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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 LAKEVIEW 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

38-1359218

E Telephone number

(269) 341-6000

G Gross receipts \$ 56,599,130

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

2007

M State of legal domicile

MI

Part I	Summary																																										
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>OPERATION OF A GENERAL ACUTE CARE HOSPITAL</div></div>																																										
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																										
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>21</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>15</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>491</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>56</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	21	4	Number of independent voting members of the governing body (Part VI, line 1b)	15	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	491	6	Total number of volunteers (estimate if necessary)	56	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34	0																								
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Net Assets or Fund Balances	<table><tr><th></th><th>Beginning of Current Year</th><th>End of Year</th></tr><tr><td>20</td><td>Total assets (Part X, line 16)</td><td>23,838,41624,372,915</td></tr><tr><td>21</td><td>Total liabilities (Part X, line 26)</td><td>6,728,3787,339,739</td></tr><tr><td>22</td><td>Net assets or fund balances Subtract line 21 from line 20</td><td>17,110,03817,033,176</td></tr></table>		Beginning of Current Year	End of Year	20	Total assets (Part X, line 16)	23,838,41624,372,915	21	Total liabilities (Part X, line 26)	6,728,3787,339,739	22	Net assets or fund balances Subtract line 21 from line 20	17,110,03817,033,176																														
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Part II

Signature Block

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

Sign Here

Signature of officer

KENNETH TAFT EXECUTIVE VP/COO

Type or print name and title

2014-10-30

Date

Paid Preparer Use Only

Prnt/Type preparer's name

LYNNE HUISMANN

Preparer's signature

Date

Check ☐ if self-employed

PTIN 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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

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?

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?

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 \$ 37,836,650 including grants of \$ 2,000,000) (Revenue \$ 50,472,043)

BRONSON LAKEVIEW HOSPITAL (BLH) IS A 25-BED CRITICAL ACCESS HOSPITAL, WITH AN ADDITIONAL 10-BED GERIATRIC PSYCHIATRIC UNIT BLH OFFERS A FULL RANGE OF ACUTE CARE FOR INPATIENTS AND IS A WELL-ESTABLISHED DESTINATION FOR SURGERY, GERIATRIC PSYCHIATRY AND EMERGENCY CARE BLH OPERATES A FULL-SERVICE, 24/7 ERMERGENCY DEPARTMENT THAT TREATS ABOUT 19,200 PATIENT VISITS ANNUALLY, REGARDLESS OF THEIR ABILITY TO PAY OUTPATIENT SERVICES ARE PROVIDED AT THE HOSPITAL, AS WELL AS AT RURAL HEALTH CLINICS IN PAW PAW, DECATUR, LAWTON, MARCELLUS AND MATTAWAN IN 2013, IN FURTHERANCE OF ITS MISSION, BLH INCURRED \$2,385,191 IN CHARITY CARE EXPENSE

4b

(Code) (Expenses \$ 9,345,234 including grants of \$) (Revenue \$ 5,971,615)

IN 2013, BLH'S MEDICAID COST WAS \$9,345,234 AND MEDICAID NET REVENUE WAS \$5,971,615

4c

(Code) (Expenses \$ 5,485,757 including grants of \$) (Revenue \$)

IN 2013, IN FURTHERANCE OF ITS MISSION, BLH INCURRED \$5,485,757 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

52,667,641

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		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? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		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? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? 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.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.		
2b	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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		
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)?		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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
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	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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

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

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

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

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

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

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

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

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

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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	1,402,219	6,229,686	438,544

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 ▶6

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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)	(B)	(C)
Name and business address	Description of services	Compensation
LAKEVIEW ANESTHESIA SVS INC 28484 62ND AVE LAWTON MI 49065	ANESTHESIA SERVICES	727,390
SW MI EMERGENCY SERVICES PC 125 S KALAMAZOO MALL SUITE 204 KALAMAZOO MI 49007	MEDICAL SERVICES	468,020
SODEXOMAGIC LLC 4880 PAYSHERE CIRCLE CHICAGO IL 60674	FOOD SERVICES	398,755
GOLDFISH PARTNERS 5741 LEGACY DR PLANO TX 75024	CONSULTING SERVICES	119,120

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 ▶4

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	1,100			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	46,868			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		47,968			
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 621110	53,192,515	53,192,515		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		53,192,515			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	71,903			71,903
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6a		(i) Real					
		(ii) Personal					
		Gross rents	35,601				
b		Less rental expenses	53,654				
c		Rental income or (loss)	-18,053				
d		Net rental income or (loss)		-18,053			-18,053
7a		(i) Securities					
		(ii) Other					
		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						
	Miscellaneous Revenue	Business Code					
11a	MEANINGFUL USE REVENUE	900099	2,953,250	2,953,250			
b	OTHER INCOME	900099	297,893	297,893			
c							
d	All other revenue						
e	Total. Add lines 11a-11d		3,251,143				
12	Total revenue. See Instructions		56,545,476	56,443,658	0	53,850	

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.	2,000,000	2,000,000		
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.				
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.	23,630,756	21,406,884	2,223,872	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).				
9	Other employee benefits.	5,593,930	5,593,930		
10	Payroll taxes.	1,471,451	1,471,451		
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	857		857	
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).	4,372,192	4,372,192		
12	Advertising and promotion.	11,895	11,895		
13	Office expenses.	5,338,121	5,338,121		
14	Information technology.				
15	Royalties.				
16	Occupancy.	2,661,903	2,661,903		
17	Travel.	96,765	96,765		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	93,189	93,189		
20	Interest.	443	443		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	2,689,981	2,689,981		
23	Insurance.	278,829	278,829		
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	5,485,757	5,485,757		
b	ALLOCATION EXPENSE	1,897,947		1,897,947	
c	EQUIPMENT MAINT/REPAIR	846,171	846,171		
d	LEASE EXPENSE	275,881	275,881		
e	All other expenses	44,249	44,249		
25	Total functional expenses. Add lines 1 through 24e.	56,790,317	52,667,641	4,122,676	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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		806,128	1	1,970,652
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		7,667,257	4	8,257,613
	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		553,347	8	563,690
	9	Prepaid expenses and deferred charges		72,994	9	42,959
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	49,630,722		
	b	Less accumulated depreciation	10b	36,092,721	14,738,690	10c13,538,001
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	
	16	Total assets. Add lines 1 through 15 (must equal line 34)		23,838,416	16	24,372,915
Liabilities	17	Accounts payable and accrued expenses		4,633,985	17	4,032,865
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		42,056	23	0
	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		2,052,337	25	3,306,874
	26	Total liabilities. Add lines 17 through 25		6,728,378	26	7,339,739
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		17,110,038	27	17,033,176
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		17,110,038	33	17,033,176
	34	Total liabilities and net assets/fund balances		23,838,416	34	24,372,915

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	56,545,476
2	Total expenses (must equal Part IX, column (A), line 25)	2	56,790,317
3	Revenue less expenses Subtract line 2 from line 1	3	-244,841
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	17,110,038
5	Net unrealized gains (losses) on investments	5	167,979
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	17,033,176

Part XII Financial Statements and Reporting

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

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

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	3 00				X			0	378,273	26,142
SR VICE PRESIDENT & CFO	37 00				X					
HARRELSONKATHLEEN M	3 00				X			0	376,751	23,975
SR VP, CLINICAL OPERATIONS	37 00				X					
JONES JRJOHN L	3 00				X			0	335,955	30,277
SR VP, REG & PHYS SVS	37 00				X					
WAYMICHAEL S	3 00				X			0	258,177	23,353
SR VP MAT MGT & FACILITY SVS	37 00				X					
RICHARDSONKIRK	32 00				X			172,492	0	26,491
VP BLH	8 00				X					
BERGLINSALLY L	32 00				X			0	315,387	16,366
CEO BLH	8 00				X					
CARTMILLWILLIAM C	40 00					X		193,126	0	15,098
PHYSICIAN	0 00					X				
MIRZANADEEM M	40 00					X		321,128	0	30,259
PHYSICIAN	0 00					X				
THORESONREBECCA L	40 00					X		243,899	0	12,974
PHYSICIAN	0 00					X				
SANCHEZHUGH M	40 00					X		267,000	0	44,862
PHYSICIAN	0 00					X				
NAZZEBI	40 00					X		204,574	0	22,542
PHYSICIAN	0 00					X				

SCHEDULE A

(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization BRONSON LAKEVIEW HOSPITAL	Employer identification number 38-1359218
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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 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		

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

Facts And Circumstances Test

Return Reference	Explanation	
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SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization BRONSON LAKEVIEW HOSPITAL	Employer identification number 38-1359218
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

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)

- 3Using 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
- 4Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIII
- 5During 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.

- 1aIs the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐Yes☐No
- bIf "Yes," explain the arrangement in Part XIII and complete the following table
- cBeginning balance

dAdditions during the year

eDistributions during the year

fEnding balance

	Amount
1c	
1d	
1e	
1f	
- 2aDid the organization include an amount on Form 990, Part X, line 21?

☐Yes☐No
- bIf "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 |
|---|-----------------|---------------|---------------------|---------------------|--------------------|
| 1aBeginning of year balance | | | | | |
| bContributions | | | | | |
| cNet investment earnings, gains, and losses | | | | | |
| dGrants or scholarships | | | | | |
| eOther expenditures for facilities and programs | | | | | |
| fAdministrative expenses | | | | | |
| gEnd of year balance | | | | | |
- 2Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- aBoard designated or quasi-endowment ▶

bPermanent endowment ▶

cTemporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3aAre there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i)unrelated organizations

(ii)related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		
- bIf "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 4Describe 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		818,892		818,892
b Buildings		17,776,173	15,462,911	2,313,262
c Leasehold improvements		5,582,231	298,254	5,283,977
d Equipment		25,157,338	20,331,556	4,825,782
e Other		296,088		296,088
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				13,538,001

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

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

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
PART X, LINE 2	THE GROUP 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.

