTS RECEIVABLE
PART III, LINE 8	COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS 990 INSTRUCTIONS SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT DUE TO ITS REPRESENTATION OF COST OF A PORTION OF SERVICES PROVIDED TO THE COMMUNITY WITHOUT PAYMENT PART III, LINE 7 BRONSON METHODIST HOSPITAL EXPERIENCES ADDITIONAL COMMUNITY BENEFIT EXPENSE OF $51,981,100 AND DIRECT OFFSETTING REVENUE OF $42,564,599 FOR A NET COMMUNITY BENEFIT OF $9,416,501 RELATED TO SERVICES PROVIDED TO MEDICARE ADVANTAGE INSUREDS

Form and Line Reference	Explanation
PART VI, LINE 2	BRONSON METHODIST HOSPITAL UTILIZES A STRATEGIC MANAGEMENT MODEL TO DEVELOP BOTH A LONG TERM (3 YEAR) AND ANNUAL STRATEGIC PLAN INPUTS INTO THE PLAN ARE DOCUMENTED IN OUR STRATEGIC INPUT DOCUMENT ONE OF THE IMPORTANT INPUTS INTO THIS PLAN IS THE HEALTH OF OUR COMMUNITY SEVERAL SOURCES ARE UTILIZED TO PERFORM THIS ASSESSMENT THE SOURCES FOR THE LATEST STRATEGIC INPUT DOCUMENT ARE LISTED BELOW SOURCES FOR DETERMINING COMMUNITY HEALTH NEEDS-MICHIGAN BEHAVIORAL RISK FACTORS SURVEY 2002-2006 COMBINE BUREAU OF EPIDEMIOLOGY AND MICHIGAN DEPARTMENT OF COMMUNITY HEALTH -2004 MICHIGAN SURGEON GENERAL'S HEALTH STATUS REPORT (HEALTH MICHIGAN 2010)-F AS IN FAT HOW OBESITY IS FAILING IN AMERICA 2009 - TRUST FOR AMERICA'S HEALTH AND ROBERT WOOD JOHNSON FOUNDATION -MICHIGAN DEPARTMENT OF COMMUNITY HEALTH INFANT MORTALITY RATES, 2006THE STRATEGIC INPUT DOCUMENT IS REVIEWED BY THE ENTIRE EXECUTIVE TEAM AND UTILIZED TO DEVELOP OUR COMMUNITY ASSESSMENT AS WELL AS OUR STRATEGIC ADVANTAGES AND DISADVANTAGES THE COMMUNITY ASSESSMENT IS SHARED WITH THE BOARD EVERY THREE YEARS USING OUR COMMUNITY LEADERSHIP MODEL AS SHOWN BELOW THREE YEAR PRIORITIES ARE THEN SET FOR OUR COMMUNITY HEALTH BRONSON METHODIST HOSPITAL ALSO COLLABORATES WITH TWO KEY COMMUNITY AGENCIES FOR THE GATHERING OF HEALTH STATISTICS THE GREATER KALAMAZOO UNITED WAY AND THE KALAMAZOO COUNTY HEALTH AND HUMAN SERVICES IN ADDITION, BRONSON HAS BEEN A LEADER IN THE FOLLOWING COMMUNITY HEALTH COLLABORATIVES HEALTHY FUTURES, IMMUNIZE-BY-TWO, HEALTHY BABY/HEALTHY START, READY TO READ, AFRICAN-AMERICAN HEALTH INITIATIVE, YOUTH VIOLENCE COALITION, HEALTH CONNECT AND EMERGENCY PRESCRIPTION PROGRAM
PART VI, LINE 3	SELF PAY PATIENTS ARE REFERRED TO AN AGENCY FOR SCREENING FOR MEDICAID, MEDICARE, AND OTHER ELIGIBILITY A SOFTWARE PROGRAM ALSO HELPS DETERMINE ELIGIBILITY FOR CHARITY CARE

