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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
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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 CRITTENTON HOSPITAL MEDICAL CENTER		D Employer identification number 38-1359247
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number
	1101 W UNIVERSITY DRIVE		(248) 652-5000
	City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, MI 48307		G Gross receipts \$ 334,988,213
F Name and address of principal officer ROY POWELL 1101 W UNIVERSITY DRIVE ROCHESTER, MI 48307		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)	
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (Insert no) ☐ 4947(a)(1) or ☐ 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.CRITTENTON.COM			
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1900	M State of legal domicile MI

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities CRITTENTON HOSPITAL MEDICAL CENTER IS DEDICATED TO ENHANCING THE HEALTH STATUS OF THE INDIVIDUALS AND COMMUNITIES IT SERVES		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	13
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	1,792
	6 Total number of volunteers (estimate if necessary)	6	389
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	5,150,945
	b Net unrelated business taxable income from Form 990-T, line 34	7b	-202,685
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	11,198,382	141,677
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	233,276,423	219,641,639
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,562,766	12,162,018
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,732,366	2,170,026
		251,769,937	234,115,360
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	80,517	70,880
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	107,042,722	102,401,816
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ☐ 590		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	142,225,558	139,628,608
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	249,348,797	242,101,304
	19 Revenue less expenses Subtract line 18 from line 12	2,421,140	-7,985,944
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	360,387,748	389,429,741
	21 Total liabilities (Part X, line 26)	194,567,631	215,511,510
	22 Net assets or fund balances Subtract line 21 from line 20	165,820,117	173,918,231

Part II Signature Block

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

Sign Here	***** Signature of officer			2014-11-13 Date	
	ROY POWELL CEO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name CAROL LALONDE		Preparer's signature		Date
	Firm's name ▶ PLANTE & MORAN PLLC			Check ☐ if self-employed	PTIN P00181637
	Firm's address ▶ PO BOX 307 SOUTHFIELD, MI 480370307			Firm's EIN ▶ 38-1357951 Phone no (248) 352-2500	

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

Part III

Statement of Program Service Accomplishments

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

☐ Yes ☒ No

1

Briefly describe the organization’s mission

CRITTENTON HOSPITAL MEDICAL CENTER IS DEDICATED TO ENHANCING THE HEALTH STATUS OF THE INDIVIDUALS AND COMMUNITIES WE SERVE IN PARTNERSHIP WITH OUR PHYSICIANS, EMPLOYEES, AND COMMUNITY MEMBERS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 207,687,813 including grants of \$ 70,880) (Revenue \$ 214,495,740)

THE HOSPITAL WAS INVOLVED IN A LARGE NUMBER OF COMMUNITY CARE PROJECTS, EITHER AS A PARTICIPANT OR A SPONSORING ORGANIZATION THESE INCLUDE, BUT ARE NOT LIMITED TO HEALTHY PREGNANCY, WOMEN'S HEALTHY HEART, NUTRITION, WEIGHT LOSS, HEALTHY AGING, CHILD SAFETY, HEALTH RISK APPRAISALS, SMOKING CESSATION, MANAGING STRESS, CPR, SLEEP DISORDER AND MEN'S HEALTH CLASSES FOR THE COMMUNITY IN ADDITION, FREE BLOOD PRESSURE SCREENINGS ARE MADE AVAILABLE TO THE COMMUNITY A BEREAVEMENT PROGRAM IS OFFERED THROUGH THE OBSTETRICS DEPT FOR GRIEVING PARENTS OF INFANTS ANNUALLY, VOLUNTEERS FROM THE HOSPITAL PARTICIPATE AT THE ROCHESTER ARTS AND APPLES FESTIVAL, COLLECT GIFTS FOR THE ROCHESTER NEIGHBORHOOD HOUSE, COLLECT FOOD FOR THE MICHIGAN HARVEST GATHERING AND PARTICIPATE IN THE NORTH OAKLAND AMERICAN HEART WALK, THE BROOKSIE WAY AND COATS FOR COLD A GEROPSYCHIATRIC PROGRAM WAS STARTED TO ASSIST OLDER ADULTS WITH HEALTH CARE CHANGES AND THE HOSPITAL ALSO HAS WOUND CARE SERVICES, INCLUDING HYPERBARIC TREATMENTS

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses 207,687,813

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
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 Yes	
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 Yes	
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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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	1a	283			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,792			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes			
b	If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O</i>	3b	Yes			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes			
b	If "Yes," enter the name of the foreign country CJ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a				No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b				No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a				No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b				
7 Organizations that may receive deductible contributions under section 170(c).						
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a				No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b				
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c				No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e				No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f				No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8				
9 Sponsoring organizations maintaining donor advised funds.						
a	Did the organization make any taxable distributions under section 4966?	9a				
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b				
10 Section 501(c)(7) organizations. Enter						
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11 Section 501(c)(12) organizations. Enter						
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?						
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13 Section 501(c)(29) qualified nonprofit health insurance issuers.						
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a				No
b	If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i>	14b				

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	14	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	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	No
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	No
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	No
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	No
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	No
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶KIM HAUSCHILD 1101 W UNIVERSITY DRIVE ROCHESTER, MI 48307 (248) 652-5780

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

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

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

- 1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BEVERLY ALLEN TREASURER	1.00 0.00	X						0	0	0
(2) LISA ASADOORIAN TRUSTEE	1.00 0.00	X						0	0	0
(3) BRYAN BARNETT TRUSTEE	1.00 0.00	X						0	0	0
(4) MICHAEL BROWE TRUSTEE	1.00 0.00	X						0	0	0
(5) PETER DESTEIGER TRUSTEE	1.00 0.00	X						0	0	0
(6) ROBERT GO MD TRUSTEE	1.00 0.00	X						39,705	0	0
(7) KENNETH JOHNSON TRUSTEE	1.00 0.00	X						0	0	0
(8) KATHRIN KUDNER TRUSTEE	1.00 0.00	X						0	0	0
(9) ROBERT LENIHAN II CHAIRMAN	1.00 0.00	X						0	0	0
(10) FREDERICK MAIBAUER MD TRUSTEE	1.00 0.00	X						0	0	0
(11) F SCOTT MILLER TRUSTEE	1.00 0.00	X						0	0	0
(12) RUSSELL SHELTON TRUSTEE	1.00 0.00	X						0	0	0
(13) ROBERT SKANDALARIS TRUSTEE	1.00 0.00	X						0	0	0
(14) BRAD UPTON TRUSTEE	1.00 0.00	X						0	0	0
(15) ROY POWELL PRESIDENT AND CHIEF EXECUTIVE OFFICER	36.00 4.00	X		X				201,121	0	22,921
(16) FRANK SOTTILE MD INTERIM CHIEF EXECUTIVE OFFICER	36.00 4.00	X		X				412,043	0	42,945
(17) AUDRIANNE MOCERI SECRETARY	40.00 0.00	X		X				61,169	0	18,113