[illegible]

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 LAKEVIEW HOSPITAL

Employer identification number
38-1359218

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b	If "Yes," was it a written policy?	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____ 30000 0000000000 %	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 eligible 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)			1,199,935	0	1,199,935	2 110 %
b Medicaid (from Worksheet 3, column a)	1	12,375	9,345,234	5,971,615	3,373,619	5 940 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	1	12,375	10,545,169	5,971,615	4,573,554	8 050 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	46	4,702	32,276	0	32,276	0 060 %
f Health professions education (from Worksheet 5)			133,889	0	133,889	0 240 %
g Subsidized health services (from Worksheet 6)				0		
h Research (from Worksheet 7)				0		
i Cash and in-kind contributions for community benefit (from Worksheet 8)	75	8	22,200	0	22,200	0 040 %
j Total Other Benefits	121	4,710	188,365		188,365	0 340 %
k Total . Add lines 7d and 7j	122	17,085	10,733,534	5,971,615	4,761,919	8 390 %

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		150	0	150	0 %
2	Economic development					
3	Community support		6,150	0	6,150	0 010 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building	85	6,400	0	6,400	0 010 %
7	Community health improvement advocacy					
8	Workforce development		3,200	0	3,200	0 010 %
9	Other	52	7,260	0	7,260	0 010 %
10	Total	137	23,160		23,160	0 040 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

5,485,757

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

166,868

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

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

5

13,795,760

6

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

6

15,788,585

7

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

7

-1,992,825

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)

BRN SON LAKEVIEW HOSPITAL

Name of hospital facility or facility reporting group

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

	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 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW.BRONSONHEALTH.COM</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> 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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input type="checkbox"/> Insurance status					
e <input type="checkbox"/> Uninsured discount					
f <input type="checkbox"/> Medicaid/Medicare					
g <input type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d

☒

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

☒

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

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

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

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

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
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 \$5,485,757
PART II, COMMUNITY BUILDING ACTIVITIES	BRONSON LAKEVIEW HOSPITAL (BLH) IS LOCATED IN THE COUNTY SEAT AND GENERATES EMPLOYMENT FOR OVER 600 EMPLOYEES THE EMPLOYEES ARE ENCOURAGED TO BE INVOLVED IN VOLUNTEERISM WITHIN THE COMMUNITIES AND MOST NON PROFIT AGENCIES HAVE A BLH REPRESENTATIVE WORKING WITH THEM IN SOME CAPACITY LOCATED ON MAPLE LAKE, THE ORGANIZATION MAKES ALL DECISION WITH THE ENVIRONMENT IN MIND AND UTILIZES GREEN TECHNOLOGY WHENEVER POSSIBLE BRONSON LAKEVIEW 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	<p>AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENTS 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. THIS CAN BE FOUND IN THE ATTACHED AUDITED FINANCIAL STATEMENTS ON PAGE 9-10 UNDER NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOR ACCOUNTS RECEIVABLE: PART III, LINE 2. UNCOLLECTIBLE AMOUNTS ARE WRITTEN 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 FOR LINE 3. BAD DEBT WRITEOFFS SUPPORT THE COMMUNITY BY PROVIDING A PORTION OF SERVICES WITHOUT PAYMENT. THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY WAS ESTIMATED BY REVIEWING THE BAD DEBT DETAIL FOR A SPECIFIC WRITE-OFF CODE.</p>
PART III, LINE 8	<p>WE UTILIZED THE ALLOWABLE COST AMOUNT FROM THE MEDICARE COST REPORT SCHEDULE D-1, PART II FOR INPATIENT AND SCHEDULE E, PART B FOR OUTPATIENT AND SCHEDULE M-SERIES ALLOWABLE COST REPORT. COST IS DETERMINED BASED ON THE PROVIDER REIMBURSEMENT MANUAL (PUBLICATION 15-1) AS ESTABLISHED BY CENTER FOR MEDICARE AND MEDICAID SERVICES. BRONSON LAKEVIEW HOSPITAL IS A CRITICAL ACCESS HOSPITAL THAT HAS AN INPATIENT PSYCHIATRIC FACILITY AS WELL AS THREE RURAL HEALTH CLINICS. THE INPATIENT PSYCHIATRIC FACILITY HAD A MEDICARE SHORTFALL OF \$1,493,265, AND THE RURAL HEALTH CLINICS HAD A MEDICARE SHORTFALL OF \$387,227. THE REMAINING SHORTFALL OF \$112,333 IS DUE TO SEQUESTRATION REDUCING INPATIENT AND OUTPATIENT PAYMENTS. THE SHORTFALL IS COUNTED TOWARDS THE COMMUNITY BENEFIT. PART III, LINE 7- BRONSON LAKEVIEW HOSPITAL EXPERIENCE ADDITIONAL COMMUNITY BENEFIT EXPENSE OF \$4,041,099 AND DIRECT OFFSETTING REVENUE OF \$3,733,111 FOR A NET COMMUNITY BENEFIT OF \$307,988 RELATED TO SERVICES PROVIDED TO MEDICARE ADVANTAGE INSURED.</p>

Form and Line Reference	Explanation
PART VI, LINE 2	BRONSON LAKEVIEW HOSPITAL (BLH) WORKS WITH VAN BUREN COUNTY HEALTH DEPARTMENT, THE MICHIGAN OFFICE OF RURAL HEALTH, AND MANY LOCAL SOCIAL SERVICE AGENCIES IN RESPONDING TO THE HEALTHCARE NEEDS OF ITS RESIDENTS THE AREAS IDENTIFIED ARE INCORPORATED INTO STRATEGIC PLANNING AS A PART OF THE ANNUAL BUDGETING PROCESS, TRENDS IN SERVICE UTILIZATION ARE UTILIZED FOR RESOURCE PLANNING
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 LAKEVIEW HOSPITAL (BLH) SERVES THE EASTERN HALF OF VAN BUREN COUNTY WHICH IS APPROXIMATELY 45,000 RESIDENTS THE COUNTY IS AGRICULTURAL AND HAS HIGHER THAN STATE AVERAGE UNEMPLOYMENT FIVE PROVIDER BASED HEALTH CLINICS ARE STRATEGICALLY PLACED THROUGHOUT THE COUNTY TO PROVIDE ACCESS TO CARE THE CLINICS ACCEPT PATIENTS REGARDLESS OF ABILITY TO PAY AND HAVE CHARITY CARE PROCESSES IN PLACE BRONSON LAKEVIEW HOSPITAL (BLH) IS LOCATED IN THE COUNTY SEAT AND GENERATES EMPLOYMENT FOR OVER 600 EMPLOYEES THE EMPLOYEES ARE ENCOURAGED TO BE INVOLVED IN VOLUNTEERISM WITHIN THE COMMUNITIES AND MOST NON PROFIT AGENCIES HAVE A BLH REPRESENTATIVE WORKING WITH THEM IN SOME CAPACITY LOCATED ON MAPLE LAKE, THE ORGANIZATION MAKES ALL DECISIONS WITH THE ENVIRONMENT IN MIND AND UTILIZES GREEN TECHNOLOGY WHENEVER POSSIBLE
PART VI, LINE 5	BRONSON LAKEVIEW HOSPITAL (BLH) HAS AN OPEN MEDICAL STAFF AND HAS MANY SPECIALISTS FROM NEIGHBORING KALAMAZOO THAT HAVE HOSPITAL BASED CLINICS TO PROVIDE EASY ACCESS TO RESIDENTS THE EMPLOYEES HOLD FOOD DRIVES FOR THE LOCAL FOOD PANTRIES AND ADOPT SEVERAL IN NEED FAMILIES EACH HOLIDAY SEASON EMPLOYEES ARE ABLE TO PROVIDE MEDICAL SUPPORT TO MANY COMMUNITY ACTIVITIES AS PART OF THEIR SCHEDULED WORK TIME BRONSON LAKEVIEW HOSPITAL IS THE ONLY HOSPITAL IN THE BRONSON SYSTEM THAT HAS CRITICAL ACCESS HOSPITAL (CAH) DESIGNATION BLH PROMOTES THE HEALTH OF THE COMMUNITIES IT SERVES THROUGH A HOST OF EDUCATIONAL PROGRAMS AND ACTIVITIES, INCLUDING CPR CLASSES, BLOOD PRESSURE SCREENINGS, MAMMOGRAPHY SCREENINGS AND SUPPORT GROUPS FOR THOSE WHO ARE ALZHEIMERS CAREGIVERS BLH AND ITS EMPLOYEES ACTIVELY PARTICIPATE IN AND PROVIDE SUPPORT TO MANY COMMUNITY ORGANIZATIONS THESE INCLUDE PARTICIPATION IN THE 5TH DISTRICT MEDICAL RESPONSE COALITION, VANBUREN COUNTY MEDICAL COUNTRY AUTHORITY, VANBUREN EMERGENCY OPERATIONS AND LOCAL EMERGENCY PLANNING COMMITTEES, HEALTH FAIRS AND EXPOS, VAN BUREN COUNTY UNITED WAY AND PAW PAW KIWANIS THE HOSPITAL ALSO WORKS WITH LOCAL SCHOOL SYSTEMS TO PROVIDE CAREER DAY PROGRAMS AND VOCATIONAL TECH SCHOOL-TO-WORK INITIATIVES

Form and Line Reference	Explanation
PART VI, LINE 6	BRONSON LAKEVIEW HOSPITAL (BLH) IS PART OF AN AFFILIATED SYSTEM THAT INCLUDES TWO OTHER HOSPITALS, BRONSON METHODIST HOSPITAL AND BRONSON BATTLE CREEK HOSPITAL THE HOSPITALS ARE OWNED BY BRONSON HEALTHCARE GROUP, WHICH IS COMMUNITY-OWNED AND GOVERNED NOT-FOR-PROFIT HOLDING COMPANY THE BRONSON HEALTHCARE GROUP (BHG) BOARD IS COMPRISED OF 21 MEMBERS OF THE COMMUNITY THE THREE HOSPITALS IN THE BRONSON SYSTEM COLLABORATE TO PROMOTE THE HEALTH OF THE COLLECTIVE COMMUNITIES WE SERVE
PART VI, LINE 7, REPORTS FILED WITH STATES	MI

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 LAKEVIEW HOSPITAL

Employer identification number
38-1359218

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)	2,000,000		CASH TRANSFER		CAPITAL CONTRIBUTION

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

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 LAKEVIEW HOSPITAL

Employer identification number
38-1359218

Part I

Questions Regarding Compensation

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

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	HEALTH CLUB DUES AND/OR SPOUSAL TRAVEL TO BOARD RETREAT ARE AVAILABLE FOR BOARD OF DIRECTORS (ATKINSON, EBERTS, GIBSON, GREENE, GUNDERSON, JAMES, KARAMCHANDANI, LINS, NYBERG, ROEHR, WARDWELL AND ZELLER) ALL TREATED AS TAXABLE FRINGE BENEFITS 1099S SENT
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 \$73,784 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
PART II, COLUMN (B) (III) AND (F)	THERE 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: 38-1359218
Name: BRONSON LAKEVIEW 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)	0	0	0	0	0	0	0
	(ii)	732,643	291,320	427,344	11,162	14,974	1,477,443	0
BERNARD ROEHR MD DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	265,174	0	631	7,650	9,046	282,501	0
KARAMCHANDANIMAHESH C DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	477,254	0	3,221	9,385	13,008	502,868	0
TAFTKENNETH L EXECUTIVE VICE PRESIDENT	(i)	0	0	0	0	0	0	0
	(ii)	438,147	153,669	187,529	11,012	19,493	809,850	0
JAMES FALAHEE SR VP LEGAL & LEG AFFAIRS	(i)	0	0	0	0	0	0	0
	(ii)	305,060	89,429	150,365	11,087	19,256	575,197	0
SCOTT LARSON MD SR VP MEDICAL AFFAIRS/CMO	(i)	0	0	0	0	0	0	0
	(ii)	373,296	87,644	136,970	1,512	14,577	613,999	0
JOHN HAYDEN SR VP & CHIEF HR OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	265,426	73,713	52,964	11,162	9,599	412,864	0
MEITZMARY M SR VICE PRESIDENT & CFO	(i)	0	0	0	0	0	0	0
	(ii)	299,641	59,291	19,341	11,162	14,980	404,415	0
HARRELSONKATHLEEN M SR VP, CLINICAL OPERATIONS	(i)	0	0	0	0	0	0	0
	(ii)	289,783	60,291	26,677	11,162	12,813	400,726	0
JONES JRJOHN L SR VP, REG & PHYS SVS	(i)	0	0	0	0	0	0	0
	(ii)	258,131	57,224	20,600	11,162	19,115	366,232	0
WAYMICHAEL S SR VP MAT MGT & FACILITY SVS	(i)	0	0	0	0	0	0	0
	(ii)	180,943	41,344	35,890	10,915	12,438	281,530	0
RICHARDSONKIRK VP BLH	(i)	146,255	20,232	6,005	7,706	18,785	198,983	0
	(ii)	0	0	0	0	0	0	0
BERGLINSALLY L CEO BLH	(i)	0	0	0	0	0	0	0
	(ii)	258,621	32,889	23,877	11,162	5,204	331,753	0
CARTMILLWILLIAM C PHYSICIAN	(i)	185,246	0	7,880	2,666	12,432	208,224	0
	(ii)	0	0	0	0	0	0	0
MIRZANADEEM M PHYSICIAN	(i)	303,778	14,132	3,218	11,162	19,097	351,387	0
	(ii)	0	0	0	0	0	0	0
THORESONREBECCA L PHYSICIAN	(i)	242,976	0	923	10,812	2,162	256,873	0
	(ii)	0	0	0	0	0	0	0
SANCHEZHUGH M PHYSICIAN	(i)	205,824	60,906	270	25,947	18,915	311,862	0
	(ii)	0	0	0	0	0	0	0
NAZZEBI PHYSICIAN	(i)	184,329	0	20,245	3,477	19,065	227,116	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2013