Form and Line Reference	Explanation
PART VI, LINE 4	BRONSON METHODIST HOSPITAL SERVES A TEN COUNTY REGION IN SOUTHWEST MICHIGAN ABOUT 60% OF PATIENTS SERVED COME FROM WITHIN KALAMAZOO COUNTY AND THE OTHER 40% COME FROM THE REGIONAL COUNTIES OF ALLEGAN, BARRY, BERRIEN, BRANCH, CASS, VAN BUREN, CALHOUN, EATON AND ST JOSEPH PATIENT DEMOGRAPHICS 25 26% <21 YEARS OF AGE 20 19% 21-39 YEARS OF AGE 24 68% 40-64 YEARS OF AGE 29 87% 65 YEARS OF AGE AND OLDER PATIENT DIVERSITY DEMOGRAPHICS 81 05% CAUCASIAN12 03% AFRICAN-AMERICAN 0 73% ASIAN 6 19% OTHER PATIENT INSURANCE DEMOGRAPHICS 37 5% PRIVATE INSURANCE 28 4% MEDICARE 10 4% MEDICARE AND SUPPLEMENTAL INSURANCE 19 2% MEDICAID OR OTHER PUBLIC ASSISTANCE 4 5% NO COVERAGE
PART VI, LINE 5	BRONSON METHODIST HOSPITAL (BMH) IS A COMMUNITY-OWNED AND GOVERNED NOT-FOR-PROFIT HOSPITAL WITH 405 LICENSED BEDS AND AN OPEN MEDICAL STAFF IT IS GOVERNED BY THE BRONSON HEALTHCARE GROUP BOARD COMPRISED OF 21 MEMBERS OF THE COMMUNITY FOUNDED IN 1900, BMH HAS AS ONE OF ITS FIVE CORE VALUES, COMMITMENT TO OUR COMMUNITY AND HAS HISTORICALLY DEMONSTRATED THIS VALUE BY CONTINUING TO DELIVER THE FULL CONTINUUM OF NEEDED MEDICAL SERVICES AND WORKING WITHIN COMMUNITY COLLABORATIVES TO ADDRESS COMMUNITY NEEDS BMH PROVIDES A DISPROPORTIONATE AMOUNT OF CARE TO THE SEGMENT OF THE POPULATION USING MEDICAID WE ARE THE LARGEST MEDICAID PROVIDER OF ANY LARGE HOSPITAL IN MICHIGAN OUTSIDE OF THE DETROIT AREA (ON A PERCENTAGE BASIS) IN 2013, APPROXIMATELY 19% OF BMHS PATIENTS WERE MEDICAID RECIPIENTS WE HAVE THREE MEDICAID ENROLLERS ON SITE TO HELP THOSE WITHOUT INSURANCE ENROLL IN MEDICAID, OR REFER THEM TO COMMUNITY RESOURCESMUCH OF BMHS SERVICE TO THE COMMUNITY IS DIRECTED AT WOMENS AND CHILDRENS NEEDS BRONSON IS THE ONLY CHILDRENS HOSPITAL IN SOUTHWEST MICHIGAN AND, THEREFORE, THE SOLE PROVIDER OF INPATIENT PEDIATRICS INCLUDING PEDIATRIC INTENSIVE CARE AND NEONATAL INTENSIVE CARE IN FACT, OVER HALF THE PATIENTS IN THE CHILDRENS HOSPITAL ARE MEDICAID RECIPIENTS AS A REGIONAL PERINATAL CENTER, BMH IS ALSO THE REGIONAL DESTINATION FOR HIGH-RISK PREGNANCY CARE BMH'S LEVEL I TRAUMA CENTER AND BURN CENTER, ALONG WITH ADVANCED CAPABILITIES IN NEUROVASCULAR AND CARDIOVASCULAR CARE, SERVE ALL PATIENT POPULATIONS REGARDLESS OF ABILITY TO PAY SERVICE TO COMMUNITYIN RECENT YEARS, BMH COLLABORATIVES HAVE INCLUDED HEALTHY FUTURES (BROAD COMMUNITY INITIATIVE TO ADDRESS HEALTH AND ECONOMIC ISSUES), HEALTHY BABY/ HEALTHY START (REDUCE INFANT MORTALITY), IMMUNIZE-BY-TWO, HEALTH CONNECT (PROVIDE COMMUNITY-WIDE PRIMARY CARE ACCESS) AND THE AFRICAN-AMERICAN HEALTH INITIATIVE (HEALTH PROMOTION AND SCREENING PROGRAM OFFERED THROUGH KALAMAZOOS AFRICAN-AMERICAN FAITH COMMUNITY) IN 2013, BMH DOCUMENTED IN EXCESS OF 5,600 EVENTS IN PROVIDING COMMUNITY BENEFIT ACTIVITIES WITH A NET VALUE OF APPROXIMATELY $83,000,000 IN COMMUNITY BENEFIT ACTIVITIES ADDRESSING DISPARITIESBMH IS LOCATED IN THE HEART OF DOWNTOWN KALAMAZOO, MICHIGAN AND IS THE CITY'S LARGEST EMPLOYER BMH OPENED A NEW, REPLACEMENT HOSPITAL IN DECEMBER OF 2000 ACROSS THE STREET FROM ITS PREVIOUS FACILITY THIS LOCATION WAS CHOSEN BECAUSE OF ANOTHER OF BRONSON'S CORE VALUES, CARE AND RESPECT FOR ALL PEOPLE BMH IS LOCATED WHERE PERSONS MOST IN NEED CAN UTILIZE OUR SERVICES AND ACCESS US THROUGH PUBLIC TRANSPORTATION THE ALIGNMENT OF OUR MISSION, VISION AND VALUES CREATES AN ENVIRONMENT WHERE ALL PERSONS ARE WELCOME AND PATIENTS ARE TREATED REGARDLESS OF THEIR ABILITY TO PAY FOR EXAMPLE, BRONSON'S TRAUMA AND EMERGENCY DEPARTMENT SEES MORE THAN 103,000 PATIENT VISITS PER YEAR IN ADDITION, BMHS OUTREACH SERVICES WITH THE FEDERALLY QUALIFIED FAMILY HEALTH CENTER PROVIDE FOR AN IMPROVED CONTINUUM OF CARE FOR PATIENTS WHO ARE ON MEDICAID OR ARE UNDER-INSURED COMMUNITY HEALTH STATUSBMH COLLABORATES WITH TWO KEY COMMUNITY PARTNERS FOR THE GATHERING OF HEALTH STATISTICS THE GREATER KALAMAZOO UNITED WAY AND KALAMAZOO COUNTY HEALTH AND HUMAN SERVICES THESE TWO ORGANIZATIONS, ALONG WITH BMH, THE FAMILY HEALTH CENTER REGULARLY DISCUSS HEALTH NEEDS AND EMERGING HEALTH TRENDS THIS COLLABORATIVE, AN OFF-SHOOT OF HEALTHY FUTURES, MONITORS KALAMAZOO COUNTYS PERFORMANCE AGAINST HEALTHY PEOPLE 2010 GOALS IT WAS THESE COMMUNITY HEALTH INDICATORS THAT INITIATED HEALTHY BABY/HEALTHY START, IMMUNIZE-BY-TWO AND THE AFRICAN-AMERICAN HEALTH INITIATIVE COLLABORATION WITH COMMUNITY STAKEHOLDERSAS PREVIOUSLY MENTIONED, BMH SEEKS COMMUNITY COLLABORATORS AND STAKEHOLDERS AS PARTNERS IN MEETING COMMUNITY HEALTH NEEDS TOWARDS THIS END, BMH ADMINISTRATORS SERVE ON SEVERAL COMMUNITY BOARDS INCLUDING THE FAMILY HEALTH CENTER, UNITED WAY, SALVATION ARMY, MINISTRY WITH COMMUNITY, NEIGHBORHOOD ASSOCIATIONS, GREATER KALAMAZOO UNITED WAY, FAMILY AND CHILDRENS SERVICES, HOSPICE CARE OF SOUTHWEST MICHIGAN, DOUGLAS COMMUNITY ASSOCIATION AND THE SAFE KIDS COLLABORATIVE, WHICH BMH STAFFS BMH HAS A THREE-PRONG APPROACH FOR COMMUNITY LEADERSHIP FOCUSING ON COMMUNITY HEALTH, COMMUNITY SERVICE AND ECONOMIC DEVELOPMENT COMMUNITY HEALTH INITIATIVES - IMPROVING ACCESS TO HEALTHCARE- IMPROVING OVERALL COMMUNITY HEALTH- CITIZEN-BASED EDUCATION AND RESEARCH ON HEALTH OUTCOMES- REDUCE DISPARITIES IN HEALTH OUTCOMES -THE RECENT FOCUS WAS ON CHILDHOOD SAFETY AND PREVENTION AND ACCESS/SCREENING/EDUCATION- COLLABORATE WITH SOCIAL SERVICE AGENCIESAN EXAMPLE OF IMPROVING ACCESS BMH HAS WORKED WITH COMMUNITY AGENCIES TO REDUCE BARRIERS AND IMPROVE ACCESS FOR UNDERSERVED POPULATIONS THE HOSPITAL CO-FUNDS A GRADUATE MEDICAL RESIDENCY PROGRAM WITH NINE SUBSPECIALTIES AND AN AMBULATORY CLINIC WITH 70,000 PATIENT VISITS ANNUALLY IN ADDITION, BMH HAS A LEADERSHIP ROLE AT KALAMAZOO'S FAMILY HEALTH CENTER THAT HAS 35,000 PATIENT VISITS EACH YEAR COMMUNITY SERVICE - PARTICIPATE ON PUBLIC AND NOT-FOR-PROFIT COMMITTEES AND BOARDS- PARTICIPATE IN IMPORTANT COMMUNITY ISSUES- LEAD DISASTER/EMERGENCY EFFORTS- PROVIDE FINANCIAL SUPPORT AND SPONSORSHIPS FOR ARTS AND HUMAN SERVICE ORGANIZATIONSAN EXAMPLE OF AN EMPLOYEE-DRIVEN EFFORT REFLECTIVE OF OUR VALUES, BMH EMPLOYEES DONATE THOUSANDS OF POUNDS OF FOOD TO THE ANNUAL HARVEST GATHERING FOOD DRIVE, WHICH REPLENISHES LOCAL FOOD PANTRIES IN 2013 THE BRONSON FOOD DRIVE IN KALAMAZOO COUNTY RAISED $7,139 PLUS 1,282 POUNDS OF FOOD EACH DOLLAR RAISED BUYS FOUR POUNDS OF FOOD FOR LOAVES AND FISHES TO DISTRIBUTE TO HUNGRY FAMILIES IN KALAMAZOO COUNTY ECONOMIC DEVELOPMENT - SUPPORT GRASSROOTS NEIGHBORHOOD DEVELOPMENT- STIMULATE ECONOMIC VITALITY- INVEST IN EDUCATIONAL INSTITUTIONS TO ENSURE ACCESS TO HEALTHCARE CURRICULUM (WMU BRONSON SCHOOL OF NURSING)- COMMIT TO LOCAL VENDORS AND BUSINESSESAN ECONOMIC DEVELOPMENT EXAMPLE WOULD BE OUR BRONSON HOME OWNERSHIP PROGRAM (BHOP) SINCE 1998, BRONSON HAS INVESTED $357,525 TO HELP EMPLOYEES PURCHASE HOMES, DOWNTOWN, CLOSE TO THE BRONSON CAMPUS OUR PROGRAM IS A LOAN, EMPLOYEES START PAYING US BACK IN YEAR SIX, AT NO INTEREST WHAT IS COLLECTED IS THEN RE-LOANED THUS FAR, OUR $357,525 HAS RESULTED IN $457,700 BEING LOANED TO 53 EMPLOYEES THIS IS ECONOMIC DEVELOPMENT AT THE NEIGHBORHOOD LEVEL BMH IDENTIFIES WAYS TO TREAT THE DISEASES FACED BY THOSE WE SERVE, AND ALSO SEEK WAYS TO FOSTER AN ENVIRONMENT IN WHICH WE CAN CREATE HEALTH AND PREVENTION MEASURES THIS INCLUDES LOOKING AT OUR COMMUNITIES ECONOMIC ISSUES, SUCH AS PEOPLE WITHOUT HEALTH INSURANCE, AND ENVIRONMENTAL ISSUES, SUCH AS CLEAN AIR AND WATER BMH HAS BEEN ACKNOWLEDGED BY PRACTICE GREENHEALTH (FORMERLY HOSPITALS FOR A HEALTHY ENVIRONMENT) AWARDS FOR 10 YEARS IN A ROW, IN RECOGNITION OF SIGNIFICANT PROGRESS IN REDUCING WASTE, PREVENTING POLLUTION AND ELIMINATING MERCURY BMH ALSO HOLDS THE ENERGY STAR LABEL FOR ENERGY EFFICIENCY FROM THE ENVIRONMENTAL PROTECTION AGENCY, AND HAS BEEN NAMED ONE OF AMERICAS TOP 10 HOSPITALS BY THE GREEN GUIDE PUBLICATION BECAUSE OF THIS, WE ALSO PLAY A SIGNIFICANT ROLE IN MANY COMMUNITY ORGANIZATIONS THAT HAVE A BROADER FOCUS THAN HEALTHCARE REPORTING TO THE COMMUNITYBMH CONDUCTS AN ANNUAL COMMUNITY BENEFIT INVENTORY TO AGGREGATE THE NON-MISSION MANDATED SERVICES WE PROVIDE TO THE COMMUNITY THIS INVENTORY IS SHARED WITH BRONSON STAKEHOLDERS AND REPORTED TO THE COMMUNITY INFORMATION IS ALSO AVAILABLE THROUGH BRONSONHEALTH COM EXAMPLES INCLUDE QUALITY REPORT, NURSING OUTCOMES, PATIENT SATISFACTION DATA, AND LINKS TO PUBLIC REPORTING WEBSITES

Form and Line Reference	Explanation
PART VI, LINE 6	BRONSON METHODIST HOSPITAL IS PART OF AN AFFILIATED SYSTEM THAT INCLUDES TWO OTHER HOSPITALS, BRONSON BATTLE CREEK HOSPITAL AND BRONSON LAKEVIEW HOSPITAL ALL OF THESE HOSPITALS ARE CONTROLLED BY BRONSON HEALTHCARE GROUP, WHICH IS A COMMUNITY-OWNED AND GOVERNED NOT-FOR-PROFIT HOLDING COMPANY THE BRONSON HEALTHCARE GROUP (BHG) BOARD IS COMPRISED OF 21 MEMBERS OF THE COMMUNITY EACH OF THE THREE HOSPITALS IN THE BHG SYSTEM ADMITS PATIENTS REGARDLESS OF ABILITY TO PAY AND PROVIDES OUTREACH SERVICES TO THEIR RESPECTIVE COMMUNITIES BRONSON METHODIST HOSPITAL IS THE LARGEST OF THE THREE HOSPITALS IN THE BHG SYSTEM AS SUCH, IT HAS A LARGER ROLE IN PROVIDING SERVICES AND PROMOTING THE HEALTH OF THE MANY COMMUNITIES IT SERVES THE HEALTH PROMOTION ACTIVITIES OF BRONSON METHODIST HOSPITAL ARE DESCRIBED IN #5 ABOVE IN ADDITION TO THE THREE HOSPITALS, THE BHG SYSTEM INCLUDES SEVERAL SMALLER ENTITIES WHOSE EFFECTS SUPPORT THE HOSPITALS AND THEIR MISSION OF PROVIDING EXCELLENT HEALTHCARE TO THEIR COMMUNITIES THESE ENTITIES INCLUDE BRONSON HEALTHCARE GROUP, BRONSON MEDICAL GROUP, BRONSON NURSING AND REHABILITATION CENTER, BRONSON STAFFING SERVICES, BRONSON LIFESTYLE IMPROVEMENT & RESEARCH CENTER, BRONSON HEALTH FOUNDATION, LIFESPAN, VBEMS, & BRONSON PROPERTIES CORPORATION

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) BRONSON HEALTHCARE GROUP 601 JOHN STREET KALAMAZOO, MI 49007	38-2418383	501(C)(3)	24,700,000				EQUITY TRANSFER

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

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

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

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

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

Return Reference	Explanation
PART I, LINE 2	THERE IS NO FORMAL PROCEDURE GENERALLY GRANTS ARE UNRESTRICTED