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) PETER KORDA MD CHIEF OF STAFF	1 00 0 00	X		X				35,700	0	0
(19) GREGORY PARTAMIAN CHIEF OPERATING OFFICER	40 00 0 00	X		X				250,765	0	37,500
(20) MICHELLE HORNBERGER CHIEF STRATEGY OFFICER	30 00 10 00	X		X				151,103	0	35,945
(21) DONNA KOPINSKI CHIEF FINANCIAL OFFICER	36 00 4 00	X		X				214,718	0	41,455
(22) KEVIN FLOREK DO MEDICAL DIRECTOR OCCUPATIONAL MEDICINE	40 00 0 00					X		274,268	0	39,263
(23) SAMAR KAZZIHA MD EXECUTIVE MEDICAL DIRECTOR	40 00 0 00					X		449,863	0	23,535
(24) DOUGLAS PUGMIRE DO MEDICAL DIRECTOR ROBOTICS/GYN ONCOLOGY	40 00 0 00					X		672,626	0	23,535
(25) MICHAEL CLARK GENERAL COUNCIL	36 00 4 00					X		149,545	0	43,461
(26) ROBERT LACOSTE MD PHYSICIAN	40 00 0 00					X		253,278	0	23,535
(27) LYNN ORFGEN CHIEF EXECUTIVE OFFICER	40 00 0 00						X	637,670	0	24,181
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,803,574	0	376,389

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▶84

	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 Yes	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <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) Name and business address	(B) Description of services	(C) Compensation
BARTON MALOW-REWOLD LLC-ACH 26500 AMERICAN DRIVE SOUTHFIELD MI 48034	CONSTRUCTION MANAGEMENT	22,534,753
WAYNE STATE UNIVERSITY 1420 STEVENSON HIGHWAY TROY MI 48083	PROFESSIONAL SERVICES	9,499,110
SODEXO INC AND AFFILIATES 4880 PAYSHERE CIRCLE CHICAGO IL 60674	PROFESSIONAL SERVICES	5,600,234
CARETECH SOLUTIONS INC PO BOX 674271 DETROIT MI 48267	IT SERVICES	5,348,789
UNASOURCE SURGERY CENTERLLC 4550 INVESTMENT DR STE 100 TROY MI 48098	SURGICAL SERVICES	4,855,636

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 ▶75

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	137,676			
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	4,001			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	141,677			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	900099	216,047,624	211,083,989	4,963,635
	b	E H R INCENTIVE	900099	2,148,439	2,148,439	
	c	INVESTMENT IN JOINT VENTURES	900099	818,373	636,109	182,264
	d	MEDICAL RECORD FEES	900099	133,479	133,479	
	e	SPORTS REHABILITATION CENTER	900099	119,784	119,784	
	f	All other program service revenue		373,940	373,940	
	g	Total. Add lines 2a-2f	219,641,639			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	2,721,856			2,721,856
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	Gross rents	(i) Real	(ii) Personal		
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
			108,431,114	1,751,166		
			98,335,205	2,406,913		
			10,095,909	-655,747		
	d	Net gain or (loss)	9,440,162			9,440,162
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a	23,637		
	b	Less direct expenses b		18,981		
	c	Net income or (loss) from fundraising events		4,656		4,656
	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	209,070		
	b	Less cost of goods sold b		111,754		
	c	Net income or (loss) from sales of inventory		97,316		97,316
	Miscellaneous Revenue		Business Code			
	11a	MRI AND LAND LEASE	900099	351,900		351,900
	b	MEDICAL STAFF FUNCTIONS	900099	238,930		238,930
	c	TV RENTAL	900099	202,082		202,082
	d	All other revenue		1,275,142	5,046	1,270,096
	e	Total. Add lines 11a-11d		2,068,054		
	12	Total revenue. See Instructions	234,115,360	214,495,740	5,150,945	14,326,998

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.	70,880	70,880		
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.	4,278,084		4,278,084	
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.	77,337,806	74,967,330	2,370,476	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	4,250,287	3,866,911	383,376	
9	Other employee benefits.	9,977,356	9,080,057	897,299	
10	Payroll taxes.	6,558,283	5,966,726	591,557	
11	Fees for services (non-employees):				
a	Management.	37,026	37,026		
b	Legal.	610,076		610,076	
c	Accounting.	837,722	47,010	790,712	
d	Lobbying.	32,083		32,083	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	72,471		72,471	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	40,372,763	38,688,281	1,684,482	
12	Advertising and promotion.	1,541,394	2,301	1,539,093	
13	Office expenses.	2,958,198	2,391,905	566,293	
14	Information technology.	8,461,209	6,554	8,454,655	
15	Royalties.				
16	Occupancy.	5,078,386	2,264,915	2,813,471	
17	Travel.	83,654	39,561	44,093	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	29,489	10,105	19,384	
20	Interest.	4,119,997	4,119,997		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	13,348,248	8,542,740	4,805,508	
23	Insurance.	278,901		278,901	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES	38,355,690	38,126,201	229,489	
b	BAD DEBT EXPENSE	10,921,557	10,921,557		
c	QAAP EXPENSE	5,845,719	5,845,719		
d	MALPRACTICE	2,576,057	23,228	2,552,829	
e	All other expenses	4,067,968	2,668,809	1,398,569	590
25	Total functional expenses. Add lines 1 through 24e.	242,101,304	207,687,813	34,412,901	590
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			12,150	1	12,250
	2	Savings and temporary cash investments			19,481,844	2	29,926,431
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			34,835,056	4	24,232,038
	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			4,014,091	8	3,863,059
	9	Prepaid expenses and deferred charges			2,501,446	9	3,498,974
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	372,964,114			
	b	Less accumulated depreciation	10b	193,361,222	165,186,035	10c	179,602,892
	11	Investments—publicly traded securities			75,938,408	11	89,306,084
	12	Investments—other securities See Part IV, line 11			41,658	12	43,267
	13	Investments—program-related See Part IV, line 11			11,329,522	13	9,605,551
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			47,047,538	15	49,339,195
16	Total assets. Add lines 1 through 15 (must equal line 34)			360,387,748	16	389,429,741	
Liabilities	17	Accounts payable and accrued expenses			31,931,100	17	33,980,588
	18	Grants payable				18	
	19	Deferred revenue			188,000	19	
	20	Tax-exempt bond liabilities			128,567,572	20	156,418,380
	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			858,157	23	510,990
	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			33,022,802	25	24,601,552
	26	Total liabilities. Add lines 17 through 25			194,567,631	26	215,511,510
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			165,653,010	27	173,743,773
	28	Temporarily restricted net assets			167,107	28	174,458
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			165,820,117	33	173,918,231
34	Total liabilities and net assets/fund balances			360,387,748	34	389,429,741	