**Open to Public
Inspection**

Name of the organization
BRONSON LAKEVIEW HOSPITAL

Employer identification number

38-1359218

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 LAKEVIEW HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF BRONSON LAKEVIEW HOSPITAL (BLH) AND AS SUCH MEMBER IT ELECTS 12 OF THE TOTAL 21 MEMBERS OF THE BLH 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 LAKEVIEW HOSPITAL (BLH) HAS CERTAIN RESERVED POWERS OVER THE ACTIONS OF BLH THE BOARD OF DIRECTORS HAS THE POWER TO - AMENDMENT, RESTATEMENT, OR REPEAL THE HOSPITALS ARTICLES OF INCORPORATION OR BY LAWS - 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 BODY'S DELIBERATIONS AND DECISIONS ON THE TRANSACTION IN QUESTION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>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.</p>

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 XII, LINE 2C	BRONSON LA VEVUE HOSPITAL HAS AN AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF AN INDEPENDENT ACCOUNTING FIRM THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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 LAKEVIEW HOSPITAL

Employer identification number

38-1359218

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

Part II Identification of Related Tax-Exempt Organizations

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

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

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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	N/A	RELATED				No			No	
(2) HOSPITAL NETWORK VENTURES LLC 6212 AMERICAN AVE PORTAGE, MI 49002 38-3302979	SUPPORT SERVICES	MI	N/A	RELATED				No			No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(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 AND IMPROVEMENT RESEARCH CENTER 601 JOHN STREET KALAMAZOO, MI 49007 38-3552556	REHABILITATION SERVICES	MI	BRONSON HEALTHCARE GROUP	C				Yes	
(3) BRONSON STAFFING SERVICE 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.

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

Lease of facilities, equipment, or other assets to related organization(s)

k

Lease of facilities, equipment, or other assets from related organization(s)

l

Performance of services or membership or fundraising solicitations for related organization(s)

m

Performance of services or membership or fundraising solicitations by related organization(s)

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

Other transfer of cash or property to related organization(s)

s

Other transfer of cash or property from related organization(s)

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

Yes

1m

Yes

1n

No

1o

Yes

1p

No

1q

No

1r

No

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			

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
SCHEDULE R, 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: 38-1359218

Name: BRONSON LAKEVIEW 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	MI	501(C)(3)	LINE 11C, III-FI	N/A		No
(1) BRONSON METHODIST HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49007 38-1359087	HOSPITAL	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	
(2) BRONSON HEALTH FOUNDATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415081	SUPPORTS HEALTHCARE ORGANIZATION	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(3) BRONSON COMMONS 601 JOHN STREET KALAMAZOO, MI 49007 38-2842451	SKILLED NURSING	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(4) VBEMS 601 JOHN STREET KALAMAZOO, MI 49007 38-2745910	AMBULANCE SERVICES	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	MI	501(C)(3)	LINE 11B, II	BRONSON HEALTHCARE GROUP	Yes	
(6) BRONSON BATTLE CREEK HOSPITAL 300 NORTH AVE BATTLE CREEK, MI 49016 38-2776791	HOSPITAL	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	
(7) LIFESPAN 166 GOODALE AVE 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	L	1,331,520	METHOD BASED ON ACTUAL COST
BRONSON METHODIST HOSPITAL	L	4,548,401	METHOD BASED ON ACTUAL COST
BRONSON METHODIST HOSPITAL	O	167,310	METHOD BASED ON ACTUAL COST
BRONSON PRACTICE MANAGEMENT	L	402,658	METHOD BASED ON ACTUAL COST
BRONSON PRACTICE MANAGEMENT	O	73,314	METHOD BASED ON ACTUAL COST
BRONSON PROPERTIES CORP	O	103,365	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE GROUP	M	10,121,283	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE GROUP	O	118,959	METHOD BASED ON ACTUAL COST
BRONSON METHODIST HOSPITAL	O	592,256	METHOD BASED ON ACTUAL COST
BRONSON METHODIST HOSPITAL	M	995,162	METHOD BASED ON ACTUAL COST
BRONSON PRACTICE MANAGEMENT	O	120,549	METHOD BASED ON ACTUAL COST
BRONSON PROPERTIES CORP	M	2,244,655	METHOD BASED ON ACTUAL COST
BRONSON STAFFING SERVICE	O	60,669	METHOD BASED ON ACTUAL COST
BRONSON HEALTHCARE GROUP	B	2,000,000	CASH TRANSFER
BRONSON HEALTHCARE GROUP	C	300	CASH TRANSFER
BRONSON COMMONS	C	500	CASH TRANSFER
VBEMS	C	300	CASH TRANSFER

Bronson Healthcare Group, Inc. and Subsidiaries

**Consolidated Financial Report
with Additional Information
December 31, 2013**

Bronson Healthcare Group, Inc. and Subsidiaries

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Independent Auditor's Report

To the Audit Committee and
Board of Directors
Bronson Healthcare Group

We have audited the accompanying consolidated financial statements of Bronson Healthcare Group, Inc. and Subsidiaries (Bronson or the "Group") which comprise the consolidated balance sheet as of December 31, 2013 and 2012 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



To the Audit Committee and
Board of Directors
Bronson Healthcare Group

Opinion

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

Plante & Moran, PLLC

Grand Rapids, MI
April 14, 2014

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidated Balance Sheet (amounts in thousands)

	December 31, 2013	December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 73,225	\$ 82,774
Investments (Note 4)	344,002	321,031
Accounts receivable (Note 5)	137,661	133,942
Estimated third-party payor settlements (Note 6)	716	608
Prepaid expenses and other current assets	21,752	19,677
Total current assets	577,356	558,032
Assets Limited as to Use (Note 4)		
Internally designated for capital improvement	16,169	16,169
Funds held for payment of employee benefits	50,652	42,586
Funds held for payment of professional liability claims	23,370	20,408
Other	7,051	20,397
Total assets limited as to use	97,242	99,560
Property and Equipment - Net (Note 8)	458,206	448,287
Goodwill (Note 2)	15,633	-
Other Assets		
Investment in joint venture (Note 15)	29,612	27,341
Bond issue costs	4,078	4,273
Long-term investments (Note 4)	12,018	10,975
Other noncurrent assets	3,337	6,616
Total assets	<u>\$ 1,197,482</u>	<u>\$ 1,155,084</u>
Liabilities, Net Assets, and Equity		
Current Liabilities		
Accounts payable	\$ 16,520	\$ 26,777
Accrued liabilities and other (Note 9)	75,408	62,350
Current portion of long-term debt (Note 10)	7,693	7,353
Estimated third-party payor settlements (Note 6)	29,980	24,282
Total current liabilities	129,601	120,762
Long-term Debt - Net of current portion (Note 10)	365,334	373,389
Fair Value of Interest Rate Swap Agreement (Notes 4 and 11)	9,928	17,245
Other Liabilities		
Pension (Note 12)	32,655	115,279
Accrued postretirement benefit obligations (Note 12)	44,574	64,931
Other long-term liabilities (Note 13)	35,773	35,700
Total liabilities	617,865	727,306
Net Assets		
Unrestricted	507,334	365,323
Temporarily restricted (Note 2)	2,517	2,032
Permanently restricted	6,098	6,074
Noncontrolling interest in consolidated subsidiaries	63,668	54,349
Total net assets	579,617	427,778
Total liabilities and net assets	<u>\$ 1,197,482</u>	<u>\$ 1,155,084</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidated Statement of Operations (amounts in thousands)

	Year Ended	
	December 31, 2013	December 31, 2012
Operating Revenue		
Net patient service revenue	\$ 948,386	\$ 894,526
Provision for bad debts	(73,159)	(40,385)
Net patient service revenue less provision for bad debts	875,227	854,141
Investment income	16,194	13,329
Other	38,119	33,883
Net assets released from restrictions	287	181
Total operating revenue	929,827	901,534
Expenses		
Salaries and wages	412,651	378,730
Employee benefits and payroll taxes	127,035	106,666
Other	322,773	317,113
Depreciation and amortization	56,644	54,142
Interest expense	18,395	18,391
Total expenses	937,498	875,042
Operating (Loss) Income	(7,671)	26,492
Nonoperating Income		
Other income	-	34
Change in unrealized investment gain	39,475	14,927
Change in fair value of interest rate swap agreements	7,323	567
Total nonoperating income	46,798	15,528
Excess of Revenue Over Expenses	39,127	42,020
Other	(436)	(505)
Pension-related Changes Other than Net Periodic Benefit Cost	112,441	(44,567)
Net Assets Released from Restriction	198	1,614
Increase (Decrease) in Unrestricted Net Assets	\$ 151,330	\$ (1,438)

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidated Statement of Changes in Net Assets (amounts in thousands)

	Year Ended	
	December 31, 2013	December 31, 2012
Unrestricted Net Assets		
Excess of revenue over expenses	\$ 39,127	\$ 42,020
Other	(436)	(505)
Pension-related changes other than net periodic benefit cost	112,441	(44,567)
Net assets released from restriction	198	1,614
Increase (Decrease) in Unrestricted Net Assets	151,330	(1,438)
Temporarily Restricted Net Assets		
Restricted contributions	907	679
Restricted investment income	63	59
Net assets released from restriction	(485)	(1,795)
Increase (Decrease) in Temporarily Restricted Net Assets	485	(1,057)
Permanently Restricted Net Assets -		
Restricted contributions	24	28
Increase (Decrease) in Net Assets	151,839	(2,467)
Net Assets - Beginning of year	427,778	430,245
Net Assets - End of year	\$ 579,617	\$ 427,778