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, 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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	PART I, LINE 1A HEALTH CLUB DUES AND/OR SPOUSAL TRAVEL TO BOARD RETREAT ARE AVAILABLE FOR BOARD OF DIRECTORS (ATKINSON, EBERTS, GIBSON, GREENE, GUNDERSON, JAMES, KARAMCHANDANI, KLEIN, LINS, MONTGOMERY TABRON, NYBERG, RICHARDSON, ROEHR, WARDWELL AND ZELLER) ALL TREATED AS TAXABLE FRINGE BENEFITS 1099S SENT
PART I, LINE 1A	PART I, LINE 4B PARTICIPATED IN OR RECEIVED PAYMENT FROM A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN FROM RELATED ENTITY BRONSON HEALTHCARE GROUP FRANK SARDONE CONTRIBUTION $175,660 FRANK SARDONE DISTRIBUTION $208,930 KEN TAFT CONTRIBUTION $77,089 KEN TAFT DISTRIBUTION $105,053 JOHN HAYDEN CONTRIBUTION $34,028 JAMES FALAHEE CONTRIBUTION $57,717 JAMES FALAHEE DISTRIBUTION $73,784 SCOTT LARSON CONTRIBUTION $67,449 SCOTT LARSON DISTRIBUTION $65,835 INCLUDED IN PART II, COLUMN (B) (III) AND (F) ARE AMOUNTS THAT WERE PAID TO THE EXECUTIVE UNDER THE BRONSON HEALTHCARE GROUP, INC SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) THESE AMOUNTS WERE CREDITED TO AN ACCOUNT FOR THE EXECUTIVE IN PRIOR YEARS AND WERE PREVIOUSLY REPORTED IN COLUMN C IN THE PRIOR YEAR, BUT THE EXECUTIVE WAS REQUIRED TO REMAIN EMPLOYED UNTIL THE YEAR FOR WHICH THIS FORM IS BEING FILED IN ORDER TO BECOME VESTED IN HIS OR HER ACCOUNT AMOUNTS HAVE BEEN CREDITED TO THESE EXECUTIVES ACCOUNTS EACH YEAR SINCE THE SERP WAS ADOPTED IN 1994, AND THE ACCOUNTS HAVE ALSO BEEN ADJUSTED FOR GAINS AND LOSSES SINCE THAT TIME THEREFORE, THESE AMOUNTS SHOULD BE VIEWED AS HAVING BEEN EARNED OVER THE EXECUTIVES ENTIRE PERIOD OF EMPLOYMENT AS AN EXECUTIVE OF BRONSON THE AMOUNT CREDITED TO EACH EXECUTIVES ACCOUNT IN THE SERP EACH YEAR AND EACH EXECUTIVES TOTAL COMPENSATION PACKAGE WAS APPROVED BY AN INDEPENDENT CONSULTANT TO ENSURE THAT THESE AMOUNTS ARE COMPARABLE TO OR LESS THAN THE AMOUNTS AWARDED TO EXECUTIVES OF COMPARABLE HEALTH CARE ORGANIZATIONS FOR THE CURRENT REPORTING YEAR NO AMOUNTS THAT ARE REPORTED IN COLUMN B (III) WERE REPORTED IN A PREVIOUS YEAR RETURN, THEREFORE NO AMOUNTS ARE REPORTED IN COLUMN (F)
PART I, LINE 3	BRONSON HEALTHCARE GROUP, A RELATED ORGANIZATION, USES A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY AND/OR STUDY AND APPROVAL BY BOARD AND/OR COMPENSATION COMMITTEE TO ESTABLISH THE COMPENSATION OF THE ORGANIZATIONS CEO/EXECUTIVE DIRECTOR

Additional Data

Software ID:
Software Version:
EIN: 38-1359087
Name: BRONSON METHODIST HOSPITAL

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				
SARDONEFRANK J PRESIDENT AND CEO	(I) (II)	0 732,643	0 291,320	0 427,344	0 11,162	0 14,974	0 1,477,443	0 0
BERNARD ROEHR MD DIRECTOR	(I) (II)	0 265,174	0 0	0 631	0 7,650	0 9,046	0 282,501	0 0
KARAMCHANDANIMAHESH C DIRECTOR	(I) (II)	477,254 0	0 0	3,221 0	9,385 0	13,008 0	502,868 0	0 0
TAFTKENNETH L EXECUTIVE VICE PRESIDENT	(I) (II)	0 438,147	0 153,669	0 187,529	0 11,012	0 19,493	0 809,850	0 0
JAMES FALAHEE SR VP LEGAL & LEG AFFAIRS	(I) (II)	0 305,060	0 89,429	0 150,365	0 11,087	0 19,256	0 575,197	0 0
SCOTT LARSON MD SR VP MEDICAL AFFAIRS/CMO	(I) (II)	0 373,296	0 87,644	0 136,970	0 1,512	0 14,577	0 613,999	0 0
JOHN HAYDEN SR VP & CHIEF HR OFFICER	(I) (II)	0 265,426	0 73,713	0 52,964	0 11,162	0 9,599	0 412,864	0 0
MEITZMARY M SR VICE PRESIDENT & CFO	(I) (II)	0 299,641	0 59,291	0 19,341	0 11,162	0 14,980	0 404,415	0 0
HARRELSONKATHLEEN M SR VP, CLINICAL OPERATIONS	(I) (II)	0 289,783	0 60,291	0 26,677	0 11,162	0 12,813	0 400,726	0 0
JONES JRJOHN L SR VP, REG & PHYS SVS	(I) (II)	0 258,131	0 57,224	0 20,600	0 11,162	0 19,115	0 366,232	0 0
WAYMICHAEL S SR VP MAT MGT & FACILITY SVS	(I) (II)	0 180,943	0 41,344	0 35,890	0 10,915	0 12,438	0 281,530	0 0
FABIALAIN Y PHYSICIAN	(I) (II)	892,211 0	631,124 0	2,757 0	110,690 0	20,220 0	1,657,002 0	0 0
WIGGINSGREGORY C PHYSICIAN	(I) (II)	478,811 0	895,234 0	924 0	356,059 0	20,014 0	1,751,042 0	0 0
DELUCIA IIIALPHONSE PHYSICIAN	(I) (II)	667,520 0	140,000 0	2,557 0	86,094 0	18,925 0	915,096 0	0 0
MILLERJEFFREY W PHYSICIAN	(I) (II)	671,936 0	107,500 0	2,340 0	11,162 0	17,989 0	810,927 0	0 0
SLOFFERCHRIS A PHYSICIAN	(I) (II)	595,494 0	0 0	1,260 0	161,162 0	15,080 0	772,996 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF KALAMAZOO HOSPITAL FINANCE AUTHORITY	38-6004627	483233LQ3	04-30-2008	93,622,103	SEE SUPPLEMENTAL INFORMATION		X		X		X
B	CITY OF KALAMAZOO HOSPITAL FINANCE AUTHORITY	38-6004627	483233MA7	09-28-2010	192,508,168	SEE SUPPLEMENTAL INFORMATION		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	20,900,000	4,450,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	93,622,103	192,871,900		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	718,703	2,389,449		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	14,363,732	14,363,732		
11	Other spent proceeds	92,903,400	176,118,719		
12	Other unspent proceeds				
13	Year of substantial completion	2003	2010		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		0 890 %				
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %				
6	Total of lines 4 and 5		0 %		0 890 %				
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
BOND ISSUE A, PART I, LINE (F)-DESCRIPTION OF PURPOSE	BOND ISSUE A WAS ISSUED TO CURRENTLY REFUND A PRIOR ISSUE WITH AN ORIGINAL ISSUE DATE OF 11/13/03 THE BONDS ISSUED ON 11/13/03 WERE ISSUED TO REFUND A PRIOR ISSUE THAT WAS ISSUED BEFORE 1/1/03
BOND ISSUE A, PART I, LINE (D) - DATE ISSUED	BOND ISSUE A WAS ORIGINALLY ISSUED ON 11/13/2003, AND WAS REISSUED FOR FEDERAL INCOME TAX PURPOSES ON 4/30/08 THE INFORMATION REPORTED IN SCHEDULE K FOR BOND ISSUE A IS FOR THE BONDS AS REISSUED ON 4/30/2008
BOND ISSUE B, PART I, LINE (F) - DESCRIPTION OF PURPOSE	PROCEEDS OF BOND ISSUE B WERE USED TO CURRENTLY REFUND PRIOR ISSUES ORIGINALLY ISSUED ON 5/13/98, 06/14/06 AND 03/25/09 ADDITIONAL PROCEEDS OF BOND ISSUE B WERE USED FOR BUILDING RENOVATIONS, AND OTHER MEDICAL TECHNOLOGY EQUIPMENT
BOND ISSUE B, PART I, LINE (D) - DATE ISSUED	BOND ISSUE B CONSISTS OF TWO SERIES BONDS SERIES 2006 AND SERIES 2010 THE SERIES 2006 BONDS WERE ORIGINALLY ISSUED ON 6/14/06 AND WERE REISSUED FOR FEDERAL TAX PURPOSES ON 9/28/10 THE INFORMATION REPORTED ON SCHEDULE K FOR BOND ISSUE B IS FOR THE SERIES 2006 BONDS AS REISSUED ON 9/28/10 AND THE SERIES 2010 BONDS AS ORIGINALLY ISSUED ON 9/28/10
BOND ISSUE B, PART II, LINE 3	TOTAL PROCEEDS OF BOND ISSUE B INCLUDE INVESTMENT EARNINGS IN THE AMOUNT OF $363,731
PART III, COLUMN A	THIS IS NOT APPLICABLE DUE TO THE SPECIAL RULES FOR REFUNDING OF PRE 2003 ISSUES, HOWEVER, DUE TO SOFTWARE LIMITATIONS WE ARE UNABLE TO LEAVE BLANK
SCHEDULE K PART V	WE HAVE GENERAL WRITTEN PROCEDURES THAT WE WILL COMPLY WITH ALL TAX LAWS