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	234,115,360
2	Total expenses (must equal Part IX, column (A), line 25)	2	242,101,304
3	Revenue less expenses Subtract line 2 from line 1	3	-7,985,944
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	165,820,117
5	Net unrealized gains (losses) on investments	5	3,281,219
6	Donated services and use of facilities	6	34,822
7	Investment expenses	7	
8	Prior period adjustments	8	-367
9	Other changes in net assets or fund balances (explain in Schedule O)	9	12,768,384
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	173,918,231

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		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 ☐ Separate basis ☒ Consolidated basis ☐ 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		

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 CRITTENTON HOSPITAL MEDICAL CENTER	Employer identification number 38-1359247
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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 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)
10	☐	An organization organized and operated exclusively to test for public safety See section 509(a)(4).
11	☐	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated
e	☐	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	☐	If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
g	☐	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (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	

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number
38-1359247

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

- 1 Provide a description of the organization’s direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes ☐ No													

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		32,083
j	Total. Add lines 1c through 1i.			32,083
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	CRITTENTON HOSPITAL MEDICAL CENTER INDIRECTLY CONDUCTS LOBBYING ACTIVITIES THROUGHOUT THE YEAR. THE HOSPITAL HAS ENGAGED THE SERVICES OF A PROFESSIONAL LOBBYIST, WHO PERIODICALLY MEETS WITH FEDERAL, STATE, AND LOCAL LEGISLATORS TO DISCUSS ITEMS OF IMPORTANCE TO THE HOSPITAL AND HEALTH CARE INDUSTRY, AND ISSUES AFFECTING THE HEALTH CARE NEEDS OF THE COMMUNITY. THE EXPENDITURES LISTED IN PART II-B ARE FEES AND EXPENSE REIMBURSEMENTS PAID TO THE LOBBYIST DURING THE YEAR. ON RARE OCCASIONS, THE HOSPITAL ENCOURAGES ITS EMPLOYEES TO CONTACT LEGISLATORS TO CONSIDER CHANGES IN THE LAW THAT WOULD IMPROVE THE REGULATORY CLIMATE AFFECTING THE HEALTH CARE INDUSTRY AND ULTIMATELY, HEALTH CARE NEEDS OF THE COMMUNITY. THE HOSPITAL SERVES THE "GRASSROOT" LOBBYING IS INFREQUENT, AND INVOLVES NO SIGNIFICANT EXPENDITURES BY EITHER THE HOSPITAL OR ITS EMPLOYEES. NONE OF THIS ACTIVITY (DIRECT OR INDIRECT) INVOLVES POLITICAL CAMPAIGN ACTIVITY. THE CONTRACT FOR THIS INDIVIDUAL EXPIRED 7/2013 AND WAS NOT RENEWED.

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization CRITTENTON HOSPITAL MEDICAL CENTER	Employer identification number 38-1359247
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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? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
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)

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4 Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization’s collection?

☐ Yes ☐ No

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

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

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII and complete the following table
- c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

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

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	138,145	827,601	843,841	964,434	1,026,646
b Contributions	182,593	193,472	219,377	167,277	152,319
c Net investment earnings, gains, and losses	56	7,886	12,055	17,908	19,315
d Grants or scholarships					
e Other expenditures for facilities and programs	177,223	885,577	243,647	295,562	218,961
f Administrative expenses	2,076	5,237	4,025	10,216	14,885
g End of year balance	141,495	138,145	827,601	843,841	964,434

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶ 100 000 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		No
3a(ii)	Yes	
3b	Yes	
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,565,744		2,565,744
b Buildings		182,546,410	98,857,409	83,689,001
c Leasehold improvements		1,732,459	1,015,646	716,813
d Equipment		115,737,759	90,806,234	24,931,525
e Other		70,381,742	2,681,933	67,699,809
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				179,602,892

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 V, LINE 4	THE ENDOWMENT FUNDS ARE USED FOR THE GIFT SHOP, THE AUXILLIARY AND THE HOSPITAL FOR GRANTS, SCHOLARSHIPS AND OTHER EXPENSES
PART X, LINE 2	ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE HOSPITAL AND RECOGNIZE A TAX LIABILITY IF THE HOSPITAL HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY THE IRS OR OTHER APPLICABLE TAXING AUTHORITIES. MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE HOSPITAL AND HAS CONCLUDED THAT AS OF DECEMBER 31, 2013, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE FINANCIAL STATEMENTS

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 38-1359247

Name: CRITTENTON HOSPITAL MEDICAL CENTER

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
(1) ACCOUNTS RECEIVABLE AFFILIATES	17,341,225
(2) MISCELLANEOUS ACCOUNTS RECEIVABLE	2,997,871
(3) ACCOUNTS RECEIVABLE POWERWORKS	1,802
(4) DEBT ISSUANCE COST	1,987,362
(5) ACCOUNTS RECEIVABLE KARMANOS	145,879
(6) ACCOUNTS RECEIVABLE SAAC	3,846,091
(7) DUE FROM THIRD PARTY	5,024,404
(8) PHYSICIAN LOAN FOREGIVENESS	393,803
(9) PHYSICIAN LOANS	275,921
(10) LOAN RECEIVABLE DOCTORS HOSPITAL	1,865,023
(11) CONTRUCTION FUND 2012A	4
(12) FUNDS HELD BY TRUSTEE, LESS CURRENT	7,104,115
(13) ACCOUNTS RECEIVABLE RHREH	415,825
(14) ACCOUNTS RECEIVABLE RREH	1,819,840
(15) MALPRACTICE GROSS UP	5,995,030
(16) INSURANCE RECOVERY RECEIVABLE	125,000

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number
38-1359247

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN	0	0	PROGRAM SERVICES	INSURANCE	792,116
(2) CENTRAL AMERICA/CARIBBEAN	0	0	INVESTMENT		161,658
(3)					
(4)					
(5)					
3a Sub-total	0	0			953,774
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			953,774

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶
- 3 Enter total number of other organizations or entities ▶

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐ Yes

☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes

☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes

☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes

☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes

☒ No

Additional Data

Software ID:

Software Version:

EIN: 38-1359247

Name: CRITTENTON HOSPITAL MEDICAL CENTER

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization CRITTENTON HOSPITAL MEDICAL CENTER	Employer identification number 38-1359247
--	--

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- | | |
|--|---|
| a ☐ Mail solicitations | e ☐ Solicitation of non-government grants |
| b ☐ Internet and email solicitations | f ☐ Solicitation of government grants |
| c ☐ Phone solicitations | g ☐ Special fundraising events |
| d ☐ In-person solicitations | |
- 2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶						