Bronson Healthcare Group, Inc. and Subsidiaries

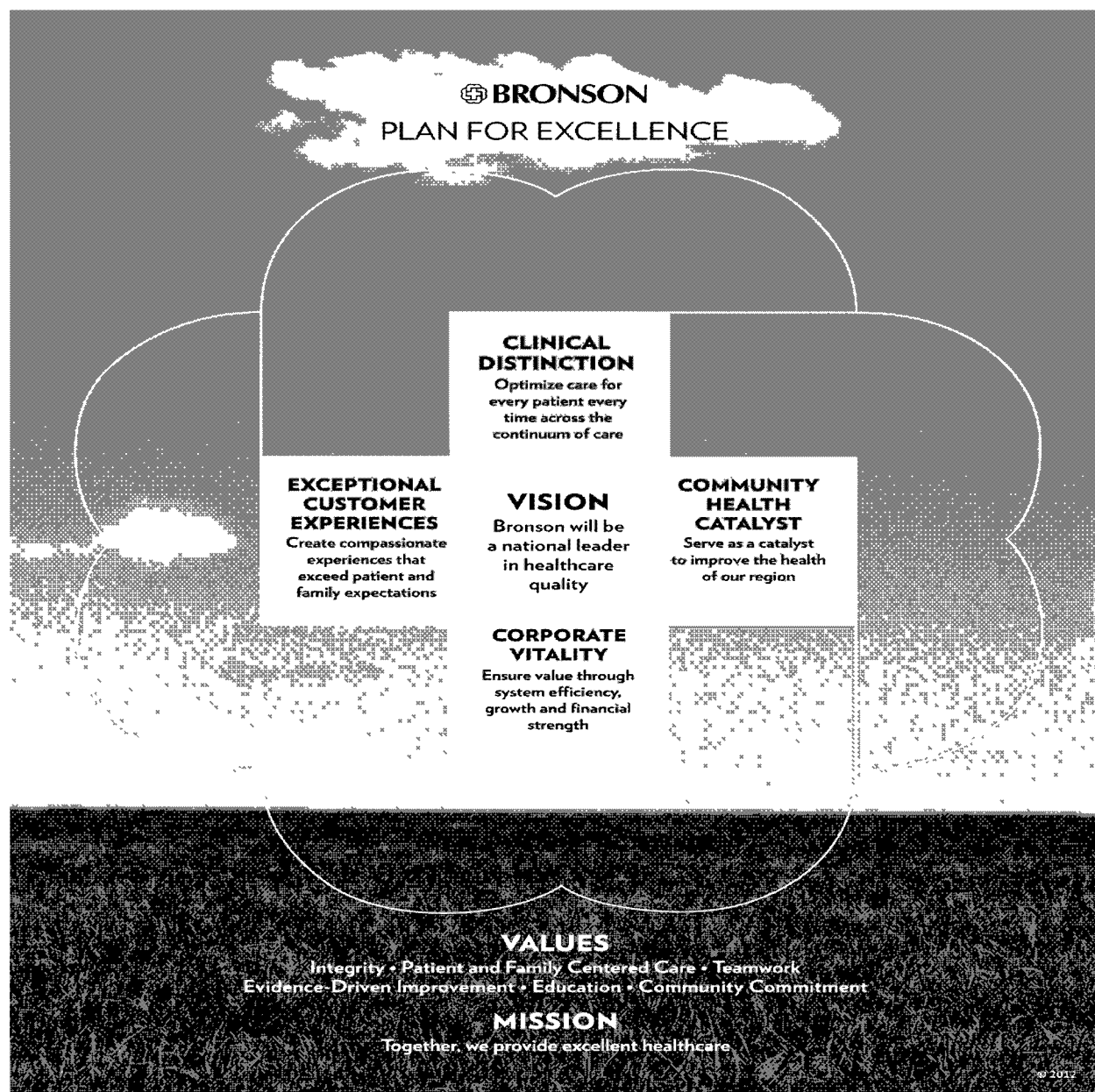
Consolidated Statement of Cash Flows

(amounts in thousands)

	Year Ended	
	December 31, 2013	December 31, 2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 151,839	\$ (2,467)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities.		
Depreciation and amortization	56,644	54,142
Net change in unrealized net gains and losses on investments	(39,475)	(14,927)
Pension-related changes other than benefit costs	(112,441)	44,567
Restricted contributions	(896)	(707)
Provision for bad debts	73,159	40,385
Change in fair value of interest rate swaps	(7,323)	(567)
Equity income in joint ventures	(3,424)	(4,339)
Changes in assets and liabilities which (used) provided cash		
Accounts receivable	(76,878)	(43,705)
Prepaid expenses and other assets	1,399	999
Estimated third-party payor settlements	5,590	(16,267)
Accounts payable	(10,257)	5,299
Accrued liabilities	13,064	2,011
Other liabilities	9,533	4,136
Net cash provided by operating activities	60,534	68,560
Cash Flows from Investing Activities		
Purchase of property and equipment	(61,063)	(65,555)
Acquisition of intangible assets	(15,633)	-
Property and equipment acquired through acquisition of BHCMW	(5,500)	-
Purchase of investments and assets limited as to use	(149,790)	(304,934)
Sales of investments and assets limited as to use	167,569	227,196
Distribution from joint ventures	1,153	1,823
Net cash used in investing activities	(63,264)	(141,470)
Cash Flows from Financing Activities		
Proceeds from issuance of debt obligations	-	1,000
Principal payment on long-term debt	(7,715)	(6,881)
Restricted contributions	896	707
Net cash used in financing activities	(6,819)	(5,174)
Net Decrease in Cash and Cash Equivalents	(9,549)	(78,084)
Cash and Cash Equivalents - Beginning of year	82,774	160,858
Cash and Cash Equivalents - End of year	\$ 73,225	\$ 82,774
Supplemental Cash Flow Information - Cash paid for interest	\$ 18,150	\$ 18,833

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012



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.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business

Bronson Healthcare Group, Inc. and Subsidiaries (Bronson or the "Group") is a not-for-profit corporation. The Group's mission is to promote the continued development of high-quality, cost-effective healthcare services for the greater Kalamazoo and southwestern Michigan communities. The Group and its subsidiaries primarily provide general medical/surgical care services and physician practice services.

The consolidated financial statements include the accounts of the Group and its wholly owned and majority-owned and controlled subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Effective July 1, 2013, Bronson Healthcare Group ("the Group") acquired HealthCare Midwest, PC (HCM). At the time of the acquisition, the name of HCM was changed to Bronson HealthCare Midwest (BHCMW). The Group's board of directors provides governance oversight of BCHMW's net assets and operations. The accompanying 2013 consolidated financial statements represent the results of operations for the six-month period as of the acquisition date of July 1, 2013 and ending on December 31, 2013, BCHMW's fiscal year end.

The transaction has been accounted for as an acquisition in accordance with ASU 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions*. The assets of BCHMW have been adjusted to fair value as of July 1, 2013, the acquisition date.

The total amount the Group paid to acquire BCHMW was approximately \$21,133,000. The fair value of fixed assets acquired as of July 1, 2013 was approximately \$5,500,000. None of the outstanding liabilities of BCHMW were obtained as a result of the acquisition. In addition, the Group employed the physicians and certain staff formerly with HCM. The residual purchase price of \$15,633,000 was allocated to goodwill. The recorded amounts of goodwill from business combinations are based on management's best estimates of fair values of assets acquired at the date of acquisition. It has been determined that no impairment exists for the Group's goodwill. It is reasonably possible that management's estimates of the carrying amount of goodwill could change in the near term.

The amount of BCHMW's revenue for the six-month period ended December 31, 2013 that is included in the Bronson consolidated financial statements is \$18,148,000. The amount of BCHMW's excess of revenue over expenses for the six-month period ended December 31, 2013 that is included in the Bronson consolidated financial statements is a loss of \$6,536,000. It is impractical to determine the amount of BCHMW's excess of revenue over expenses for the 12-month periods ended December 31, 2013 and 2012.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

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.

The Group routinely invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these investments is minimal.

Investments - The majority of the Group's cash equivalents and investments are maintained in a pooled investment fund held by the Group. 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.

Investment income or loss (including realized gains and losses on investments, interest, dividends, and unrealized gains and losses on investments) is included in excess of revenue over expenses 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 Group; instead, they represent point-in-time estimates that might not be particularly relevant in predicting the Group's future earnings on cash flows. All financial instruments held or issued by the Group are considered trading.

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 Group 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.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

For receivables associated with services provided to patients who have third-party coverage, the Group 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 Group 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. Amounts required to meet current liabilities of the Group have been reclassified in the consolidated balance sheet. Assets limited as to use also include assets temporarily restricted or permanently restricted by donor.

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.

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

Professional and Other Liability Insurance - The Group and subsidiaries accrue 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.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

Classification of Net Assets - Net assets of the Group are classified as permanently restricted, temporarily restricted, or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Group's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Net Patient Service Revenue - The Group 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 Group 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 Group's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Group 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 period from these major payor sources, is as follows.

	Third-party Payors	Self-pay (in thousands)	Total All Payors
Patient service revenue (net of contractual allowances and discounts):			
December 31, 2013	\$ 855,037	\$ 93,349	\$ 948,386
December 31, 2012	804,500	90,026	894,526

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.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

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.

Excess of Revenue Over Expenses - The consolidated statement of operations includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include net assets released from restrictions, pension-related changes other than net periodic benefit costs, and transfers to affiliates.

Charity Care - The Group 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 Group does not pursue collection of amounts determined to qualify as charity care, they are not reported as net revenue.

Tax Status - The Group is a nonprofit, tax-exempt organization and is exempt from federal income taxes on related income pursuant to Section 509(a)(3) of the Internal Revenue Code and, accordingly, no tax provision is reflected in the consolidated financial statements. The Group's for-profit subsidiaries are not incurring federal income tax expense because of available net operating loss carryovers. Due to the uncertainty of future taxable income, net deferred income tax assets have not been recognized. The Group's tax returns are not subject to examination by taxing authorities for years beginning prior to December 31, 2010.

The Group 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.

Basis of Presentation - All significant intercompany transactions and balances have been eliminated in consolidation.

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.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

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 Group may receive an incentive payment for up to four years, provided the Group 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 Group 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 Group's ongoing and central activities yet not critical to the delivery of patient service.

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

Goodwill - The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Annually, the Group assesses goodwill for impairment. No impairment charge was recognized in the year ended December 31, 2013. It is reasonably possible that management's estimates of the carrying amount of goodwill will change in the near term.

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 consolidated 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 consolidated balance sheet for estimated third-party payor settlements, net approximates its fair value.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 3 - Fair Value of Financial Instruments (Continued)

Long-term Debt - The carrying amount of the Group's long-term variable rate debt approximates its fair value. The fair value of the Group's fixed-rate tax-exempt bond obligations is determined by applying the yield of openly marketed bonds that have substantially the same characteristics as the Group's tax-exempt bonds. The determination of fair value of the tax-exempt bond obligations is consistent with a Level 2 measurement under the fair value hierarchy.

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

	Carrying Amount	Fair Value
	(in thousands)	
December 31, 2013 - Long-term debt	\$ 373,027	\$ 377,129
December 31, 2012- Long-term debt	\$ 380,742	\$ 408,780

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated 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 Group'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 Group to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Group 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 Group's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - Fair Value Measurements (Continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2013 (Amounts 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, assets limited as to use, and long-term investments				
Money market funds	\$ 21,193	\$ -	\$ -	\$ 21,193
Common and preferred stock				
Various industries	9,905	-	-	9,905
Industrials	14,954	-	-	14,954
Consumer discretionary	24,829	-	-	24,829
Consumer staples	22,687	-	-	22,687
Energy	17,471	-	-	17,471
Financial	46,403	-	-	46,403
Materials	16,447	-	-	16,447
Information technology	23,356	-	-	23,356
Utilities	10,318	-	-	10,318
Health care	18,561	-	-	18,561
Telecommunication services	3,130	-	-	3,130
Domestic mutual funds	2,341	-	-	2,341
Treasury bonds	64,785	-	-	64,785
Government and government agency bonds	-	35,100	-	35,100
Corporate securities	-	72,869	-	72,869
Other	-	48,913	-	48,913
	<u>\$ 296,380</u>	<u>\$ 156,882</u>	<u>\$ -</u>	<u>\$ 453,262</u>
Total investments, assets limited as to use, and long-term investments				
	<u>\$ 296,380</u>	<u>\$ 156,882</u>	<u>\$ -</u>	<u>\$ 453,262</u>
Liabilities - Interest rate swaps				
	<u>\$ -</u>	<u>\$ 9,928</u>	<u>\$ -</u>	<u>\$ 9,928</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - Fair Value Measurements (Continued)

A reconciliation of investments, assets limited as to use, and long-term investments from the above table to the consolidated balance sheet is presented below for the year ended December 31, 2013 (amounts in thousands):

Investments	\$ 344,002
Assets limited as to use:	
Internally designated for capital improvements	16,169
Funds held for payment of employee benefits	50,652
Funds held for payment of professional liability claims	23,370
Other	<u>7,051</u>
Total assets limited as to use	97,242
Long-term investments	<u>12,018</u>
Total investments, assets limited as to use, and long-term investments	<u>\$ 453,262</u>

The fair value of the various bonds, corporate securities, and other securities was determined primarily based on Level 2 inputs. The Group 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 Group's custodial banks.