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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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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	No
(1) SW MI EMERGENCY SERVICES	DR SCOTT C GIBSON IS AN OFFICER OF SW MI EMERGENCY SERVICES	1,750,681	BRONSON PAYS SW MI EMERGENCY SERVICES FOR PHYSICIAN SERVICES IN THE EMERGENCY DEPARTMENT		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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	KENNETH TAFT, FRANK SARDONE, STEVEN J LINS, M D AND SCOTT C GIBSON, M D HAVE A BUSINESS RELATIONSHIP ALL BOARD MEMBERS HAVE A BUSINESS RELATIONSHIP WITH ALL BRONSON SUBSIDIARIES DUE TO BEING ON BRONSON HEALTHCARE GROUP BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	BRONSON HEALTHCARE GROUP IS THE SOLE MEMBER OF BRONSON METHODIST HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF BRONSON METHODIST HOSPITAL (BMH) AND AS SUCH MEMBER IT ELECTS 12 OF THE TOTAL 21 MEMBERS OF THE BMH BOARD COMMUNITY PARTNERS SHALL, AFTER CONSULTING WITH AND SEEKING INPUT FROM THE NOMINATING COMMITTEE OF BHG, APPOINT 6 MEMBERS TO THE BOARD THE REMAINING 3 MEMBERS OF THE BOARD SHOULD BE EX OFFICIO, WITH VOTE, AND SHALL CONSIST OF THE PRESIDENT, THE CHIEF OF STAFF, AND IMMEDIATE PAST CHIEF OF THE MEDICAL STAFF OF THE HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF THE BRONSON METHODIST HOSPITAL (BMH) HAS CERTAIN RESERVED POWERS OVER THE ACTIONS OF BMH THE BOARD OF DIRECTORS HAS THE POWER TO - AMENDMENT, RESTATEMENT, OR REPEAL THE HOSPITALS ARTICLES OF INCORPORATION OR BYLAWS - ADOPTION, EXECUTION, REVOCATION, OR ABANDONMENT OF A PLAN OF DISSOLUTION, MERGER, CONSOLIDATION, REORGANIZATION, OR OTHER MAJOR CHANGE IN CORPORATE STRUCTURE INVOLVING THE HOSPITAL - SALE, LEASE EXCHANGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE HOSPITALS PROPERTY AND ASSETS - ACQUISITION OF ANY OTHER ENTITY OR THE ESTABLISHMENT OF ANY SUBSIDIARY OR AFFILIATE - ADOPTION OF ALL OPERATING AND CAPITAL EXPENDITURE BUDGETS - INCUR OPERATING OR CAPITAL EXPENDITURES WHICH CAUSE AGGREGATE OPERATING OR CAPITAL EXPENDITURES TO EXCEED BUDGETED AGGREGATES AND/OR THE DOLLAR AMOUNT SPECIFIED BY BHG - SECURE BORROWINGS, WITH THE EXCEPTION OF EQUIPMENT LEASES AND PURCHASE MONEY SECURITY INTERESTS APPROVED AS A PART OF A BUDGET - CHANGE THE MISSION STATEMENT, PURPOSES, OR STRATEGIC GOALS OF THE HOSPITAL - ANY SIGNIFICANT CHANGE IN THE SCOPE OF SERVICES OR PROGRAMS - APPOINTMENT, REMOVAL OR COMPENSATION OF THE PRESIDENT OR ANY DIRECTOR OR OFFICER

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE ASSISTANT VP/CONTROLLER REVIEWS THE 990S THE ASSISTANT VP/CONTROLLER MET WITH THE BOARD CHAIRPERSON AND THE FINANCE COMMITTEE CHAIRPERSON ON OCTOBER 9, 2014 TO REVIEW THE PREPARED FORM 990 AND SCHEDULES THE FINANCE COMMITTEE OF THE BOARD REVIEWED THE PREPARED FORM 990 AT ITS REGULARLY SCHEDULED MEETING ON OCTOBER 20, 2014 THE REVIEW WAS LED BY THE ASSISTANT VP/CONTROLLER AND PLANTE MORAN THE MEMBERS OF THE ORGANIZATIONS GOVERNING BODY WERE PROVIDED THE PREPARED FORM 990 FOR REVIEW

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY THE CONFLICT OF INTEREST POLICY AND ITS ACCOMPANYING QUESTIONNAIRE ARE REVIEWED, AND REVISED, IF NECESSARY, ON AN ANNUAL BASIS BY THE ORGANIZATIONS GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE BOARDS EXECUTIVE COMMITTEE ALL BOARD MEMBERS AND ALL EMPLOYEES HOLDING THE TITLE OF VICE PRESIDENT AND ABOVE ARE COVERED BY THE CONFLICT OF INTEREST POLICY AND ANNUALLY COMPLETE THE CONFLICT OF INTEREST QUESTIONNAIRE ALL COMPLETED CONFLICT OF INTEREST QUESTIONNAIRES ARE REVIEWED BY THE ORGANIZATIONS GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE DETERMINATIONS AS TO WHETHER A CONFLICT EXISTS ARE MADE BY THE GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE ACTUAL CONFLICTS ARE REVIEWED BY THE GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE PERSONS WITH A CONFLICT ARE PROHIBITED FROM PARTICIPATING IN THE GOVERNING BODYS DELIBERATIONS AND DECISIONS ON THE TRANSACTION IN QUESTION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	FOR THE CEO, OFFICERS, AND OTHER KEY EMPLOYEES, THE EXECUTIVE COMMITTEE OF BRONSON HEALTHCARE GROUP BOARD OF DIRECTORS, WHICH FUNCTIONS AS THE COMPENSATION COMMITTEE FOR BRONSON HEALTHCARE GROUP, RETAINS THE SERVICES OF AN EXTERNAL EXECUTIVE COMPENSATION CONSULTANT (SULLIVAN, COTTER AD ASSOCIATES) WHO CONDUCTS A THOROUGH COMPENSATION AND BENEFIT SURVEY PROCESS THAT IS USED TO DETERMINE THE APPROPRIATE ADJUSTMENT IN CASH COMPENSATION AND BENEFITS PROVIDED THIS PROCESS WAS UNDER TAKEN IN 2013 THE CONSULTANT USE THREE TO FIVE NATIONAL HEALTHCARE-BASED SURVEYS FOR COMPARABILITY DATA, EACH ONE OF LIKE REVENUE SIZE HEALTHCARE SYSTEMS TO THE BRONSON HEALTHCARE GROUP THE CONSULTANT PREPARES A DETAILED REPORT WITH RECOMMENDATIONS FOR PAY AND/OR BENEFIT ADJUSTMENTS, AND PRESENTS THE INFORMATION TO THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS (WHEN THE CEOS SURVEY DATA AND RECOMMENDATIONS ARE PRESENTED, THE CEO AND STAFF ARE EXCUSED FROM THE DELIBERATIONS) AFTER ALL QUESTIONS OF THE BOARD MEMBERS ARE ANSWERED, FORMAL MOTIONS ARE PROPOSED, SECONDED AND VOTED ON (FOR ANY PAY ADJUSTMENTS AND FOR RECEIPT OF THE CONSULTANTS REPORT) AT THE SUBSEQUENT MEETING OF THE FULL BOARD OF DIRECTORS, THE CHAIR PRESENTS RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE, AND THE FULL BOARD ACTS ON A FORMAL MOTION THAT IS SECONDED AND VOTED ON

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC BY POSTING THEM ON THE ORGANIZATIONS WEBSITE AND PROVIDING COPIES ON REQUEST THE ORGANIZATIONS FINANCIAL STATEMENTS, OTHER THAN THE FORM 990, ARE NOT AVAILABLE TO THE PUBLIC

Return Reference	Explanation
FORM 990, PART XI, LINE 9	UNREALIZED GAIN/(LOSS) ON INTEREST RATE SWAPS 7,322,893 JOINT VENTURE GAIN/(LOSS) 1,688,842

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	BRONSON METHODIST HOSPITAL HAS AN AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTING FIRM THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
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	
(1) HOSPITAL NETWORK INC LEASING 6212 AMERICAN AVE PORTAGE, MI 49002 38-3638430	SUPPORT SERVICES	MI	BRONSON HEALTHCARE GROUP	RELATED	23,882	407,000		No			No	16 600 %
(2) HOSPITAL NETWORK HEALTHCARE SERVICES 6212 AMERICAN AVE PORTAGE, MI 49002 30-0057075	SUPPORT SERVICES	MI	BRONSON HEALTHCARE GROUP	RELATED	-3,971	16,754		No			No	7 690 %
(3) HOPSITAL NETWORK VENTURES LLC 6212 AMERICAN AVE PORTAGE, MI 49002 38-3302979	SUPPORT SERVICES	MI	BRONSON HEALTHCARE GROUP	RELATED	478,919	2,688,424		No			No	16 600 %

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
(1) BRONSON MANAGEMENT SERVICES CORPORATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415032	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C				Yes	
(2) BRONSON LIFESTYLE IMPROVEMENT AND RESEARCH CENTER 601 JOHN STREET KALAMAZOO, MI 49007 38-3552556	REHABILIATION SERVICES	MI	BRONSON HEALTHCARE GROUP	C				Yes	
(3) BRONSON STAFFING SERVICES 601 JOHN STREET KALAMAZOO, MI 49007 38-3277697	HOME HEALTH CARE	MI	BRONSON HEALTHCARE GROUP	C				Yes	
(4) BRONSON PRACTICE MANAGEMENT 601 JOHN STREET KALAMAZOO, MI 49007 38-2511179	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C				Yes	
(5) WESTLEY DEVELOPMENT COMPANY 301 JOHN STREET KALAMAZOO, MI 49007 38-3619232	REAL ESTATE OWNERSHIP	MI	BRONSON HEALTHCARE GROUP	C				Yes	

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	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g	Yes	
h Purchase of assets from related organization(s)	1h	Yes	
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	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

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

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

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
SCHEDULE R, PART II	BRONSON HEALTHCARE MIDWEST (BHCMW) TAX ID 46-2134675 WAS PURCHASED BY BRONSON HEALTHCARE GROUP ON 7/1/2013 PRIOR TO 7/1/2013, BHCMW WAS CLASSIFIED AS A FOR PROFIT ENTITY APPLICATION FORM 1023 HAS BEEN FILED WITH THE IRS TO REQUEST A CONVERSION TO 501(3) WITH PUBLIC CHARITY STATUS OF #3 AS OF 6/11/2014