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
-
-

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		(event type)	(event type)	3 (total number)	(add col (a) through col (c))
Revenue	1	Gross receipts		23,637	23,637
	2	Less Contributions . . .			
	3	Gross income (line 1 minus line 2)		23,637	23,637
Direct Expenses	4	Cash prizes			
	5	Noncash prizes . . .			
	6	Rent/facility costs . . .			
	7	Food and beverages .			
	8	Entertainment			
	9	Other direct expenses .		18,981	18,981
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Subtract line 10 from line 3, column (d) ▶			
					4,656

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Direct Expenses	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses . . .			
	6	Volunteer labor	Yes % No	Yes % No	Yes % No
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Subtract line 7 from line 1, column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	%
b	An outside facility	13b	%

14

Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name 

Address 

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization  \$ _____ and the amount of gaming revenue retained by the third party  \$ _____

c

If "Yes," enter name and address of the third party

Name 

Address 

16

Gaming manager information

Name 

Gaming manager compensation  \$ _____

Description of services provided 

☐ Director/officer

☐ Employee

☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year  \$ _____

Part IV

Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
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SCHEDULE H
(Form 990)

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
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number
38-1359247

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

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)			621,504		621,504	0 260 %
b Medicaid (from Worksheet 3, column a)			17,958,671	13,526,704	4,431,967	1 830 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			398,708	340,584	58,124	0 020 %
d Total Financial Assistance and Means-Tested Government Programs			18,978,883	13,867,288	5,111,595	2 110 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			376,551		376,551	0 160 %
f Health professions education (from Worksheet 5)			12,028,120	3,198,579	8,829,541	3 650 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			91,088		91,088	0 030 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			107,686		107,686	0 040 %
j Total Other Benefits			12,603,445	3,198,579	9,404,866	3 880 %
k Total . Add lines 7d and 7j			31,582,328	17,065,867	14,516,461	5 990 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support	34	1,367	3,756	3,756	0 %
4	Environmental improvements					
5	Leadership development and training for community members	36	558	32,850	32,850	0 010 %
6	Coalition building	38	666	34,491	34,491	0 010 %
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total	108	2,591	71,097	71,097	0 020 %

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

No

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

10,921,557

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

1,030,858

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

67,725,170

6

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

6

70,408,921

7

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

7

-2,683,751

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 USC LLC	SURGICAL CENTER	29 000 %		71 000 %
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)

CRITTENTON HOSPITAL MEDICAL CENTER

Name of hospital facility or facility reporting group

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

1

	Yes	No
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 ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <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	No
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 ☒ Hospital facility's website (list url) <u>WWW.CRITTENTON.COM</u>		
b ☒ Other website (list url) <u>WWW.CRITTENTON.COM/PUBLIC/UPLOADS/2014/01/COMM</u>		
c ☒ Available upon request from the hospital facility		
d ☒ Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a ☒ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b ☒ Execution of the implementation strategy		
c ☐ Participation in the development of a community-wide plan		
d ☐ Participation in the execution of a community-wide plan		
e ☒ Inclusion of a community benefit section in operational plans		
f ☒ Adoption of a budget for provision of services that address the needs identified in the CHNA		
g ☒ Prioritization of health needs in its community		
h ☒ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i ☒ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <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>250 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 ☒ Income level					
b ☒ Asset level					
c ☒ Medical indigency					
d ☒ Insurance status					
e ☒ Uninsured discount					
f ☒ Medicaid/Medicare					
g ☒ State regulation					
h ☐ Residency					
i ☐ Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a ☒ The policy was posted on the hospital facility's website					
b ☒ The policy was attached to billing invoices					
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d ☒ The policy was posted in the hospital facility's admissions offices					
e ☒ The policy was provided, in writing, to patients on admission to the hospital facility					
f ☒ The policy was available upon request					
g ☐ Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a ☐ Reporting to credit agency					
b ☐ Lawsuits					
c ☐ Liens on residences					
d ☐ Body attachments					
e ☐ Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a ☐ Reporting to credit agency					
b ☐ Lawsuits					
c ☐ Liens on residences					
d ☐ Body attachments					
e ☐ Other similar actions (describe in Section C)					

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

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

☒

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

☒

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	☒ Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? 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? 3

Name and address	Type of Facility (describe)
1 USC LLC 4800 INVESTMENT DRIVE STE 370 TROY, MI 48098	SURGICAL CENTER
2 MICHIGAN RESONANCE IMAGING 355 BARCLAY CIRCLE STE A ROCHESTER, MI 48307	IMAGING CENTER
3 MICHIGAN MOBILE PET 15500 LUNDY PARKWAY DEARBORN, MI 48126	IMAGING CENTER
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	CRITTENTON HOSPITAL MEDICAL CENTER USED THE FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBLTY FOR PROVIDING BOTH 'FREE' CARE AND 'DISCOUNTED' CARE TO LOW INCOME INDIVIDUALS THE FAMILY INCOME LIMIT USED IS 200% FOR 'FREE' CARE AND 250% FOR 'DISCOUNTED' CARE
PART I, LINE 7	THE COSTING METHOD USED FOR FINANCIAL ASSISTANCE AND MEANS TESTED GOVERNMENT PROGRAMS WAS A COST TO CHARGE RATIO FROM WORKSHEET 2 AND OTHER COMMUNITY BENEFITS WAS CALCULATED BASED UPON ACTUAL COST

Form and Line Reference	Explanation
PART I, LINE 7G	CRITTENTON HOSPITAL MEDICAL CENTER DOES NOT HAVE ANY SUBSIDIZED HEALTH SERVICES TO REPORT
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE OF \$10,921,557 WAS REMOVED FROM THE DENOMINATOR FOR THE CALCULATION OF THE PERCENT OF TOTAL EXPENSE