The Group's policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - Fair Value Measurements (Continued)

The fair value of the interest rate swap liability was determined primarily based on Level 2 inputs. The Group 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.

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2012 (Amounts 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, assets limited as to use, and long-term investments				
Money market funds	\$ 44,241	\$ -	\$ -	\$ 44,241
Common and preferred stock				
Various industries	510	-	-	510
Industrials	10,083	-	-	10,083
Consumer discretionary	17,299	-	-	17,299
Consumer staples	20,036	-	-	20,036
Energy	13,490	-	-	13,490
Financial	38,195	-	-	38,195
Materials	12,604	-	-	12,604
Information technology	18,481	-	-	18,481
Utilities	14,028	-	-	14,028
Health care	13,501	-	-	13,501
Telecommunication services	2,306	-	-	2,306
Domestic mutual funds	20,209	-	-	20,209
International mutual funds	49	-	-	49
Treasury bonds	-	64,971	-	64,971
Government and government agency bonds	-	40,723	-	40,723
Corporate securities	-	55,615	-	55,615
Other	-	45,225	-	45,225
Total investments, assets limited as to use, and long-term investments	\$ 225,032	\$ 206,534	\$ -	\$ 431,566
Liabilities - Interest rate swaps				
	\$ -	\$ 17,245	\$ -	\$ 17,245

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - Fair Value Measurements (Continued)

A reconciliation of investments, assets limited as to use, and long-term investments from the above table to the consolidated balance sheet is presented below for the year ended December 31, 2012 (amounts in thousands):

Investments	\$ 321,031
Assets limited as to use:	
Internally designated for capital improvements	16,169
Funds held for payment of employee benefits	42,586
Funds held for payment of professional liability claims	20,408
Other	<u>20,397</u>
Total assets limited as to use	99,560
Long-term investments	<u>10,975</u>
Total investments, assets limited as to use, and long-term investments	<u>\$ 431,566</u>

Investment income and gains and losses are comprised of the following for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
	(in thousands)	
Net investment gain	\$ 16,194	\$ 13,329
Change in net unrealized gains on investments	<u>39,475</u>	<u>14,927</u>
Total	<u>\$ 55,669</u>	<u>\$ 28,256</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 5 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2013	2012
	(in thousands)	
Patient accounts receivable	\$ 286,404	\$ 285,922
Less:		
Allowance for uncollectible accounts	(38,438)	(30,343)
Allowance for contractual adjustments	(121,534)	(131,787)
Net patient accounts receivable	126,432	123,792
Other	11,229	10,150
Total accounts receivable	<u>\$ 137,661</u>	<u>\$ 133,942</u>

The Group 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	24
Blue Cross/Blue Shield of Michigan	13	15
Medicaid	19	20
Commercial insurance	25	24
Self-pay	20	17
Total	<u>100</u>	<u>100</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Estimated Third-party Payor Settlements

A significant amount of the Group's net patient service revenue is received from the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs. Subsidiaries of the Group have 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 is as 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. Inpatient psychiatric and substance abuse services are reimbursed at cost subject to a per case limit. 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.
- **Medicaid** - Inpatient 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 Group has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The bases for reimbursement to the Group 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 Group is unable to determine the extent of liability for overpayments or underpayments found in an audit. The potential exists for significant overpayments or underpayments of claims liability for the Group at a future date.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 7 - Charity Care

In support of its mission, the Group 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 Group's total expenses divided by gross patient service revenue.

The estimated amounts of charity care are as follows:

	2013	2012
	(in thousands)	
Charity care - At cost	\$ 22,666	\$ 21,320

Other uncompensated care represents the provisions for uncollectible accounts which represent services rendered to uninsured and underinsured patients. Other uncompensated care at gross charges totaled approximately \$71,332,000 and \$40,633,000 at December 31, 2013 and 2012, respectively.

Note 8 - Property and Equipment

Cost of property, plant and equipment are summarized as follows:

	2013	2012
	(in thousands)	
Land	\$ 26,142	\$ 26,546
Buildings and improvements	516,629	487,931
Equipment	376,213	348,749
Construction in progress	15,553	14,254
Total cost	934,537	877,480
Accumulated depreciation	(476,331)	(429,193)
Net property and equipment	\$ 458,206	\$ 448,287

Depreciation and amortization expense on property and equipment totaled approximately \$56,644,000 and \$54,142,000 in 2013 and 2012, respectively.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 8 - Property and Equipment (Continued)

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 \$2,400,000 and \$1,365,000, respectively.

Note 9 - Accrued Liabilities

The detail of accrued liabilities is given below:

	2013	2012
	(in thousands)	
Compensation and payroll taxes	\$ 26,254	\$ 17,266
Compensated paid time off	19,302	19,241
Accrued interest	2,215	1,969
Other	27,637	23,874
Total accrued liabilities	<u>\$ 75,408</u>	<u>\$ 62,350</u>

Note 10 - Long-term Debt

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

	2013	2012
	(in thousands)	
City of Kalamazoo Hospital Finance Authority Variable Rate Hospital Revenue Improvement Bonds - Series 2006	\$ 70,755	\$ 72,175
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding Bonds - Series 2003	70,370	74,620
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding and Improvement Bonds - Series 2010	114,055	114,190
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding and Improvement Bonds - Series 2011A tax-exempt bonds	22,280	22,685

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 10 - Long-term Debt (Continued)

	2013	2012
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding and Improvement Bonds - Series 2011B taxable bonds	\$ 79,000	\$ 79,000
Bronson Lifestyle Improvement and Research Center Co. Loan Program Notes	11,420	12,430
Other	785	1,025
Total	368,665	376,125
Plus net unamortized premium	4,362	4,617
Less current portion	7,693	7,353
Long-term portion	<u>\$ 365,334</u>	<u>\$ 373,389</u>

In October 2011, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue (Bronson Healthcare Group), Series 2011A (tax-exempt), totaling \$22,900,000, and 2011B (taxable), totaling \$79,000,000. The proceeds of the bonds were used to finance the acquisition of a controlling interest in Battle Creek Health System, the costs of acquiring Lifespan, Inc., and the acquisition, construction, furnishing, and equipping of a nursing home. The 2011A bonds consist of fixed-rate term bonds with an interest rate ranging from 3.00 percent to 4.00 percent, with annual maturities ranging from \$420,000 in 2014 to \$1,435,000 in 2041, and term bonds ranging in amounts from \$3,065,000 in 2026 to \$9,665,000 in 2041. The term bonds bear interest at rates ranging from 4.50 percent in 2026 to 5.25 percent in 2041. The 2011B bonds consist of fixed-rate term bonds with an interest rate of 3.125 percent, with annual mandatory sinking fund payments ranging from \$14,845,000 in 2037 to \$16,785,000 in 2041. The bonds are secured by the gross revenue of the Group.

As part of the 2011 bond issuance, the Obligated Group was established, which includes Bronson Healthcare Group, Bronson LakeView Hospital, Bronson Commons, Lifespan, Inc., and VBEMS, Inc. On November 15, 1985, the BMH Obligated Group was established, with Bronson Methodist Hospital as its sole member. On the date of issuance of the Series 2011 bonds, in accordance with the terms of the BMH Master Indenture and pursuant to the Supplemental Indenture Number 1 to the Master Indenture, dated as of November 1, 2011, the BMH Obligated Group was merged into the Obligated Group, and Bronson Methodist Hospital became a member of the Obligated Group established pursuant to the Master Indenture. Upon the merger of the BMH Obligated Group into the Obligated Group, the BMH Master Indenture was terminated and discharged.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 10 - Long-term Debt (Continued)

In September 2010, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue and Refunding Bonds (Bronson Methodist Hospital), Series 2010, totaling \$114,260,000. The proceeds of the bonds were used to refund the City of Kalamazoo Hospital Revenue Refunding Bonds - Series 1998 and 2009, provide funding for certain capital projects within the Hospital, and terminate interest rate swaps related to the 1998 and 2006 series. At the same time, the Hospital converted the mode of the 2006 bonds from variable rate to fixed rate. The 2010 bonds consist of fixed-rate term bonds with interest rates ranging from 4.25 percent 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 Bronson Methodist Hospital.

In June 2006, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue Bonds (Bronson Methodist Hospital), Series 2006, totaling \$75,000,000. In September 2010, the 2006 bonds were converted from variable rates to a fixed rate. The 2006 bonds consist of serial bonds with interest rates ranging from 3.00 percent 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. Bronson Methodist Hospital has mandatory annual sinking fund payments on the term bonds. The bonds are secured by the gross revenue of Bronson Methodist 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 5.0 percent 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 Bronson Methodist Hospital.

In August 2000, Bronson Lifestyle Improvement and Research Center Co. issued \$19,600,000 of loan program notes. Proceeds of these notes were used to finance a construction project. The notes bear interest as determined by the remarketing agent (.23 percent and .30 percent at December 31, 2013 and 2012, respectively) and are to be paid in annual amounts ranging from \$1,090,000 in 2014 to \$1,815,000 in 2021.

Bronson Lifestyle Improvement and Research Center Co. obtained a letter of credit in conjunction with its 2000 debt issue. In the event of a failed remarketing, an advance would be made under the letter of credit. Advances under the letter of credit must be repaid within 367 days of the advance. The letter of credit expires September 15, 2018.

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

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 10 - Long-term Debt (Continued)

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

2014	\$	7,693
2015		8,093
2016		8,526
2017		8,954
2018		9,427
Thereafter		<u>325,972</u>
Total	\$	<u>368,665</u>

Note 11 - Interest Rate Swap Agreement

The Group has an 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 consolidated balance sheet at their fair value. The swap is not considered to be a hedge of cash flow in accordance with accounting standards. Accordingly, changes in the fair value of the swap agreement are reported as a component of excess of revenue over expenses, as well as any settlements on the interest rate swap.

At December 31, 2013, Bronson Methodist 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, Bronson Methodist Hospital had the following interest rate swap agreements:

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

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 11 - Interest Rate Swap Agreement (Continued)

Under the terms of the ISDA master agreement, the Group 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 Group was not required to post collateral as of December 31, 2013 and 2012.

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 consolidated balance sheet.

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

	Amount of Gain Recognized in Earnings (in thousands)		Reported in Statement of Operations as
	2013	2012	
Change in fair value of interest rate swaps	\$ 7,323	\$ 567	Nonoperating income

Note 12 - Pension and Other Postretirement Benefit Plans

The Group has two noncontributory defined benefit pension plans that together covers substantially all of its employees. The plans provide defined benefits based on a participant's years of service and compensation during the last 10 years of employment.

The Group also has a postretirement defined benefit plan that provides healthcare and life insurance benefits, subject to a per-employee-lifetime limit, for all active employees in the plan, substantially all retired employees, and for certain other inactive employees. These benefit arrangements may be subject to change, and the effects of these changes, together with actuarial gains and losses, will be recognized prospectively. The Group has assets designated to fund other postretirement benefits of approximately \$26,896,000 and \$23,496,000 for the years ended December 31, 2013 and 2012, respectively. These assets are included in funds held for payment of employee benefits on the consolidated balance sheet.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The Bronson Healthcare Group Pension Plan covering substantially all employees of the Group was frozen effective December 31, 2013. No additional benefits will accrue for employees covered by this plan. In addition, no new participants will be eligible to participate in the Plan.