Additional Data

Software ID:
Software Version:
EIN: 38-1359087
Name: BRONSON METHODIST HOSPITAL

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) BRONSON HEALTHCARE GROUP 601 JOHN STREET KALAMAZOO, MI 49007 38-2418383	PROVIDE SUPPORT SERVICES FOR HEALTHCARE SUBSIDIARIES	MI	501(C)(3)	LINE 11C, III-FI	N/A		No
(1) BRONSON HEALTH FOUNDATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415081	SUPPORTS HEALTHCARE ORGANIZATION	MI	501(C)(3)	LINE 7	BRONSON HEALTHCARE GROUP	Yes	
(2) BRONSON LAKEVIEW HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49007 38-1359218	HOSPITAL	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	
(3) BRONSON COMMONS 601 JOHN STREET KALAMAZOO, MI 49007 38-2842451	SKILLED NURSING FACILITY	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(4) VBEMS INC 601 JOHN STREET KALAMAZOO, MI 49007 38-2745910	AMBULANCE SERVICE	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(5) BRONSON PROPERTIES CORPORATION 601 JOHN STREET KALAMAZOO, MI 49007 38-6052573	PROVIDE SUPPORT SERVICES FOR HEALTHCARE SUBSIDIARIES	MI	501(C)(3)	LINE 11B, II	BRONSON HEALTHCARE GROUP	Yes	
(6) BRONSON BATTLE CREEK HOSPITAL 300 NORTH AVENUE BATTLE CREEK, MI 49016 38-2776791	HOSPITAL	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	
(7) LIFESPAN 166 GOODALE BATTLE CREEK, MI 49037 38-3298476	NURSING, HOSPICE, EQUIP SALES	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(8) BRONSON HEALTHCARE MIDWEST 601 JOHN STREET KALAMAZOO, MI 49007 46-2134675	PHYSICIAN SERVICES	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
BRONSON HEALTHCARE GROUP	M	63,538,363	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE GROUP	O	43,993,647	METHOD BASED ON ACTUAL COST
BRONSON PRACTICE MANAGEMENT	M	2,790,943	METHOD BASED ON ACTUAL COST
BRONSON PRACTICE MANAGEMENT	O	7,992,859	METHOD BASED ON ACTUAL COST
BRONSON PROPERTIES CORPORATION	M	4,230,950	METHOD BASED ON ACTUAL COST
BRONSON BATTLE CREEK HOSPITAL	M	161,227	METHOD BASED ON ACTUAL COST
BRONSON STAFFING SERVICES	O	4,532,734	METHOD BASED ON ACTUAL COST
BRONSON LAKEVIEW HOSPITAL	M	4,548,401	METHOD BASED ON ACTUAL COST
BRONSON LAKEVIEW HOSPITAL	O	167,310	METHOD BASED ON ACTUAL COST
BRONSON LIFESTYLE IMPROVEMENT AND RESEARCH CENTER	M	3,537,279	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE GROUP	L	17,775,196	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE GROUP	B	24,700,000	CASH TRANSFER
BRONSON PRACTICE MANAGEMENT	O	191,166	METHOD BASED ON ACTUAL COST
BRONSON PRACTICE MANAGEMENT	L	100,954	METHOD BASED ON ACTUAL COST
BRONSON PROPERTIES CORPORATION	L	2,646,732	METHOD BASED ON ACTUAL COST
BRONSON BATTLE CREEK HOSPITAL	L	294,457	METHOD BASED ON ACTUAL COST
BRONSON COMMONS	O	50,004	METHOD BASED ON ACTUAL COST
BRONSON LAKEVIEW HOSPITAL	L	995,162	METHOD BASED ON ACTUAL COST
BRONSON LAKEVIEW HOSPITAL	O	592,256	METHOD BASED ON ACTUAL COST
BRONSON HEALTH FOUNDATION	L	485,680	METHOD BASED ON ACTUAL COST
BRONSON MANAGEMENT SERVICES CORP	O	285,063	METHOD BASED ON ACTUAL COST
LIFESPAN	L	102,340	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE MIDWEST	M	3,216,361	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE MIDWEST	O	59,232	METHOD BASED ON ACTUAL COST
BRONSON BATTLE CREEK HOSPITAL	O	62,851	METHOD BASED ON ACTUAL COST

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
BRONSON HEALTH FOUNDATION	C	70,549	CASH TRANSFER

Community Health Needs Assessment
Implementation Strategy 2014-2016
Bronson Methodist Hospital
Not for Publication
Final November 22, 2013

Based upon the findings of the 2013 Community Health Needs Assessment, Bronson Methodist Hospital (BMH) has identified improving access to care as the focus of the Community Health Improvement strategic plan for the period from December 1, 2013 through December 31, 2016. This decision reflects a convergence of the health needs expressed by our community and the historic opportunity presented by Medicaid expansion and the launching of the Health Insurance Exchange in Michigan.

Adequate access is dependent not only on the supply of providers but also on affordability, physical accessibility, acceptability of services, and removal of barriers. To address this need, Bronson Methodist Hospital will serve as a community health catalyst and engage community partners in taking action to improve access to care and focus efforts on reducing the number of uninsured in the region, ensuring residents have access to primary care services, and care coordination.

OBJECTIVE 1.

Reduce the number of uninsured in the region.

Implementation Strategies

A. Convene stakeholders and lead a coalition to organize a coordinated community approach to enroll eligible residents in Medicaid and insurance exchanges. Many organizations are working on this issue but there remains little leadership, communication, or coordination. An assessment of ongoing activities and current gap analysis will be completed with community stakeholders. Outreach opportunities will be identified to engage uninsured persons prior to admission to hospital. (2014)
B. Financial counselors and other staff as identified will be trained to facilitate enrollment in Medicaid and insurance exchanges. (2014-2015)
C. Develop a communication plan and distribute informational materials and resource guides explaining Medicaid and insurance exchanges throughout the community. Assist community agencies when needed to explain insurance exchanges. (2014-2015)

Anticipated Impact & Measures

This programming will help to mitigate barriers associated with the affordability of receiving healthcare, increase awareness and knowledge associated with Medicaid Expansion and insurance exchanges, and reduce the number of uninsured in the region.

1. Percent of residents in Kalamazoo county with no health insurance coverage & percent of Medicaid expansion eligible residents enrolled in Medicaid
2. Number of individuals provided enrollment assistance

3. Time of application assistance to enrollment
4. Other measures identified through establishment of programming throughout 2014-2016

OBJECTIVE 2.

Ensure residents obtain needed primary health care services and reduce barriers associated with seeking and receiving primary care.

Implementation Strategies

A. Enhance community recruitment efforts for primary care physicians and midlevel providers to Bronson Practices and the Family Health Center. (2014-2016)
B. Seek Patient-Centered Medical Home designation for all Bronson practices. (2014-2016)
C. Develop community resource guide on providers open to new patients to include providers accepting Medicaid. (2015)
D. Promote establishment of medical homes within recently insured population and promote use of medical homes throughout community. (2014-2016)
E. Bronson Methodist Hospital will continue an after-hours clinic pilot to improve access on nights and weekends. (2014)
F. Promote and increase open-access availability in Bronson practices, the FHC, and within private practices. (2014-2016)
G. Leverage 211 to become referral conduit for primary care. (2015)
H. Provide leadership for quality improvement (QI) efforts at the Kalamazoo Family Health Center (FHC) to improve efficiency and increase patient and provider satisfaction. (2014-2016)

Anticipated Impact & Measures

This programming will mitigate barriers associated with accessing primary care services, increase the number of residents with medical homes, and improve after-hour access for non-emergency medical services.

1. Number of Bronson practices with open access for patients
2. Number of Kalamazoo county residents who report no personal physician or health care provider
3. Patient satisfaction and HEDIS scores
4. Other measures identified through establishment of programming throughout 2014-2016

OBJECTIVE 3.

Improve care coordination that encompasses mental health, social services, and healthcare.

Implementation Strategies

A. Bronson Methodist Hospital will participate in the Michigan Primary Care Transformation and staff hybrid case managers and/or social workers in select Bronson Practices. (2014)
B. Organize, coordinate, and improve access to community transportation resources and promote the use of community resources with community partners and hospital staff. (2015)
C. Develop a community collaboration to enhance health services coordination (medical, social, and behavioral) through care management using a team approach and field based case management . (2015-2016)
D. Convene a community based work group to improve communication and collaboration among agencies providing social service support, housing, healthcare, education, and mental health services. (2015-2016)
E. Participate in the Frequent User System Enhancement (FUSE) collaboration and provide leadership support in collaboration with Kalamazoo County Community Mental Health and Substance Abuse Services, Kalamazoo County Housing Commission, Kalamazoo County Sheriff's Department, Open Doors, ISAAC, and other community organization to a pilot program designed to improve health outcomes and quality of life for frequent users of social services and emergency departments. (2014-2015)
F. Collaborate with Kalamazoo County Community Mental Health and Substance Abuse, the Kalamazoo Learning Network, and other key organizations and provide leadership support for the Neonatal Abstinence Syndrome (NAS) Pilot Project to provide a system of care for infants prenatally exposed to opiates. (2014-2016)
G. Collaborate with Western Michigan University, Senior Services of Southwest Michigan, Hospice Care of Southwest Michigan, Area Agency on Aging, Heritage Community, Family Health Center, Western Michigan University School of Medicine, Ecumenical Senior Center, Kalamazoo Community Mental Health & Substance Abuse Services, and CentraCare Inc. in the Program for All-Inclusive Care for the Elderly (PACE), a community-based supplemental adult care service for Medicare and Medicaid "dual-eligible" seniors to provide physician, social worker and rehabilitation facilities, as well as dietitian and personal-care services in a single location. (2014-2016)
H. Continue collaborative efforts and support for Healthy Babies, Healthy Start; Nurse Family Partnership; and Great Start Collaborative to improve birth and learning outcomes for Kalamazoo county children. (2014-2016)

Anticipated Impact & Measures

This programming with enhance and improve coordination of care across the spectrum of care for Kalamazoo residents.

1. Established measures for FUSE, NAS, and PACE collaborations
2. Number of referrals to social worker
3. Provider and patient satisfaction surveys
4. Other measures identified through establishment of programming throughout 2014-2016

NEEDS NOT ADDRESSED IN THIS IMPLEMENTATION PLAN

The 2013 Community Health Needs Assessment included a prioritization of health needs encompassing: magnitude of needs, measurable outcomes, Bronson capabilities, evidence for effective interventions, community commitment, and consistency with Bronson Strategy. At the conclusion of this prioritization process, Access to Care was selected for the focus of Community Health activities in 2014-2016. This effort will require substantial financial and staffing resources as well as significant collaborations with community organizations. As such, other significant health needs identified in the Community Health Needs Assessment will not be a strategic priority at this time.

Bronson Methodist Hospital is committed to improving the health, of our community and is meeting other identified community health needs through existing programs, by providing representation and leadership to local organizations, and as a partner in collaborative community efforts. BMH acknowledges that in some circumstances the hospital is not the appropriate leader to address identified needs and where possible supports and partners with relevant community organizations which are better suited to addressing those needs.

Furthermore, while identified as a need, socio-economic drivers of health, such as poverty are not addressed within the implementation plan. BMH staff determined that these needs were better aligned with the mission of other organizations within the community.