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	COMMUNITY HEALTH LEADERSHIP AND OTHER SENIOR LEADERS ACTIVELY PARTICIPATE ON A BROAD RANGE OF COMMUNITY COALITIONS SUCH AS THE OLDER PERSON'S COMMISSION, ROCHESTER COMMUNITY SCHOOLS, ROCHESTER/AUBURN HILLS COMMUNITY COALITION, OAKLAND COUNTY OBESITY COALITION, REGION 2 NORTH, OAKLAND COUNTY MEDICAL CONTROL AUTHORITY, MICHIGAN DEPT OF COMMUNITY HEALTH, CROSSROADS PREGNANCY CENTER AND OTHERS THIS PROVIDES ONGOING KNOWLEDGE OF VARYING COMMUNITY NEEDS AND ADJUSTS AS ECONOMIC, ENVIRONMENTAL, AND HEALTHCARE CHANGES OCCUR IN CRITTENTON'S KEY COMMUNITIES THE VARIOUS PROGRAMS THAT CHMC OFFERS TO THE COMMUNITY HELP TO ENHANCE THE HEALTH STATUS BY EDUCATION, EARLY DETECTION, SCREENING, AND ACCESSIBILITY TO RESOURCES WE RECEIVE MULTIPLE STORIES EVERY YEAR STATING THAT IF THEY HAD NOT ATTENDED ONE OF OUR SCREENINGS, THEN THEY MAY NOT HAVE PURSUED FURTHER MEDICAL CARE OR TREATMENT THE SCREENING OR EDUCATION IS WHAT INCREASED THEIR AWARENESS AND ENCOURAGED THEM TO SEEK CARE AND THAT SCREENING OR ACTIVITY IS WHAT HELPED TO ENHANCE THEIR HEALTH
PART III, LINE 2	THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY THROUGHOUT THE YEAR MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE OFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THE REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE HOSPITAL FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST DUE PATIENT BALANCES WITH COLLECTION AGENCIES THE BAD DEBT AMOUNT REPORTED ON PART III LINE 2 IS CHMC'S PROVISION FOR BAD DEBT PER THE HOSPITAL'S AUDITED FINANCIAL STATEMENTS AND PER FORM 990 PART IX

Form and Line Reference	Explanation
PART III, LINE 3	THE HOSPITAL FOLLOWS THE POLICY OF PROVIDING HEALTH SERVICES TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. CONSEQUENTLY, THE HOSPITAL PROVIDES HEALTH SERVICES FREE OF CHARGE OR AT AMOUNTS LESS THAN ITS FULL COSTS OF PROVIDING CARE TO CERTAIN CATEGORIES OF PATIENTS. THE ESTIMATED BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY WAS CALCULATED USING THE HISTORICAL PERCENTAGE BASED ON CHARITY CARE APPLICATIONS APPROVED.
PART III, LINE 8	AS A NON-PROFIT HOSPITAL, CRITTENTON HOSPITAL MEDICAL CENTER IS REQUIRED TO PROVIDE MINIMAL LEVELS OF COMMUNITY BENEFIT IN EXCHANGE FOR OUR TAX EXEMPT STATUS. THESE COMMUNITY BENEFITS INCLUDE HEALTH EDUCATION OPPORTUNITIES, CHARITY AND BAD DEBT WRITEOFFS, AND OUR LOSSES ON MEDICARE. IN KEEPING WITH OUR MISSION TO PROMOTE HEALTH IN THE COMMUNITY, WE PROVIDE CARE TO MEDICARE BENEFICIARIES AT A LOSS, THUS HELPING TO RELIEVE THE GOVERNMENT BURDEN OF TREATING THESE PATIENTS WHO MAY OTHERWISE HAVE THEIR ACCESS TO CARE LIMITED.

Form and Line Reference	Explanation
PART III, LINE 9B	IT IS THE POLICY OF CRITTENTON HOSPITAL MEDICAL CENTER TO REQUIRE PAYMENT IN FULL FOR ALL SERVICES RENDERED, WHICH ARE PATIENT PAY, UPON RECEIPT OF THEIR FIRST STATEMENT THE PATIENT THEN HAS THIRTY DAYS TO REMIT PAYMENT IN FULL THE BURDEN OF PROOF OF A PATIENT'S INABILITY TO PAY IN FULL IS THE RESPONSIBILITY OF THE PATIENT IF THE PATIENT CAN PROVE AN INABILITY TO PAY THEIR DEBT IN FULL, PARTIAL PAYMENT ARRANGEMENTS CAN BE MADE IT IS ALSO THE POLICY OF THE HOSPITAL TO PROVIDE THE PATIENT WITH INFORMATION REGARDING THE AVAILABILITY OF WHATEVER SOCIAL SERVICES MAY BE APPLICABLE FOR THE PATIENT IN ADDITION, A CHARITY CARE APPLICATION MAY ALSO BE PROVIDED
PART VI, LINE 2	THE ALLOCATION OF CRITTENTON'S RESOURCES TO IMPROVE THE HEALTH STATUS AND QUALITY OF LIFE OF COMMUNITY RESIDENTS ARE BASED ON COMMUNITY NEEDS THAT ARE IDENTIFIED BOTH THROUGH THE STRATEGIC PLANNING PROCESS AND THROUGH A YEARLY COMPREHENSIVE REVIEW OF COUNTY, STATE AND FEDERAL HEALTHCARE DATA BY CRITTENTON'S COMMUNITY HEALTH AND EDUCATION DEPARTMENT COMMUNITY NEEDS INFORMATION IS GATHERED FROM BOTH THE CDC'S NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEMS AND THROUGH THE MICHIGAN DEPARTMENT OF COMMUNITY HEALTH FOR EXAMPLE, IN 2008 THE NEED FOR A SCHOOL NURSE PROGRAM WAS IDENTIFIED WITH THE ROCHESTER COMMUNITY SCHOOLS CRITTENTON'S COMMUNITY HEALTH AND EDUCATION DEPARTMENT DEVELOPED AND IMPLEMENTED THE PROGRAM WHICH NOW SERVES 14,000 STUDENTS AND MANAGES 450 MEDICAL MANAGEMENT PROGRAMS STARTING IN 2009, PARTICIPATION WITH THE ROCHESTER/AUBURN HILLS COALITION RESULTED IN CRITTENTON'S SPONSORING RACHEL'S CHALLENGE, A PROGRAM WHICH PROVIDES SUIDICE PREVENTION AND INTERVENTION AND IMPROVED PEER TO PEER CONFLICT MANAGEMENT SKILLS FOR AREA YOUTH