As a result of the Group's acquisition of Bronson Battle Creek (BBC) during 2011, Bronson Battle Creek assumed the existing defined benefit pension plan obligation for the employees of BBC that participated in the defined benefit pension plan sponsored by Trinity Health. The defined benefit pension plan obligation specific to the BBC's employees under the Trinity plan was determined and transferred to a new defined benefit pension plan. The former Trinity plan has been frozen. Activity and funded status of the plan are included in the tables below as BBC-2013 and BBC-2012.

Starting July 1, 2011, employees of BBC were eligible to participate in the Group's plan prior to the freeze of the Group's plan discussed above.

The funded status and accrued pension and postretirement expense of the defined benefit plans as of December 31, 2013 and 2012 are summarized below:

Obligations and Funded Status

	Pension Benefits				Other Postretirement Benefits	
	2013	2012	BBC - 2013	BBC - 2012	2013	2012
	(in thousands)				(in thousands)	
Change in benefit obligation						
Benefit obligation at beginning of year	\$ 270,809	\$ 213,624	\$ 125,035	\$ 110,459	\$ 64,931	\$ 60,439
Service cost	17,513	13,333	-	-	1,539	1,592
Interest cost	11,639	11,359	5,314	5,594	2,109	2,596
Curtailments	(17,958)	2,093	(634)	-	-	-
Actuarial (gain) loss	(29,779)	35,275	(11,089)	12,491	(23,029)	1,235
Benefits paid	(9,820)	(4,875)	(5,679)	(3,509)	(976)	(931)
Benefit obligation at end of year	242,404	270,809	112,947	125,035	44,574	64,931
Change in plan assets						
Fair value of plan assets at beginning of year	184,635	157,114	95,930	93,000	-	-
Actual return on plan assets	27,384	15,996	13,846	6,379	-	-
Employer contributions	16,400	16,400	-	60	976	931
Benefits paid	(9,819)	(4,875)	(5,680)	(3,509)	(976)	(931)
Fair value of plan assets at end of year	218,600	184,635	104,096	95,930	-	-
Funded status at end of year	\$ (23,804)	\$ (86,174)	\$ (8,851)	\$ (29,105)	\$ (44,574)	\$ (64,931)

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

Amounts recognized in changes in net assets consist of the following:

	Pension Benefits				Postretirement Benefits	
	2013	2012	BBC - 2013	BBC - 2012	2013	2012
	(in thousands)				(in thousands)	
Net loss	\$ 47,001	\$ 117,877	\$ 5,294	\$ 13,520	\$ -	\$ 22,840
Prior service (credit) cost	-	(1,105)	-	-	(421)	315
Total	\$ 47,001	\$ 116,772	\$ 5,294	\$ 13,520	\$ (421)	\$ 23,155

Components of Net Periodic Benefit Cost

	Pension Benefits				Other Postretirement Benefits	
	2013	2012	BBC - 2013	BBC - 2012	2013	2012
	(in thousands)				(in thousands)	
Net periodic benefit cost						
Service cost	\$ 17,513	\$ 13,333	\$ -	\$ -	\$ 1,539	\$ 1,592
Interest cost	11,638	11,359	5,315	5,594	2,109	2,596
Expected return on plan assets	(13,944)	(14,013)	(6,777)	(7,269)	-	-
Amortization of prior service (credit) cost	(1,802)	(1,598)	-	-	315	315
Curtailment change	698	-	-	-	-	-
Amortization of net loss	9,698	6,438	390	-	232	555
Total	\$ 23,801	\$ 15,519	\$ (1,072)	\$ (1,675)	\$ 4,195	\$ 5,058

Assumptions

Weighted Average Assumptions Used to Determine Benefit Obligations at December 31

	Pension Benefits				Other Postretirement Benefits	
	2013	2012	BBC - 2013	BBC - 2012	2013	2012
Discount rate	5.11 %	4.30 %	5.11 %	4.30 %	5.21 %	4.30 %
Rate of compensation increase		3.00		-	-	-

Weighted Average Assumptions Used to Determine Net Periodic Benefit Cost for Years Ended December 31

	Pension Benefits				Other Postretirement Benefits	
	2013	2012	BBC - 2013	BBC - 2012	2013	2012
Discount rate	4.30 %	5.32 %	4.30 %	5.32 %	4.30 %	5.32 %
Expected long-term return on plan assets	7.20	8.00	7.20	8.00	-	-
Rate of compensation increase	3.00	3.50		-	-	-

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The expected rate of return for the plans' total assets is based on the expected return of each of the categories of equities and fixed income. These categories are weighted based on the median of the target allocation for each class (equities - 60 percent and fixed income - 40 percent). Equity securities are expected to return 10 percent to 11 percent over the long term, while fixed income is expected to return between 4 percent to 6 percent. Based on historical experience, the committee expects that the plans' asset managers will provide a modest (0.0 percent to 1.0 percent per annum) premium to their respective market benchmark indices.

Plan Assets

	Percent	
	2013	2012
Asset category:		
Equity securities	48	40
Debt securities	24	23
Government securities	24	31
Cash and money market investments	4	6
Total	100	100

Investment Policies and Strategies

The plans' assets are invested in an actively managed diversified portfolio that integrates asset allocation strategies across the equity and debt market globally. The portfolio's objective is to maximize total return, consisting of current income and capital appreciation, without assuming undue risk. Active asset allocation strategies are followed, which increase or decrease investments in equity and debt markets based upon ongoing fundamental analysis. The active management process combines judgments about the value of the stock and bond markets and the relative value of a wide variety of securities within these markets. Consideration is given to various variables, including productivity, inflation, global competitiveness, and risk. The Group's objective is to have 60 percent invested in equity securities and 40 percent invested in fixed income.

Contributions

The Group expects to contribute \$5,000,000 to its pension plan in 2014.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (amounts in thousands):

Years Ending December 31	Pension Benefits	Pension Benefits - Bronson Battle Creek	Other Postretirement Benefits
2014	\$ 6,791	\$ 4,381	\$ 1,163
2015	7,661	4,710	1,262
2016	8,630	5,119	1,423
2017	9,713	5,583	1,581
2018	10,802	5,981	1,759
2019-2023	67,691	35,563	10,790

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Group 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 in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

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.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The fair values of the Group's pension plan assets at December 31, 2013 by major asset categories are as follows (amounts in thousands):

Pension Plan Assets

Asset Category	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
Money market funds	\$ 8,992	\$ -	\$ -	\$ 8,992
Common and preferred stock - Various industries	5,560	-	-	5,560
Common and preferred stock - Industrials	7,595	-	-	7,595
Common and preferred stock - Consumer discretionary	14,373	-	-	14,373
Common and preferred stock - Consumer staples	9,856	-	-	9,856
Common and preferred stock - Energy	8,410	-	-	8,410
Common and preferred stock - Financial	22,710	-	-	22,710
Common and preferred stock - Materials	8,297	-	-	8,297
Common and preferred stock - Information technology	12,013	-	-	12,013
Common and preferred stock - Utilities	5,251	-	-	5,251
Common and preferred stock - Health care	9,517	-	-	9,517
Common and preferred stock - Telecommunication services	1,593	-	-	1,593
Treasury bonds	-	36,908	-	36,908
Government and government agency bonds	-	3,336	-	3,336
Mortgage bonds	-	11,525	-	11,525
Corporate securities	-	38,602	-	38,602
Other securities	-	14,062	-	14,062
Total	\$ 114,167	\$ 104,433	\$ -	\$ 218,600

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The fair values of the Group's pension plan assets at December 31, 2012 by major asset categories are as follows (amounts in thousands):

Pension Plan Assets

Asset Category	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
Money market funds	\$ 11,029	\$ -	\$ -	\$ 11,029
Common and preferred stock - Various industries	2,699	-	-	2,699
Common and preferred stock - Industrials	4,126	-	-	4,126
Common and preferred stock - Consumer discretionary	8,211	-	-	8,211
Common and preferred stock - Consumer staples	9,614	-	-	9,614
Common and preferred stock - Energy	6,698	-	-	6,698
Common and preferred stock - Financial	18,128	-	-	18,128
Common and preferred stock - Materials	6,351	-	-	6,351
Common and preferred stock - Information technology	8,788	-	-	8,788
Common and preferred stock - Utilities	7,226	-	-	7,226
Common and preferred stock - Health care	6,266	-	-	6,266
Common and preferred stock - Telecommunication services	1,188	-	-	1,188
Domestic mutual funds	-	734	-	734
Treasury bonds	-	28,740	-	28,740
Government and government agency bonds	-	18,578	-	18,578
Corporate securities	-	25,506	-	25,506
Other securities	-	20,753	-	20,753
Total	\$ 90,324	\$ 94,311	\$ -	\$ 184,635

The fair value of the various bonds, corporate securities, and other securities was determined primarily based on Level 2 inputs. The Group 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 Group's custodial banks.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The fair values of Bronson Battle Creek's pension plan assets at December 31, 2013 and 2012 by major asset categories are as follows (amounts in thousands):

Pension Plan Assets

Fair Value Measurements at December 31, 2013

Asset Category	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
Money market funds	\$ 4,596	\$ -	\$ -	\$ 4,596
Common and preferred stock - General (unclassified)	1,126	-	-	1,126
Common and preferred stock - Industrials	3,667	-	-	3,667
Common and preferred stock - Consumer discretionary	5,751	-	-	5,751
Common and preferred stock - Consumer staples	5,312	-	-	5,312
Common and preferred stock - Energy	3,745	-	-	3,745
Common and preferred stock - Financial	10,796	-	-	10,796
Common and preferred stock - Materials	3,731	-	-	3,731
Common and preferred stock - Information technology	5,320	-	-	5,320
Common and preferred stock - Utilities	2,536	-	-	2,536
Common and preferred stock - Health care	4,522	-	-	4,522
Common and preferred stock - Telecommunication services	809	-	-	809
Treasury bonds	-	16,633	-	16,633
Government and government agency bonds	-	2,368	-	2,368
Corporate securities	-	22,482	-	22,482
Mortgages	-	4,642	-	4,642
Other fixed income	-	6,060	-	6,060
Total	<u>\$ 51,911</u>	<u>\$ 52,185</u>	<u>\$ -</u>	<u>\$ 104,096</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

Fair Value Measurements at December 31, 2012

Asset Category	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
Money market funds	\$ 6,308	\$ -	\$ -	\$ 6,308
Common and preferred stock - General (unclassified)	1,338	-	-	1,338
Common and preferred stock - Industrials	2,127	-	-	2,127
Common and preferred stock - Consumer discretionary	4,677	-	-	4,677
Common and preferred stock - Consumer staples	4,772	-	-	4,772
Common and preferred stock - Energy	3,095	-	-	3,095
Common and preferred stock - Financial	9,686	-	-	9,686
Common and preferred stock - Materials	3,345	-	-	3,345
Common and preferred stock - Information technology	4,500	-	-	4,500
Common and preferred stock - Utilities	3,487	-	-	3,487
Common and preferred stock - Health care	2,894	-	-	2,894
Common and preferred stock - Telecommunication services	645	-	-	645
Treasury bonds	-	15,819	-	15,819
Government and government agency bonds	-	3,093	-	3,093
Corporate securities	-	13,978	-	13,978
Mortgages	-	5,347	-	5,347
Corporate securities	-	10,819	-	10,819
Total	\$ 46,874	\$ 49,056	\$ -	\$ 95,930

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 13 - Professional Liability Self-insurance

The Group 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. The Group maintains a self-insurance program for its primary layer of claims-made basis liabilities, as well as umbrella claims-made basis insurance coverage. 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 their term but reported subsequently will be uninsured. In connection with this self-insurance program, the Group established a revocable trust for the purpose of setting aside assets to provide for potential claims based on actuarially determined funding recommendations.