RESOURCES

In keeping with Bronson's strategic commitment to be a community leader and serve as a catalyst to improve the health of the Southwest Michigan region, Bronson commits substantial resources to community health improvement efforts. These resources include but are not limited to; staffing for programs related to community health, the continuation of financial and charity care provisions for those in need, direct financial support for the FHC and other community health strategic initiatives, and sponsorships for activities promoted through community organizations such as the Center for Health Equity. Bronson will also provide investment in activities and programs to increase healthcare capacity in the region including health care professional education, recruitment support, and expansion of after-hours care in the region. In addition, Bronson Healthcare Group has designated executive leadership and select staff, including at least one full time position, to develop and oversee the implementation of the Community Health Improvement Plan and to engage community organizations in collaborative efforts.

Bronson Methodist Hospital

Financial Report

December 31, 2013

Bronson Methodist Hospital

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Independent Auditor's Report

To the Board of Directors
Bronson Methodist Hospital

We have audited the accompanying financial statements of Bronson Methodist Hospital (the "Hospital"), which comprise the balance sheet as of December 31, 2013 and 2012 and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

To the Board of Directors
Bronson Methodist Hospital

Opinion

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

Plante & Moran, PLLC

April 14, 2014

Bronson Methodist Hospital

Balance Sheet
(amounts in thousands)

	December 31, 2013	December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	$ 44,100	$ 63,212
Investments (Note 10)	283,540	246,866
Accounts receivable (Note 5)	100,270	102,362
Prepaid expenses and other current assets	10,235	9,787
Total current assets	438,145	422,227
Assets Limited as to Use (Notes 4 and 10)		
Internally designated for capital improvements	15,310	15,310
Funds held by trustee under bond indenture	2,200	2,124
Funds held for payment of employee benefits	1,544	1,407
Total assets limited as to use	19,054	18,841
Property and Equipment - Net (Note 9)	291,211	292,101
Other Assets		
Investment in joint ventures (Note 17)	15,475	15,187
Bond issue costs	2,554	2,686
Other noncurrent assets	854	587
Total assets	**$ 767,293**	**$ 751,629**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 6,772	$ 11,723
Accrued liabilities and other (Note 11)	36,247	33,178
Current portion of long-term debt (Note 12)	6,092	5,819
Estimated third-party payor settlements (Note 6)	24,052	21,269
Total current liabilities	73,163	71,989
Long-term Debt - Net of current portion (Note 12)	253,821	260,180
Fair Value of Interest Rate Swap Agreement (Notes 3, 4, and 13)	9,928	17,245
Other Liabilities	1,543	1,407
Total liabilities	338,455	350,821
Net Assets - Unrestricted	428,838	400,808
Total liabilities and net assets	**$ 767,293**	**$ 751,629**

Bronson Methodist Hospital

Statement of Operations and Changes in Net Assets
(amounts in thousands)

	Year Ended December 31, 2013	Year Ended December 31, 2012
Operating Revenue		
Net patient service revenue	$ 622,909	$ 590,735
Provision for bad debts	(50,376)	(21,651)
Net patient service revenue less provision for bad debts	572,533	569,084
Investment gain	11,449	8,127
Other	17,400	19,303
Total operating revenue	601,382	596,514
Operating Expenses		
Salaries and wages	253,194	235,177
Employee benefits and payroll taxes	66,603	61,049
Other	213,216	210,785
Depreciation and amortization	35,889	34,537
Interest expense	14,752	15,064
Total operating expenses (Note 16)	583,654	556,612
Operating Income	17,728	39,902
Nonoperating Gain		
Change in unrealized investment gains	27,679	10,333
Change in fair value of interest swap agreements (Note 13)	7,323	567
Total nonoperating gain	35,002	10,900
Excess of Revenue Over Expenses	52,730	50,802
Transfer to Affiliate (Note 17)	(24,700)	(14,625)
Increase in Unrestricted Net Assets	28,030	36,177
Net Assets - Beginning of year	400,808	364,631
Net Assets - End of year	**$ 428,838**	**$ 400,808**

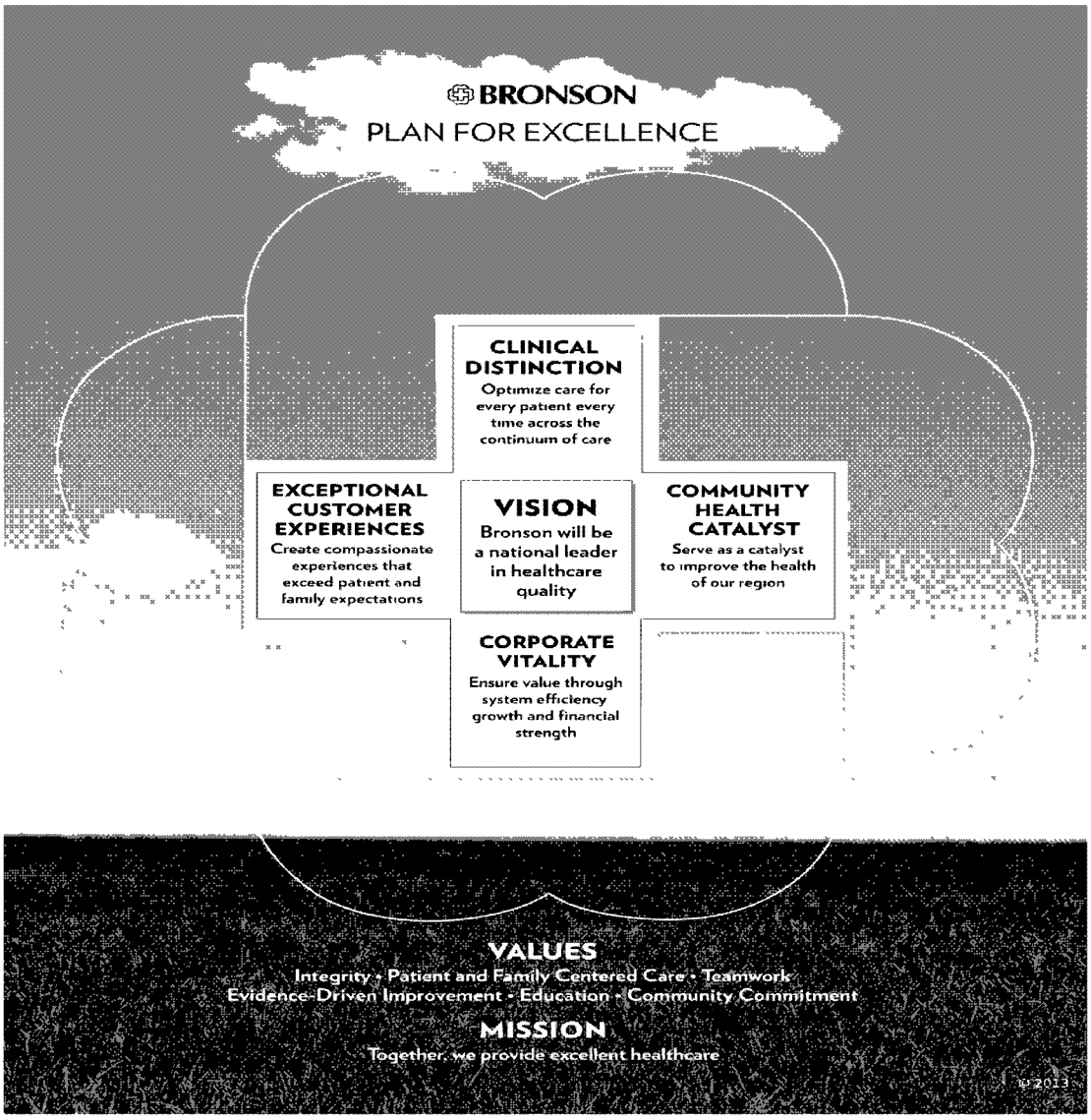
See Notes to Financial Statements.

Bronson Methodist Hospital

Statement of Cash Flows
(amounts in thousands)

	Year Ended December 31, 2013	Year Ended December 31, 2012
Cash Flows from Operating Activities		
Increase in unrestricted net assets	$ 28,030	$ 36,177
Adjustments to reconcile increase in unrestricted net assets to net cash from operating activities:		
Depreciation and amortization	35,889	34,537
Net change in unrealized net gains and losses on investments	(27,679)	(10,333)
Provision for bad debts	50,376	21,651
Gain on interest rate swaps	(7,323)	(567)
Equity in earnings of joint ventures	(1,688)	(3,759)
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(48,284)	(31,474)
Prepaid expenses and other current assets	(448)	(424)
Bond issue costs and other noncurrent assets	(135)	91
Accounts payable	(4,951)	3,216
Accrued liabilities and other	3,063	545
Estimated third-party payor settlements	2,783	(15,193)
Other liabilities	148	(1,097)
Net cash provided by operating activities	29,781	33,370
Cash Flows from Investing Activities		
Purchase of property and equipment	(34,999)	(38,166)
(Increase) decrease in assets limited as to use	(213)	6,061
Decrease in pooled investment funds	(8,995)	(58,782)
Proceeds from joint ventures	1,400	1,513
Net cash used in investing activities	(42,807)	(89,374)
Cash Flows from Financing Activities - Principal payment on long-term debt	(6,086)	(5,849)
Net Decrease in Cash and Cash Equivalents	(19,112)	(61,853)
Cash and Cash Equivalents - Beginning of year	63,212	125,065
Cash and Cash Equivalents - End of year	**$ 44,100**	**$ 63,212**
Supplemental Cash Flow Information - Cash paid for interest	**$ 14,662**	**$ 14,943**

See Notes to Financial Statements.



The mission, values, commitment to patient care excellence, and philosophy of nursing excellence provide the foundation that supports Bronson's organizational strategy, which is illustrated in the vision to be a national leader in healthcare quality and the four Cs, or corporate strategies: *Clinical Distinction, Exceptional Customer Experiences, Corporate Vitality,* and *Community Health Catalyst*. Excellence is the thread that ties together the vision, mission, values, commitment to patient care excellence, philosophy of nursing excellence, and overall strategies. These elements, comprising the Plan for Excellence above, form the culture and guide decision-making.

Note 1 - Nature of Business

Bronson Methodist Hospital (the "Hospital") is a regional medical center and teaching hospital providing acute-care medical and surgical services. The Hospital, located in Kalamazoo, Michigan, has 405 beds and provides services to the greater Kalamazoo and southwestern Michigan communities. Admitting physicians are primarily practitioners in the local area.