Form and Line Reference	Explanation
PART VI, LINE 3	CRITTENTON HOSPITAL MEDICAL CENTER DOES A NUMBER OF THINGS IN ORDER TO EDUCATE AND/OR ASSIST A PATIENT IN RECEIVING OUTSIDE ASSISTANCE, INCLUDING THE FOLLOWING 1 SIGNAGE IS POSTED AT REGISTRATION POINTS AROUND THE HOSPITAL REGARDING ASSISTANCE AVAILABLE TO PAY FOR SERVICES AS WELL AS OUR UNCOMPENSATED SERVICES PROGRAM, HANDOUTS ARE GIVEN TO THE PATIENTS AND THE PROGRAM IS OUTLINED ON THE BACK OF EVERY STATEMENT THAT IS SENT TO THE PATIENT 2 FINANCIAL COUNSELORS ARE ON SITE THAT ARE CONTACTED EVERY TIME A PATIENT WITHOUT INSURANCE COMES INTO THE EMERGENCY ROOM OR IS ADMITTED TO THE HOSPITAL IN THE PAST 12 MONTHS THE FINANCIAL COUNSELORS HAVE ASSISTED OVER 600 PATIENTS IN QUALIFYING FOR COUNTY, STATE, FEDERAL, OR HOSPITAL ASSISTANCE PROGRAMS 3 TAKE PART AND ASSIST PATIENTS IN QUALIFYING FOR THE COUNTY INDIGENT HOSPITALIZATION PROGRAM WHICH IS RUN DIRECTLY THROUGH THE HOSPITAL AND PLACES VIRTUALLY NO BURDEN OF ANY TYPE ON THE PATIENT IN ORDER TO BE QUALIFIED 4 ALL MANAGERS THAT DEAL WITH THE PUBLIC ARE DIRECTLY INFORMED OF OUR UNCOMPENSATED SERVICE PROGRAMS AND VERBALLY ASSIST PATIENTS WITH SUGGESTIONS AS WELL AS OUR CASHIERS HAVING ACCESS TO THE SAME INFORMATION AND TRAINING 5 OFFER ASSISTANCE TO NEWBORN MOTHERS WITHOUT INSURANCE IN THE FORM OF ASSISTANCE IN APPLYING FOR MEDICAID AND PROVIDING MINIMAL PAYMENT OPTIONS
PART VI, LINE 4	CRITTENTON HOSPITAL MEDICAL CENTER IS A 290 BED ACUTE CARE HEALTH FACILITY SERVING COMMUNITIES IN OAKLAND, MACOMB AND LAPEER COUNTIES THE ENTIRE SERVICE AREA ENCOMPASSES 35 ZIP CODES IN THREE REGIONS AND IS FURTHER SUBDIVIDED INTO THREE SECTORS OUR CORE SECTOR WHICH ENCOMPASSES THE THREE ROCHESTER ZIP CODES, AND THE PRIMARY AND SECONDARY SECTORS THE DEMOGRAPHIC SKEW FOR THE AREA IS SLIGHTLY OLDER THAN THE NORM WITH HIGHER HOUSEHOLD INCOMES

Form and Line Reference	Explanation
PART VI, LINE 5	CRITTENTON HOSPITAL MEDICAL CENTER DOES NOT WANT TO FORGET THE IMPORTANT ROLE THE COMMUNITY PLAYS IN ITS SUCCESS THE HOSPITAL IS ESPECIALLY GRATEFUL THAT THEY ARE ABLE TO GIVE BACK TO THE COMMUNITY THROUGH ESSENTIAL HEALTHCARE SERVICES AND EDUCATION TO CATER TO THE UNMET NEEDS OF SO MANY IN ITS COMMUNITY OFFERING ADVANCED CARE AND SERVICES IS ONE OF THE MANY WAYS CRITTENTON SERVES ITS COMMUNITY CRITTENTON HAS PARTNERED WITH PREMIER ORGANIZATIONS TO FULFILL ITS MISSION OF ENHANCING THE HEALTH STATUS OF THE COMMUNITY, I E UNIVERSITY OF MICHIGAN, WAYNE STATE UNIVERSITY SCHOOL OF MEDICINE AND OAKLAND UNIVERSITY SCHOOL OF NURSING ARE JUST A FEW
PART VI, LINE 6	CRITTENTON HOSPITAL MEDICAL CENTER IS DEDICATED TO PROVIDING CARE TO ALL RESIDENTS OF THE COMMUNITY, REGARDLESS OF THEIR FINANCIAL STATUS THROUGH UNCOMPENSATED CARE, GOVERNMENT SPONSORED HEALTH CARE, COMMUNITY HEALTH SERVICES AND DONATIONS THE HOSPITAL IS ABLE TO REACH OUT TO THE COMMUNITY THE FOUNDATION IS THE FUNDRAISING ARM OF THE ORGANIZATION THEY HAVE HOSTED EVENTS SUCH AS THE GOLF, TENNIS AND FUN WALK BENEFIT AND THE GOURMET GALA BENEFIT WHICH HAS RAISED MONEY FOR A VARIETY OF ENHANCEMENTS TO THE HOSPITAL THE CRITTENTON VOLUNTEER AUXILLARY IS AN INTEGRAL PART OF THE HOSPITAL'S SUCCESS THE GROUP CONTRIBUTES A GREAT DEAL OF TIME AND SERVICE TO FURTHER THE GOAL OF PROVIDING CLINICAL EXCELLENCE IN A COMFORTABLE, WELCOMING ENVIRONMENT SOME OF THE SERVICES THAT THEY PROVIDE INCLUDE CLERICAL ASSISTANCE, ESCORTING PATIENTS AROUND THE FACILITY, AND GREETING FAMILIES AND VISITORS THE CRITTENTON WELLNESS CENTER AND THE OLDER PERSONS COMMISSION HAVE COMBINED HEALTH, WELLNESS, EDUCATION AND ACTIVITIES ALL WITH THE OLDER PERSON IN MIND MEMBERSHIP IS FREE TO RESIDENTS OF ROCHESTER, ROCHESTER HILLS, AND OAKLAND TOWNSHIP WHO ARE OLDER THAN AGE FIFTY CRITTENTON CANCER CENTER PROVIDES COMMUNITY MEMBERS WITH A NEW LOCAL RESOURCE OF EXCEPTIONAL CANCER CARE THE SERVICES INCLUDED AT THE CANCER CENTER ARE CHEMOTHERAPY AND INFUSION, IMAGING AND RADIATION THERAPY

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	MI

OMB No 1545-0047

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.

Open to Public Inspection

Employer identification number
38-1359247

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.

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table		<u>1</u>
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
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Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number
38-1359247

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. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8	Were any amounts reported in Form 990, Part VII, paid or 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.	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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

Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 4A	LYNN ORFGEN RECEIVED A SEVERANCE PAYMENT OF \$519,314 AND GREG PATAMIAIN RECEIVED A SEVERANCE PAYMENT OF \$77,376 IN 2013 THERE IS A SEVERANCE AGREEMENT SIGNED BY BOTH THE EMPLOYER AND EACH EMPLOYEE DETAILING THE TERMS

Additional Data

Software ID:
Software Version:
EIN: 38-1359247
Name: CRITTENTON HOSPITAL MEDICAL CENTER