Although the Group 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, which is included in other long-term liabilities. Management's provision for professional liability claims totaled approximately \$8,967,000 and \$14,145,000 at December 31, 2013 and 2012, respectively. Management recorded an estimate for insurance recoveries totaling \$2,000,000 and \$2,500,000 at December 31, 2013 and 2012, respectively. Management believes, after considering legal counsel's evaluations of all action and claims, that insurance coverage and accruals for estimated losses generally are adequate to cover expected settlements.

Note 14 - Functional Expenses

The Group 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:

	2013	2012
	(in thousands)	
Healthcare services	\$ 843,697	\$ 783,112
General and administrative	93,801	91,930
Total	<u>\$ 937,498</u>	<u>\$ 875,042</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 15 - Related Party Transactions

Investments in joint ventures, primarily the West Michigan Cancer Center (WMCC), the Western Michigan University School of Medicine (WMed) (formerly Michigan State University/Kalamazoo Center for Medical Studies (MSU/KCMS), West Michigan Air Care (WMAC), Hospital Network, Inc. (HNI), Bronson Advanced Radiology Services (BARS), Regional Medical Lab of Battle Creek (RML), and Integrated Health Partners of Battle Creek (IHP), that are not majority owned are recorded using the equity method. Equity in earnings or losses of such joint ventures is included in other revenue in the consolidated statement of operations and amounted to gains of \$3,424,000 and \$4,339,000 in 2013 and 2012, respectively. During 2012, MSU/KCMS merged with WMed, which resulted in Bronson Methodist 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 Bronson Methodist Hospital. Revenue billed to Bronson Methodist Hospital 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 Bronson Methodist 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.

During 2003, West Michigan Air Care, a 50 percent-owned joint venture, obtained financing in the form of Michigan State Hospital Finance Authority Healthcare Equipment Loan Program Bonds for approximately \$5,870,000. The Group has guaranteed 50 percent of all outstanding obligations of West Michigan Air Care. As of December 31, 2013 and 2012, the outstanding obligations of West Michigan Air Care totaled approximately \$1,570,000 and \$1,919,000, respectively.

During 2012, BARS obtained financing in the form of a loan from a financial institution in the amount of \$6 million. The Group has guaranteed the outstanding obligation of BARS.

Additional Information

Independent Auditor's Report on Additional Information

To the Board of Directors
Bronson Healthcare Group

We have audited the consolidated financial statements of Bronson Healthcare Group, Inc. and Subsidiaries as of and for the years ended December 31, 2013 and 2012. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information in the accompanying schedules, as listed in the table of contents, is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

April 14, 2014



Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet December 31, 2013 (amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 12,236	\$ 60,989	\$ -	\$ 73,225
Investments	14,088	329,914	-	344,002
Accounts receivable	8,705	136,904	(7,948)	137,661
Estimated third-party payor settlements	-	716	-	716
Prepaid expenses and other current assets	4,793	16,959	-	21,752
Total current assets	39,822	545,482	(7,948)	577,356
Assets Limited as to Use	53,365	43,877	-	97,242
Property and Equipment - Net	47,230	410,976	-	458,206
Goodwill	-	15,633	-	15,633
Other Assets				
Investment in joint venture	250,472	116,824	(337,684)	29,612
Bond issue costs	1,224	2,854	-	4,078
Long-term investments	11,106	912	-	12,018
Other noncurrent assets	-	3,337	-	3,337
Total assets	<u>\$ 403,219</u>	<u>\$ 1,139,895</u>	<u>\$ (345,632)</u>	<u>\$ 1,197,482</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet (Continued)

December 31, 2013

(amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Liabilities, Net Assets, and Equity				
Current Liabilities				
Accounts payable	\$ 3,050	\$ 21,418	\$ (7,948)	\$ 16,520
Accrued liabilities and other	21,697	53,711	-	75,408
Current portion of long-term debt	1,191	6,502	-	7,693
Estimated third-party payor settlements	-	29,980	-	29,980
Total current liabilities	25,938	111,611	(7,948)	129,601
Long-term Debt - Net of current portion	94,519	270,815	-	365,334
Fair Value of Interest Rate Swap Agreement	-	9,928	-	9,928
Other Liabilities				
Pension	23,804	8,851	-	32,655
Accrued postretirement benefit obligations	44,574	-	-	44,574
Other long-term liabilities	12,666	23,107	-	35,773
Total liabilities	201,501	424,312	(7,948)	617,865
Stockholders' Equity	33,923	197,677	(231,600)	-
Net Assets				
Unrestricted	164,477	611,283	(268,426)	507,334
Accumulated deficit	(3,676)	(95,554)	99,230	-
Temporarily restricted	1,111	1,406	-	2,517
Permanently restricted	5,883	215	-	6,098
Noncontrolling interest in consolidated subsidiaries	-	556	63,112	63,668
Total liabilities, net assets, and equity	<u>\$ 403,219</u>	<u>\$ 1,139,895</u>	<u>\$ (345,632)</u>	<u>\$ 1,197,482</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Operations Year Ended December 31, 2013 (amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Operating Revenue				
Net patient service revenue	\$ -	\$ 948,386	\$ -	\$ 948,386
Provision for bad debts	-	(73,159)	-	(73,159)
Net patient service revenue	-	875,227	-	875,227
Investment income	2,992	13,202	-	16,194
Other	19,638	33,040	(14,559)	38,119
Net assets released from restrictions	159	128	-	287
Total operating revenue	22,789	921,597	(14,559)	929,827
Operating Expenses				
Salaries and wages	4,492	412,750	(4,591)	412,651
Employee benefits and payroll taxes	18,459	108,576	-	127,035
Other	3,899	328,842	(9,968)	322,773
Depreciation and amortization	2,455	54,189	-	56,644
Interest expense	3,110	15,285	-	18,395
Total operating expenses	32,415	919,642	(14,559)	937,498
Operating (Loss) Income	(9,626)	1,955	-	(7,671)
Nonoperating Income	7,207	39,591	-	46,798
Excess of Revenue (Under) Over Expenses	(2,419)	41,546	-	39,127
Capital Contribution from Affiliate	1,300	11,660	(12,960)	-
Transfer from (to) Affiliate	26,700	(26,700)	-	-
Other	-	(436)	-	(436)
Inherent Contribution from Bronson HealthCare Midwest	-	21,133	(21,133)	-
Pension-related Changes Other Than Net Periodic Benefit Cost	93,260	19,181	-	112,441
Net Assets Released from Restriction	-	198	-	198
Increase (Decrease) in Unrestricted Net Assets	\$ 118,841	\$ 66,582	\$ (34,093)	\$ 151,330

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Changes in Net Assets and Stockholders' Equity

December 31, 2013

(amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Unrestricted Net Assets				
Excess of revenue (under) over expenses	\$ (2,419)	\$ 41,546	\$ -	\$ 39,127
Inherent contribution from acquisition of Bronson HealthCare Midwest	-	21,133	(21,133)	-
Other	-	(436)	-	(436)
Transfer from (to) affiliate	26,700	(26,700)	-	-
Capital contribution from affiliate	1,300	11,660	(12,960)	-
Pension-related changes other than net periodic benefit cost	93,260	19,181	-	112,441
Net assets released from restriction	-	198	-	198
Increase (Decrease) in Unrestricted Net Assets	118,841	66,582	(34,093)	151,330
Temporarily Restricted Net Assets				
Restricted contributions	553	354	-	907
Restricted investment income	-	63	-	63
Net assets released from restriction	(159)	(326)	-	(485)
Increase in Temporarily Restricted Net Assets	394	91	-	485
Permanently Restricted Net Assets -				
Restricted contributions	24	-	-	24
Increase (Decrease) in Net Assets and Stockholders' Equity	119,259	66,673	(34,093)	151,839
Net Assets and Stockholders' Equity - Beginning of year	82,459	648,910	(303,591)	427,778
Net Assets and Stockholders' Equity - End of year	\$ 201,718	\$ 715,583	\$ (337,684)	\$ 579,617

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Operations and Development Group

December 31, 2013

(amounts in thousands)

	Bronson Healthcare Group, Inc	Bronson Properties Corporation	Bronson Health Foundation, Inc	Bronson Lifestyle Improvement and Research Center	Bronson Staffing Services, Inc	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 8,393	\$ 303	\$ 2,470	\$ 471	\$ 599	\$ 12,236
Investments	12,913	-	-	215	960	14,088
Accounts receivable	8,219	7	110	369	-	8,705
Prepaid expenses and other current assets	4,320	344	-	129	-	4,793
Total current assets	33,845	654	2,580	1,184	1,559	39,822
Assets Limited as to Use	53,365	-	-	-	-	53,365
Property and Equipment - Net	7,786	25,259	-	14,181	4	47,230
Other Assets						
Investment in joint venture	250,472	-	-	-	-	250,472
Bond issue costs	1,142	-	-	82	-	1,224
Long-term investments	-	-	11,106	-	-	11,106
Total assets	<u>\$ 346,610</u>	<u>\$ 25,913</u>	<u>\$ 13,686</u>	<u>\$ 15,447</u>	<u>\$ 1,563</u>	<u>\$ 403,219</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Operations and Development Group (Continued)

December 31, 2013

(amounts in thousands)

	Bronson Healthcare Group, Inc	Bronson Properties Corporation	Bronson Health Foundation, Inc	Bronson Lifestyle Improvement and Research Center	Bronson Staffing Services, Inc	Total
Liabilities, Net Assets, and Equity						
Current Liabilities						
Accounts payable	\$ 2,854	\$ 119	\$ 8	\$ 69	\$ -	\$ 3,050
Accrued liabilities and other	20,629	460	-	440	168	21,697
Current portion of long-term debt	101	-	-	1,090	-	1,191
Total current liabilities	23,584	579	8	1,599	168	25,938
Long-term Debt - Net of current portion	84,189	-	-	10,330	-	94,519
Other Liabilities						
Pension	23,804	-	-	-	-	23,804
Accrued postretirement benefit obligations	44,574	-	-	-	-	44,574
Other long-term liabilities	12,666	-	-	-	-	12,666
Total liabilities	188,817	579	8	11,929	168	201,501
Stockholders' Equity	-	31,143	-	2,610	170	33,923
Net Assets						
Unrestricted	157,793	-	6,684	-	-	164,477
Accumulated deficit	-	(5,809)	-	908	1,225	(3,676)
Temporarily restricted	-	-	1,111	-	-	1,111
Permanently restricted	-	-	5,883	-	-	5,883
Total liabilities, net assets, and equity	<u>\$ 346,610</u>	<u>\$ 25,913</u>	<u>\$ 13,686</u>	<u>\$ 15,447</u>	<u>\$ 1,563</u>	<u>\$ 403,219</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Healthcare Services Group

December 31, 2013

(amounts in thousands)