Bronson Healthcare Group, Inc. (the "Group") controls the Hospital's net assets and operations.

Note 2 - Significant Accounting Policies

Cash and Cash Equivalents - Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in assets limited as to use.

Investments - The Hospital's cash equivalents and investments are maintained in a pooled investment fund held by the Group. Requests for withdrawals from the fund are generally honored on demand at the amount deposited, minus withdrawals, plus earnings credited while on deposit. The fund's investment policy allows for investments in such securities as U.S. government obligations, commercial paper, bankers' acceptances, certificates of deposit, marketable equity securities, money market funds, and privately held alternative investments. Earnings of the fund are credited to investment participants on a pro-rata basis when realized. Aggregate investment earnings and realized gains and losses from the fund for the years ended December 31, 2013 and 2012 were approximately $11,449,000 and $8,127,000, respectively.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in income from operations unless the income or loss is restricted by donor or law.

In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates on future cash flows. The aggregate fair value amounts presented do not represent the underlying value of the Hospital; instead, they represent point-in-time estimates that might not be particularly relevant in predicting the Hospital's future earnings on cash flows. All financial instruments held or issued by the Hospital are considered trading.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable - Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data related to these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts in the period they are determined to be uncollectible.

Assets Limited as to Use - Assets limited as to use include assets designated by the board of trustees for future capital improvement, over which the board retains control, assets held by trustees under bond indenture agreements, and funds held in trust for payment of employee benefits.

Property and Equipment - Property and equipment amounts are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Professional and Other Liability Insurance - As described in Note 15, the Hospital records an estimate of the ultimate expense, including litigation and settlement expense, for incidents of potential improper professional service and other liability claims occurring during the year as well as for those claims that have not been reported at year end.

Note 2 - Significant Accounting Policies (Continued)

Net Patient Service Revenue - The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the periods from these major payor sources are as follows (in thousands):

	2013	2012
Patient service revenue (net of contractual allowances and discounts):		
Third-party payors	$ 564,970	$ 538,136
Self-pay	57,939	52,599
Total all payors	$ 622,909	$ 590,735

The accounts written off to bad debt in 2013 relating to 2012 dates of services exceeded the allowance for bad debt at the end of 2012 by approximately $10 million. The excess in write-offs above the original estimate was directly related to the implementation of the EPIC information technology system in 2012.

Retroactively calculated adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs.

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net revenue.

Note 2 - Significant Accounting Policies (Continued)

Derivative and Hedging Activities - Accounting standards require that derivative instruments be recorded on the balance sheet at fair value and establish criteria for designation and effectiveness of hedging relationships. The Hospital utilizes various interest rate swap agreements to manage the economic impact of fluctuations in interest rates.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Electronic Health Records Incentive Payments - The American Recovery and Reinvestment Act of 2009 (ARRA) established funding in order to provide incentive payments to hospitals and physicians that implement the use of electronic health record (EHR) technology by 2014. The Hospital may receive an incentive payment for up to four years, provided the Hospital demonstrates meaningful use of certified EHR technology for the EHR reporting period. The revenue from the incentive payments is recognized ratably over the EHR reporting period when there is reasonable assurance that the Hospital will comply with eligibility requirements during the EHR reporting period and an incentive payment will be received. The amounts are recorded within other operating revenue as the incentive payments are related to the Hospital's ongoing and central activities yet not critical to the delivery of patient service.

Tax Status - The Hospital is a nonprofit, tax-exempt organization, and is exempt from federal income taxes on related income pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, no tax provision is reflected in the financial statements. The Hospital's tax returns are not subject to examination by taxing authorities for years beginning prior to December 31, 2010.

The Hospital has adopted accounting standards related to uncertain tax positions and, accordingly, reviewed all tax positions. The evaluated potential exposure related to uncertain tax positions was found to be immaterial.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including April 14, 2014, which is the date the financial statements were available to be issued.

Note 3 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents - The carrying amount approximates fair value because of the short maturity of those instruments.

Investments - Investments are recorded at fair value in the accompanying financial statements. Fair value is determined based on the fair value measurement principles described in Note 4.

Interest Rate Swap - The fair value of the interest rate swap agreements is based on a mark-to-market calculation of the notional amount of the interest rate swap.

Accounts Receivable, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the balance sheet for accounts receivable, accounts payable, and accrued liabilities approximates its fair value.

Estimated Third-party Payor Settlements - Net - The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates its fair value.

Long-term Debt - The carrying amount of the Hospital's long-term variable rate debt approximates its fair value. The fair value of the Hospital's long-term fixed rate debt is estimated using quoted market values.

The carrying amounts and fair values of the Hospital's financial instruments are as follows:

	Carrying Amount	Fair Value
	(in thousands)	
December 31, 2013 - Long-term debt	$ 259,913	$ 262,990
December 31, 2012 - Long-term debt	265,999	289,339

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Hospital's assets and liabilities measured at fair value on a recurring basis at December 31, 2013 and 2012 and the valuation techniques used by the Hospital to determine those fair values.

Note 4 - Fair Value Measurements (Continued)

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Hospital has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 2 investments include interests in pooled investment funds, corporate bonds, and United States government agency notes.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Hospital's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The fair value of corporate securities and investment in the Bronson Investment Fund was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments using quoted prices for similar assets in active markets. The fair value of these assets was determined primarily based on quoted market prices from the Hospital's custodial banks.

The fair value of the interest rate swap liability was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of the interest rate swap liability using current interest rates and pricing indices. The fair value of the liability was determined primarily based on estimated fair values as calculated by the counterparty.

The Hospital's investments and assets limited as to use that are internally designated for capital improvements are invested in the Bronson Investment Fund. See Notes 2 and 10 for additional information related to the Bronson Investment Fund.

The Hospital's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period.

Note 4 - Fair Value Measurements (Continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2013 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
Assets				
Investments - Bronson Investment Fund	$ -	$ 283,540	$ -	$ 283,540
Assets limited as to use				
Internally designated for capital improvements - Bronson Investment Fund	-	15,310	-	15,310
Funds held by trustee under bond indenture - Government securities	-	2,200	-	2,200
Funds held for payment of employee benefits - Domestic mutual funds	1,544	-	-	1,544
Total assets limited as to use	$ 1,544	$ 17,510	$ -	$ 19,054
Liabilities - Interest rate swaps	$ -	$ 9,928	$ -	$ 9,928

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2012 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2012
Assets				
Investments - Bronson Investment Fund	$ -	$ 246,866	$ -	$ 246,866
Assets limited as to use				
Internally designated for capital improvements - Bronson Investment Fund	-	15,310	-	15,310
Funds held by trustee under bond indenture - Government Securities	43	2,081	-	2,124
Funds held for payment of employee benefits - Domestic Mutual Funds	1,407	-	-	1,407
Total assets limited as to use	$ 1,450	$ 17,391	$ -	$ 18,841
Liabilities - Interest rate swaps	$ -	$ 17,245	$ -	$ 17,245

Note 5 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2013	2012
	(in thousands)	
Patient accounts receivable	$ 181,080	$ 191,778
Less allowance for uncollectible accounts	(12,612)	(11,011)
Less allowance for contractual adjustments	(71,663)	(81,926)
Net patient accounts receivable	96,805	98,841
Other	3,465	3,521
Total accounts receivable	$ 100,270	$ 102,362

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	Percentage	
	2013	2012
Medicare	23%	19%
Blue Cross/Blue Shield of Michigan	12	15
Medicaid	19	22
Commercial insurance	26	27
Self-pay	20	17
Total	100%	100%

Note 6 - Estimated Third-party Payor Settlements

A significant amount of the Hospital's net patient service revenue is received from Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs. The Hospital has agreements with third-party payors that provide for reimbursement at amounts different from established rates. A summary of the basis of reimbursement with these third-party payors follows:

- **Medicare** - Inpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient and homecare services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care. Payments are also received for capital and medical education costs subject to certain limits.

Note 6 - Estimated Third-party Payor Settlements (Continued)

- **Medicaid** - Inpatient, acute-care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service and percentage-of-charge bases.
- **Other Third-party Payors** - The Hospital has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The bases for reimbursement to the Hospital under these agreements are discounts from established charges, prospectively determined rates per discharge, and prospectively determined daily rates.

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs that are subject to audit by fiscal intermediaries. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. The Hospital is unable to determine the extent of the liability for overpayments or underpayments found in an audit. The potential exists for significant overpayments or underpayments of claims liability for the Hospital at a future date.

Note 7 - Charity Care and Other Uncompensated Care

Charity Care - In support of its mission, the Hospital provides various health-related services, at a loss, to the indigent and other residents of its service area. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue.

Note 7 - Charity Care and Other Uncompensated Care (Continued)

Other uncompensated care represents the provisions for uncollectible accounts which represent services rendered to uninsured and underinsured patients. Other uncompensated care totaled approximately $48,376,000 and $21,651,000 at December 31, 2013 and 2012, respectively.

The estimated amounts of charity care are as follows:

	2013	2012
	(in thousands)	
Charity care - At cost	$ 15,896	$ 13,459

Note 8 - Net Patient Service Revenue - Unaudited

Net patient service revenue is composed of the following:

	2013	2012
	(in thousands)	
Gross charges	$ 1,457,026	$ 1,333,389
Less total contractual deductions and other provisions	834,117	742,654
Net patient service revenue	$ 622,909	$ 590,735

Note 9 - Property and Equipment

Cost of property and equipment is summarized as follows:

	2013	2012
	(in thousands)	
Land	$ 5,470	$ 5,755
Buildings and improvements	352,448	343,587
Equipment	299,892	282,848
Construction in progress	14,925	7,566
Total cost	672,735	639,756
Accumulated depreciation	(381,524)	(347,655)
Net property and equipment	$ 291,211	$ 292,101

Note 9 - Property and Equipment (Continued)

Depreciation and amortization expense on property and equipment totaled approximately $35,889,000 and $34,537,000 in 2013 and 2012, respectively.

At December 31, 2013 and 2012, construction in progress consists primarily of costs for a wireless telemetry and monitoring system and other building and improvement projects. At December 31, 2013 and 2012, remaining commitments on contracts related to the construction in progress approximated $1,105,000 and $1,365,000 respectively.