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				
ROY POWELL PRESIDENT AND CHIEF EXECUTIVE OFFICE	(i) (ii)	194,407 0	6,000 0	714 0	15,000 0	7,921 0	224,042 0	0 0
FRANK SOTTILE MD INTERIM CHIEF EXECUTIVE OFFICER	(i) (ii)	382,043 0	26,316 0	3,684 0	22,000 0	20,945 0	454,988 0	0 0
GREGORY PARTAMIAN CHIEF OPERATING OFFICER	(i) (ii)	155,273 0	17,519 0	77,973 0	23,000 0	14,500 0	288,265 0	0 0
MICHELLE HORNBERGER CHIEF STRATEGY OFFICER	(i) (ii)	135,832 0	15,000 0	271 0	15,000 0	20,945 0	187,048 0	0 0
DONNA KOPINSKI CHIEF FINANCIAL OFFICER	(i) (ii)	194,368 0	20,000 0	350 0	23,000 0	18,455 0	256,173 0	0 0
KEVIN FLOREK DO MEDICAL DIRECTOR OCCUPATIONAL MEDICI	(i) (ii)	270,692 0	0 0	3,576 0	22,100 0	17,163 0	313,531 0	0 0
SAMAR KAZZIHA MD EXECUTIVE MEDICAL DIRECTOR	(i) (ii)	447,983 0	0 0	1,880 0	0 0	23,535 0	473,398 0	0 0
DOUGLAS PUGMIRE DO MEDICAL DIRECTOR ROBOTICS/GYN ONCOLO	(i) (ii)	672,626 0	0 0	0 0	0 0	23,535 0	696,161 0	0 0
MICHAEL CLARK GENERAL COUNSIL	(i) (ii)	147,685 0	0 0	1,860 0	22,516 0	20,945 0	193,006 0	0 0
ROBERT LACOSTE MD PHYSICIAN	(i) (ii)	251,808 0	0 0	1,470 0	0 0	23,535 0	276,813 0	0 0
LYNN ORFGEN CHIEF EXECUTIVE OFFICER	(i) (ii)	0 0	115,000 0	522,670 0	15,600 0	8,581 0	661,851 0	0 0

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number
38-1359247

Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A MICHIGAN FINANCE AUTHORITY	38-2889417	59447PSU6	11-14-2012	113,598,798	COSTS OF TOWER PROJECT AND REFUND CERTAIN EXISTING INDEBTEDNESS OF CORP		X		X		X
B MICHIGAN FINANCE AUTHORITY	38-2889417		12-01-2012	45,000,000	COSTS OF TOWER PROJECT		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	113,598,912		45,000,000					
4	Gross proceeds in reserve funds	7,100,622							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	92,742,139							
7	Issuance costs from proceeds	1,760,849		326,050					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	11,955,302		44,673,950					
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2012		2013					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X				

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization CRITTENTON HOSPITAL MEDICAL CENTER	Employer identification number 38-1359247
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990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	
FORM 990, PART VI, SECTION B, LINE 12C	THE HOSPITAL POLICY STATES THAT ALL EMPLOYEES HAVE A CONTINUOUS OBLIGATION TO DISCLOSE CONFLICTS OF INTEREST, AN ACTUAL IMPROPRIETY, AND/OR AN APPEARANCE OF IMPROPRIETY EMPLOYEES AT THE MANAGER LEVEL AND ABOVE EACH SIGN A STATEMENT ON AN ANNUAL BASIS ACKNOWLEDGING THEIR UNDERSTANDING OF THE POLICY AND VERIFYING THEIR APPROPRIATE DISCLOSURE OF ANY CONFLICTS ALL REPORTED CONFLICTS SHALL BE REVIEWED BY THE CEO IN CONJUNCTION WITH THE COMPLIANCE OFFICER AND DEPARTMENT OF LEGAL AFFAIRS IF IT IS DETERMINED THAT A CONFLICT EXISTS THE EMPLOYEE SHALL DISCONTINUE ALL ACTIVITIES SURROUNDING THAT CONFLICT THE EMPLOYEE MAY ALSO SEEK A WAIVER OF THE CONFLICT FROM THE CEO CHMC ALSO HAS A QUESTIONNAIRE FOR INDIVIDUALS AND THEIR IMMEDIATE FAMILY MEMBERS, INCLUDING BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES REGARDING CONFLICTS OF INTEREST AND THIS MUST BE SIGNED BY THE INDIVIDUALS THE QUESTIONNAIRE INCLUDES THE FOLLOWING 1 IDENTIFY YOUR SERVICE ON ANY BOARD OF DIRECTORS OR TRUSTEES OF ANY OF THE COMPANY'S WITH WHICH CHMC OR ANY OF ITS' AFFILIATES DOES BUSINESS 2 IDENTIFY WHETHER YOU ARE ASSOCIATED DIRECTLY OR INDIRECTLY OR HOLD A POSITION OR FINANCIAL INTEREST IN ANY OUTSIDE ORGANIZATION OR CONCERN WITH WHICH CRITTENTON DOES BUSINESS 3 IDENTIFY WHETHER YOU DIRECT, MANAGE, OR PROVIDE SERVICES OR CONSULTATION TO ANY OUTSIDE ORGANIZATION OR CONCERN THAT DOES BUSINESS WITH OR COMPETES WITH CRITTENTON 4 IDENTIFY ANY ACTIVITIES IN WHICH YOU ARE ENGAGED THAT MIGHT BE REGARDED AS CONSTITUTING A POTENTIAL CONFLICT OF INTEREST WITH CRITTENTON 5 DISCLOSE ANY DIRECT OR INDIRECT COMPENSATION THAT YOU RECEIVE, OR ANTICIPATE RECEIVING, FROM ANY PERSON, FIRM, CORPORATION, OR MARKET IN ANY WAY RELATED TO YOUR POSITION WITH CRITTENTON IF AT ANY TIME THERE IS A MATTER UNDER CONSIDERATION WHICH MAY CREATE A DIRECT OR INDIRECT CONFLICT OF INTEREST, IT IS THE INDIVIDUAL'S OBLIGATION TO DISCLOSE THE FACTS SURROUNDING THE POSSIBLE CONFLICT TO THE CORPORATE COMPLIANCE OFFICER OR DEPARTMENT OF HUMAN RESOURCES AND THAT THE INDIVIDUAL AGREES TO PROMPTLY REPORT ANY NEW SITUATIONS THAT REQUIRE DISCLOSURE UNDER THIS QUESTIONNAIRE THERE IS A SIGNED WRITTEN AGREEMENT/DOCUMENTATION FOR ANY BOARD MEMBER OR OFFICER IF A CONFLICT OF INTEREST ARISES CURRENTLY THERE HAVE NOT BEEN ANY RESTRICTIONS PLACED ON ANY BOARD MEMBER OR OFFICER AS AN ISSUE HAS NOT ARISEN TO WARRANT THIS
FORM 990, PART VI, SECTION B, LINE 15A	THE AUDIT COMMITTEE REVIEWS THE PERFORMANCE AGAINST THE GOALS SET FOR THE CEO IN ADDITION THE AUDIT COMMITTEE PERFORMS A REVIEW OF THE TOTAL SALARY AGAINST MARKET STATISTICS FROM THAT REVIEW, A RECOMMENDATION IS MADE TO THE EXECUTIVE COMMITTEE OF THE BOARD AND THE BOARD FOR APPROVAL THE DETERMINATION AND DECISION ARE DOCUMENTED IN THE EXECUTIVE COMMITTEE OF THE BOARD MINUTES THIS PROCESS WAS LAST UNDERTAKEN IN 2012
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST OF THE INDIVIDUAL
FORM 990, PART IX, LINE 11G	CONTRACT SERVICES-PHYSICIANS, CLINICAL,CLERICAL PROGRAM SERVICE EXPENSES 14,881,477 MANAGEMENT AND GENERAL EXPENSES 113,741 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 14,995,218 OPERATING SURGICAL SERVICES PROGRAM SERVICE EXPENSES 6,819,399 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 6,819,399 PURCHASED SERVICES-GENERAL PROGRAM SERVICE EXPENSES 2,637,758 MANAGEMENT AND GENERAL EXPENSES 1,011,692 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,649,450 FOOD AND NUTRITION PROGRAM SERVICE EXPENSES 2,497,248 MANAGEMENT AND GENERAL EXPENSES 67,913 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,565,161 HOUSEKEEPING PROGRAM SERVICE EXPENSES 2,547,499 MANAGEMENT AND GENERAL EXPENSES 1,160 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,548,659 PURCHASED SERVICES-MEDICAL PROGRAM SERVICE EXPENSES 2,445,015 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,445,015 BIO-MED PROGRAM SERVICE EXPENSES 1,926,382 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,926,382 LAUNDRY PROGRAM SERVICE EXPENSES 1,543,012 MANAGEMENT AND GENERAL EXPENSES 160 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,543,172 MAINTENANCE CONTRACTS PROGRAM SERVICE EXPENSES 999,442 MANAGEMENT AND GENERAL EXPENSES 276,922 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,276,364 REHAB SERVICES PROGRAM SERVICE EXPENSES 1,066,466 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,066,466 RADIOLOGY SERVICES PROGRAM SERVICE EXPENSES 738,549 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 738,549 PHARMACY PROGRAM SERVICE EXPENSES 544,300 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 544,300 GROUNDS MAINTENANCE PROGRAM SERVICE EXPENSES 41,734 MANAGEMENT AND GENERAL EXPENSES 212,894 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 254,628
FORM 990, PART XI, LINE 9	PENSION LIABILITY 12,768,384
FORM 990, PART XII, LINE 2C	THE ORGANIZATION DID NOT MAKE ANY SIGNIFICANT CHANGES IN THE PROCESS OF THE COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND SELECTION OF THE INDEPENDENT AUDITOR