	Bronson Methodist Hospital	Bronson Medical Group	Bronson Management Services Corporation	Bronson LakeView Hospital	Van Buren Emergency Medical Services	Bronson Commons	Bronson Battle Creek Hospital	Lifespan, Inc	Bronson HealthCare Midwest	Total
Assets										
Current Assets										
Cash and cash equivalents	\$ 44,100	\$ 1,443	\$ 8	\$ 230	\$ 2,604	\$ (582)	\$ 12,064	\$ 1,122	\$ -	\$ 60,989
Investments	283,540	-	-	1,740	1,566	-	43,068	-	-	329,914
Accounts receivable	100,270	3,203	-	8,258	216	2,098	14,629	2,930	5,300	136,904
Estimated third-party payor settlements	-	-	-	-	-	716	-	-	-	716
Prepaid expenses and other current assets	10,235	422	-	607	3	44	5,313	239	96	16,959
Total current assets	438,145	5,068	8	10,835	4,389	2,276	75,074	4,291	5,396	545,482
Assets Limited as to Use	19,054	19,887	776	-	-	-	1,624	2,536	-	43,877
Property and Equipment - Net	291,211	723	-	13,538	1,234	18,802	76,186	5,399	3,883	410,976
Goodwill	-	-	-	-	-	-	-	-	15,633	15,633
Other Assets										
Investment in joint venture	15,475	-	98,475	-	-	-	2,874	-	-	116,824
Bond issue costs	2,554	-	-	-	-	300	-	-	-	2,854
Long-term investments	-	-	-	-	-	-	-	912	-	912
Other noncurrent assets	854	-	-	-	-	504	1,979	-	-	3,337
Total assets	<u>\$ 767,293</u>	<u>\$ 25,678</u>	<u>\$ 99,259</u>	<u>\$ 24,373</u>	<u>\$ 5,623</u>	<u>\$ 21,882</u>	<u>\$ 157,737</u>	<u>\$ 13,138</u>	<u>\$ 24,912</u>	<u>\$ 1,139,895</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Healthcare Services Group (Continued)

December 31, 2013

(amounts in thousands)

	Bronson Methodist Hospital	Bronson Medical Group	Bronson Management Services Corporation	Bronson LakeView Hospital	Van Buren Emergency Medical Services	Bronson Commons	Bronson Battle Creek Hospital	Lifespan, Inc	Bronson HealthCare Midwest	Total
Liabilities, Net Assets, and Equity										
Current Liabilities										
Accounts payable	\$ 6,772	\$ 176	\$ 3	\$ 923	\$ 4	\$ 109	\$ 5,109	\$ 126	\$ 8,196	\$ 21,418
Accrued liabilities and other	36,247	1,914	1	3,112	130	104	9,012	1,072	2,119	53,711
Current portion of long-term debt	6,092	-	-	-	-	319	91	-	-	6,502
Estimated third-party payor settlements	24,052	-	-	3,307	-	322	2,299	-	-	29,980
Total current liabilities	73,163	2,090	4	7,342	134	854	16,511	1,198	10,315	111,611
Long-term Debt - Net of current portion	253,821	-	-	-	-	16,360	634	-	-	270,815
Fair Value of Interest Rate Swap Agreement	9,928	-	-	-	-	-	-	-	-	9,928
Other Liabilities										
Pension	-	-	-	-	-	-	8,851	-	-	8,851
Other long-term liabilities	1,543	19,944	776	-	6	-	838	-	-	23,107
Total liabilities	338,455	22,034	780	7,342	140	17,214	26,834	1,198	10,315	424,312
Stockholders' Equity	-	95,695	101,982	-	-	-	-	-	-	197,677
Net Assets										
Unrestricted	428,838	-	-	17,031	5,483	4,668	128,800	11,866	14,597	611,283
Accumulated deficit	-	(92,051)	(3,503)	-	-	-	-	-	-	(95,554)
Temporarily restricted	-	-	-	-	-	-	1,332	74	-	1,406
Permanently restricted	-	-	-	-	-	-	215	-	-	215
Noncontrolling interest in consolidated subsidiaries	-	-	-	-	-	-	556	-	-	556
Total liabilities, net assets, and equity	<u>\$ 767,293</u>	<u>\$ 25,678</u>	<u>\$ 99,259</u>	<u>\$ 24,373</u>	<u>\$ 5,623</u>	<u>\$ 21,882</u>	<u>\$ 157,737</u>	<u>\$ 13,138</u>	<u>\$ 24,912</u>	<u>\$ 1,139,895</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Operations - Operations and Development Group Year Ended December 31, 2013

(amounts in thousands)

	Bronson Healthcare Group, Inc	Bronson Properties Corporation	Bronson Health Foundation, Inc	Bronson Lifestyle Improvement and Research Center	Bronson Staffing Services, Inc	Total
Operating Revenue						
Investment income	\$ 2,465	\$ -	\$ 481	\$ 8	\$ 38	\$ 2,992
Other	2,842	7,001	325	4,847	4,623	19,638
Net assets released from restrictions	-	-	159	-	-	159
Total operating revenue	5,307	7,001	965	4,855	4,661	22,789
Operating Expenses						
Salaries and wages	(1,560)	40	-	1,959	4,053	4,492
Employee benefits and payroll taxes	18,054	-	-	4	401	18,459
Other	(6,144)	7,488	733	1,734	88	3,899
Depreciation and amortization	673	1,007	-	774	1	2,455
Interest expense	3,066	-	-	44	-	3,110
Total operating expenses	14,089	8,535	733	4,515	4,543	32,415
Operating (Loss) Income	(8,782)	(1,534)	232	340	118	(9,626)
Nonoperating Income - Change in unrealized investment gain	5,924	-	1,169	21	93	7,207
Excess of Revenue (Under) Over Expenses	(2,858)	(1,534)	1,401	361	211	(2,419)
Capital Contribution from Affiliate	-	850	-	450	-	1,300
Transfer from Affiliate	26,700	-	-	-	-	26,700
Pension-related Changes Other Than Net Periodic Benefit Cost	93,260	-	-	-	-	93,260
Increase (Decrease) in Unrestricted Net Assets	<u>\$ 117,102</u>	<u>\$ (684)</u>	<u>\$ 1,401</u>	<u>\$ 811</u>	<u>\$ 211</u>	<u>\$ 118,841</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Operations - Healthcare Services Group

Year Ended December 31, 2013

(amounts in thousands)

	Bronson Methodist Hospital	Bronson Medical Group	Bronson Management Services Corporation	Bronson LakeView Hospital	Van Buren Emergency Medical Services	Bronson Commons	Bronson Battle Creek Hospital	Lifespan, Inc	Bronson HealthCare Midwest	Total
Operating Revenue										
Net patient service revenue	\$ 622,909	\$ 21,304	\$ -	\$ 52,423	\$ 1,431	\$ 8,274	\$ 207,425	\$ 16,817	\$ 17,803	\$ 948,386
Provision for bad debts	(50,376)	(694)	-	(5,486)	(217)	(62)	(16,324)	-	-	(73,159)
Net patient service revenue	572,533	20,610	-	46,937	1,214	8,212	191,101	16,817	17,803	875,227
Investment income	11,449	-	-	72	64	(95)	1,602	110	-	13,202
Other	17,400	2,955	280	4,104	1,246	1,175	5,415	120	345	33,040
Net assets released from restrictions	-	-	-	-	-	-	128	-	-	128
Total operating revenue	601,382	23,565	280	51,113	2,524	9,292	198,246	17,047	18,148	921,597
Operating Expenses										
Salaries and wages	253,194	15,590	266	23,631	1,048	5,394	86,888	9,459	17,280	412,750
Employee benefits and payroll taxes	66,603	3,783	20	7,064	342	1,649	23,231	2,739	3,145	108,576
Other	213,216	7,465	180	15,973	343	3,446	78,668	5,619	3,932	328,842
Depreciation and amortization	35,889	374	-	2,690	159	483	13,439	828	327	54,189
Interest expense	14,752	-	-	-	-	533	-	-	-	15,285
Total operating expenses	583,654	27,212	466	49,358	1,892	11,505	202,226	18,645	24,684	919,642
Operating Income (Loss)	17,728	(3,647)	(186)	1,755	632	(2,213)	(3,980)	(1,598)	(6,536)	1,955
Nonoperating Income										
Change in unrealized investment gain	27,679	-	-	168	151	-	4,056	214	-	32,268
Change in fair value of interest swap agreements	7,323	-	-	-	-	-	-	-	-	7,323
Total nonoperating income	35,002	-	-	168	151	-	4,056	214	-	39,591
Excess of Revenue Over (Under) Expenses	52,730	(3,647)	(186)	1,923	783	(2,213)	76	(1,384)	(6,536)	41,546
Capital Contribution from Affiliate	-	5,500	6,160	-	-	-	-	-	-	11,660
Transfer to Affiliate	(24,700)	-	-	(2,000)	-	-	-	-	-	(26,700)
Other	-	-	-	-	-	-	(436)	-	-	(436)
Inherent Contribution from Acquisition of Bronson HealthCare Midwest	-	-	-	-	-	-	-	-	21,133	21,133
Pension-related Changes Other Than Net Periodic Benefit Cost	-	-	-	-	-	-	19,181	-	-	19,181
Net Assets Released from Restriction	-	-	-	-	-	-	198	-	-	198
Increase (Decrease) in Unrestricted Net Assets	<u>\$ 28,030</u>	<u>\$ 1,853</u>	<u>\$ 5,974</u>	<u>\$ (77)</u>	<u>\$ 783</u>	<u>\$ (2,213)</u>	<u>\$ 19,019</u>	<u>\$ (1,384)</u>	<u>\$ 14,597</u>	<u>\$ 66,582</u>

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

Based upon the findings of the 2013 Community Health Needs Assessment, Bronson LakeView Hospital (BLH) has identified improving access to care as its focus for 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 supply of providers but also on affordability, physical accessibility, acceptability of services, availability of hours, and care coordination. To address this need, Bronson LakeView Hospital will provide leadership, collaborate with community partners across county boundaries, and focus programming on issues related to 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 Van Buren 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 Rural Health Clinics (RHC). (2014-2016)
- B. Seek and maintain 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 LakeView Hospital will continue operation of an acute care clinic to improve acute care access in Van Buren County. (2014)
- F. Promote open-access availability in Bronson practices, the RHCs, and within private practices. (2014-2016)
- G. Leverage 211 to become referral conduit for primary care. (2015-2016)
- H. Provide leadership for Van Buren County Rural Health Clinics to improve efficiency and increase patient and provider satisfaction. (2014-2016)
- I. Collaborate with Van Buren/Cass County District Health Department and other community organizations as needed to support access to dental care services. (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-emergent medical services.

1. Number of Bronson practices with open access for patients
2. Number of Van Buren county residents who report no personal physician or health care provider
3. Patient satisfaction 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 LakeView Hospital will participate in the Michigan Primary Care Transformation and staff hybrid case managers and/or social workers in 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. (2015-2016)
- C. Enhance medical, social, and behavioral care coordination through collaborations with community agencies. (2014-2016)
- D. Bronson LakeView Hospital will continue staffing a social worker in the rural health clinics to enhance coordination of care. (2014)
- E. Improve care coordination through collaboration with relevant community organizations, including Van Buren/Cass County District Health Department, to improve communication, and enhance collaboration among agencies providing social service support, housing, healthcare, and mental health services. Enhance medical, social, and behavioral care coordination through collaborations with community agencies. (2014-2016)

Anticipated Impact & Measures

This programming will enhance and improve coordination of care across the spectrum of care for Van Buren residents.

- 1. Number of referrals to social worker
- 2. Provider and patient satisfaction surveys
- 3. 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 LakeView 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. BLH acknowledges that in some circumstances the hospital is not the appropriate leader to address identified needs and where possible will support and partner 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 as BLH 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 community health strategic initiatives, and sponsorships for activities promoted through community organizations. 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.