Note 10 - Investments

The detail of investments is summarized in the following schedule:

	2013	2012
	(in thousands)	
Investments	$ 283,540	$ 246,866
Assets limited as to use	19,054	18,841
Total investments	$ 302,594	$ 265,707

Investments consist of the following:

	2013	2012
	(in thousands)	
United States government securities	$ 2,200	$ 2,124
Mutual funds	1,544	1,407
Investment in Bronson Investment Fund	298,850	262,176
Total	$ 302,594	$ 265,707

Assets in the Bronson Investment Fund are included in the above schedule in the category of the underlying assets in the fund.

Funds held by the trustee under bond indenture are held for the purpose of making future bond principal and interest payments and payments for certain construction projects. Investment income accrues to the funds as earned.

As described in Note 2, the Hospital participates in Bronson Healthcare Group's pooled investment management program, which is an investment pool of funds originating from the Hospital and other Bronson Healthcare Group affiliates. At December 31, 2013 and 2012, approximately $298.9 million and $262.1 million, respectively, of the Hospital's investments and cash are with this investment pool.

Note 11 - Accrued Liabilities

The detail of accrued liabilities is given below:

	2013	2012
	(in thousands)	
Compensation and payroll taxes	$ 15,321	$ 11,882
Compensated paid time off	10,946	11,613
Accrued interest	1,770	1,812
Other	8,210	7,871
Total accrued liabilities	$ 36,247	$ 33,178

Note 12 - Long-term Debt

A summary of long-term debt obligations at December 31, 2013 and 2012 follows:

	2013	2012
	(in thousands)	
City of Kalamazoo Hospital Revenue Improvement Bonds - Series 2006	$ 70,755	$ 72,175
City of Kalamazoo Hospital Revenue Refunding Bonds - Series 2003	70,370	74,620
City of Kalamazoo Hospital Revenue Refunding Bonds - Series 2010	114,055	114,190
Other	61	75
Total	255,241	261,060
Plus net unamortized premium	4,672	4,939
Less current portion	6,092	5,819
Long-term portion	$ 253,821	$ 260,180

In October 2011, a new obligated group was established including Bronson Healthcare Group, Bronson LakeView Hospital, Bronson Commons, Lifespan, Inc., and Van Buren Emergency Medical Services as members of the obligated group. On the date of issuance of the Series 2011 Bonds, the previous obligated group with the sole member of Bronson Methodist Hospital merged into the new obligated group resulting in an obligated group for all outstanding obligations consisting of the following members: Bronson Healthcare Group, Bronson LakeView Hospital, Bronson Commons, Lifespan, Inc., Van Buren Emergency Medical Services, and Bronson Methodist Hospital. All members of the new obligated group are related parties of Bronson Methodist Hospital.

Note 12 - Long-term Debt (Continued)

The 2010 bonds consist of fixed-rate term bonds with interest rates ranging from 4.25 to 5.50 percent, with annual mandatory sinking fund payments ranging from $50,000 in 2014 to $13,300,000 in 2036. The bonds are secured by the gross revenue of the Hospital.

The 2006 bonds consist of serial bonds with interest rates ranging from 3.0 to 5.25 percent and annual maturities ranging from $1,625,000 in 2014 to $2,470,000 in 2022, a term bond in the amount of $8,235,000 due in 2025, and an additional term bond in the amount of $44,170,000 due in 2036. The term bonds bear interest ranging from 3.0 to 5.25 percent. The Hospital has mandatory annual sinking fund payments on the term bonds. The bonds are secured by the gross revenues of the Hospital.

In November 2003, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue Refunding Bonds (Bronson Methodist Hospital), Series 2003, totaling $95,450,000. The 2003 bonds bear interest ranging from 5.00 to 5.25 percent. Principal payments are to be repaid in annual amounts ranging from $4,400,000 in 2014 to $5,770,000 in 2026. The bonds are secured by the gross revenue of the Hospital.

In connection with the loan agreements, the Hospital has made various covenants, among others, to comply with certain financial ratios.

Future minimum payments on long-term debt are as follows (amounts in thousands):

2014	$	6,092
2015		6,405
2016		6,725
2017		7,030
2018		7,375
Thereafter		221,614
Total	$	255,241

Note 13 - Interest Rate Swap Agreements

The Hospital has one interest rate swap agreement to manage the overall variability in interest rates.

Accounting standards require all derivative instruments such as interest rate swaps to be recorded on the balance sheet at their fair value. The swaps are not considered to be hedges of cash flow in accordance with accounting standards. Accordingly, changes in the fair value of the swap agreements are reported as a component of excess of revenue over expenses, as well as any settlements on the interest rate swaps.

Note 13 - Interest Rate Swap Agreements (Continued)

At December 31, 2013, the Hospital had the following interest rate swap agreement:

Notional Amount	Termination Date	Hospital Receives	Hospital Pays
$ 53,285,000	May 2034	61.9% of LIBOR plus 0.31%	3.844%

At December 31, 2012, the Hospital had the following interest rate swap agreement:

Notional Amount	Termination Date	Hospital Receives	Hospital Pays
$ 53,285,000	May 2034	61.9% of LIBOR plus 0.31%	3.844%

Under the terms of the ISDA master agreement, the Hospital is required to maintain collateral posted with the counterparty to secure a portion of the estimated value of the derivative instruments when said instruments are valued in favor of the counterparty, as determined periodically by the valuation agent. The Hospital was not required to post collateral at December 31, 2013 and 2012. The Hospital's accounting policy is not to offset collateral amounts against fair value amounts recognized for derivative instrument obligations.

As of December 31, the fair value of derivatives held was as follows:

	Liability Derivatives	
	2013	2012
	(in thousands)	
Interest rate swaps	$ 9,928	$ 17,245

Liability derivatives are reported on the balance sheet.

For the years ended December 31, 2013 and 2012, the amounts of gain or loss recognized in the statement of operations and changes in net assets attributable to derivative instruments and related hedged items and their locations in the statement of operations and changes in net assets are as follows:

	Amount of Gain Recognized in Earnings (in thousands)		Reported in Statement of Operations and Changes in Net Assets as
	2013	2012	
Change in fair value of interest rate swap agreements	$ 7,323	$ 567	Nonoperating Gain

Note 14 - Pension and Other Postretirement Benefit Plans

The Hospital participates in a noncontributory defined benefit pension plan sponsored by the Group covering substantially all of its employees. Under this arrangement, the Hospital is charged for its share of costs incurred to provide pension benefits for its employees under the plan. Benefits are based on a participant's years of service and compensation during the last 10 years of employment.

Expense recorded at the Hospital under the pension plan totaled $11,479,000 and $6,660,000 in 2013 and 2012, respectively.

The Hospital also participates in a postretirement defined benefit plan sponsored by the Group that provides healthcare and life insurance benefits, subject to a per-employee-lifetime limit, for all active and substantially all retired employees and for certain other inactive employees. Under this arrangement, the Hospital is generally charged annually for its share of costs incurred to provide benefits under the plan. Expense recorded by the Hospital under the postretirement plan totaled $4,947,000 and $5,807,000 in 2013 and 2012, respectively. These benefit arrangements may be subject to change, and the effects of these changes, together with actuarial gains and losses, will be recognized prospectively.

Information is not available to permit the Hospital to determine its relative position in the plans. The details of the plans' funded status and expense calculations are disclosed in the notes to the financial statements of the Group. The plans' unfunded status as of December 31, 2013 totaled approximately $68 million.

Note 15 - Professional Liability Self-insurance

The Hospital participates in a self-insured, multiprovider, professional liability arrangement sponsored by the Group. This arrangement is designed to provide participating members with a specified level of primary professional liability coverage, with excess layers of insurance coverage provided by commercial insurers under claims-made policies. The levels of excess coverage vary by year, depending upon the availability and cost of that insurance. Should the claims-made policies not be renewed or be replaced with equivalent insurance, claims based on occurrences during its term and reported subsequently will be uninsured. Participating members of the self-insured arrangement are annually assessed amounts that reflect the level of professional liability risk subject to self-insurance for the participating entity. The expense assessed to the Hospital totaled $3,690,000 and $12,723,000 for 2013 and 2012, respectively.

The Hospital is involved in certain legal actions arising from services provided to patients and, additionally, is aware of certain possible claims that presently are not the subject of judicial proceedings. Although the Hospital is unable to precisely estimate the ultimate cost of settlements of professional liability claims, a provision is made for management's best estimate of losses for uninsured portions of pending claims and for known incidents that may result in the assertion of additional claims.

Note 15 - Professional Liability Self-insurance (Continued)

Management believes, after considering legal counsel's evaluations of all actions and claims, that insurance coverage and accruals recorded by the Group for estimated losses are adequate to cover expected settlements.

Note 16 - Functional Expenses

The Hospital is a general acute-care facility that provides inpatient and outpatient healthcare services to patients in the Kalamazoo, Michigan area. Expenses related to providing these services for the years ended December 31, 2013 and 2012 are as follows (amounts in thousands):

	2013	2012
Healthcare services	$ 525,257	$ 495,642
General and administrative	58,397	60,970
Total	$ 583,654	$ 556,612

Note 17 - Related Party Transactions

Investments in joint ventures, primarily the West Michigan Cancer Center (WMCC) and the Western Michigan University School of Medicine (WMed) (formerly Michigan State University/Kalamazoo Center for Medical Studies - MSU/KCMS), that are not majority-owned and controlled are recorded using the equity method. Equity in earnings or losses of such joint ventures is included in other revenue in the statement of operations and changes in net assets and amounted to gains of $1,688,000 and $3,759,000 in 2013 and 2012, respectively. During 2012, MSU/KCMS merged with WMed, which resulted in the Hospital's interest in MSU/KCMS being transferred to WMed, in which the Hospital maintains a minority interest.

WMCC and WMed provide certain treatments to patients of the Hospital. Revenue billed for these services totaled $1,001,000 and $864,000 for the years ended December 31, 2013 and 2012, respectively, and were, in turn, reimbursed to the Hospital by patients and third-party payors. Revenue and expenses from activities with affiliated entities generally are based on the cost incurred by the entity providing the service.

The Hospital also purchases certain services in the ordinary course of business, maintains most insurance coverage, and leases certain facilities from the Group and its subsidiaries. It also provides certain professional and consulting services to the Group's subsidiaries. The Hospital's revenue and expenses related to these activities generally are based on costs incurred by the provider and are not material in relation to the Hospital's operations. In addition, during 2013 and 2012, the Hospital transferred $24,700,000 and $14,625,000, respectively, to Bronson Healthcare Group.