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
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number
38-1359247

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
(1) CRITTENTON HOSPITAL MEDICAL CENTER FOUNDATION 1101 W UNIVERSITY DR ROCHESTER, MI 48307 38-2627336	SUPPORTING	MI	501(C)(3)	LINE 11A, I	CRITTENTON HOSPITAL MEDICAL CENTER	Yes	
(2) CRITTENTON CANCER CENTER 1101 W UNIVERSITY DR ROCHESTER, MI 48309 38-3239057	CANCER TREATMENT	MI	501(C)(3)	LINE 9	CRITTENTON HOSPITAL MEDICAL CENTER	Yes	

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) CRITTENTON MEDICAL EQUIPMENT 161 S LIVERNOIS RD ROCHESTER HILLS, MI 48307 38-3433794	MEDICAL EQUIPMENT SALES	MI	N/A									
(2) HBC INFUSIONS 1101 W UNIVERSITY ROCHESTER, MI 48307 75-3123093	INFUSION SERVICES	MI	N/A									
(3) BALD MOUNTAIN SURGICAL CENTER 1375 S LAPEER RD STE 3109 LAKE ORION, MI 48360 03-0444972	SURGICAL SERVICES	MI	N/A									

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) CRITTENTON DEVELOPMENT CORPORATION 2251 N SQUIRREL RD STE 310 AUBURN HILLS, MI 48326 38-2594115	REAL ESTATE	MI	CRITTENTON HOSPITAL MEDICAL CENTER	C	15,456	15,656,131	100 000 %		No
(2) CRITTENTON MEDICAL PHARMACY 1101 W UNIVERSITY ROCHESTER, MI 48307 20-3773341	PHARMACY SALES	MI	CRITTENTON DEVELOPMENT CORPORATION	C					No

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	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l	Yes	
1m	Yes	
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
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
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Additional Data

Software ID:

Software Version:

EIN: 38-1359247

Name: CRITTENTON HOSPITAL MEDICAL CENTER

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
CHMC FOUNDATION	B	70,880	ACTUAL CASH TRANSFERRED
CHMC FOUNDATION	C	137,676	ACTUAL CASH TRANSFERRED
CHMC FOUNDATION	L	115,006	ACTUAL COST INCURRED
CHMC FOUNDATION	M	374,592	ACTUAL COST INCURRED
CHMC FOUNDATION	Q	447,687	ACTUAL COST INCURRED
CRITTENTON CANCER CENTER	J	153,000	ACTUAL COST INCURRED
CRITTENTON CANCER CENTER	O	272,721	ACTUAL COST INCURRED
CRITTENTON CANCER CENTER	P	45,147	ACTUAL COST INCURRED

Crittenton Hospital Medical Center and Subsidiaries

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

Crittenton Hospital Medical Center and Subsidiaries

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Consolidating Statement of Operations and Changes in Net Assets	34-35

Independent Auditor's Report

To the Board of Directors
Crittenton Hospital Medical Center
and Subsidiaries

We have audited the accompanying consolidated financial statements of Crittenton Hospital Medical Center and Subsidiaries (the "Hospital"), 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 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 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 Board of Directors
Crittenton Hospital Medical Center
and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Crittenton Hospital Medical Center and Subsidiaries as of December 31, 2013 and 2012 and the consolidated 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the accompanying schedules is presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit 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 29, 2014

Crittenton Hospital Medical Center and Subsidiaries

Consolidated Balance Sheet

	December 31, 2013	December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 19,370,498	\$ 6,944,038
Investments (Note 2)	44,762,581	40,711,521
Patient accounts receivable (Note 1)	25,226,624	36,193,779
Notes and advances to affiliates	149,689	119,472
Due from third parties	5,024,404	4,144,291
Funds held by trustee - Current portion (Note 2)	267,504	227,277
Prepaid expenses	4,145,437	3,443,255
Inventories	4,514,364	4,544,371
Other current assets	2,988,165	1,898,929
Total current assets	106,449,266	98,226,933
Assets Limited as to Use (Note 2)	112,923,264	97,674,082
Property and Equipment - Net (Note 4)	207,858,344	194,624,679
Other Assets		
Investment in corporate joint ventures (Note 8)	5,282,982	7,037,617
Debt issuance costs	1,987,362	2,046,586
Other assets	3,568,627	6,990,543
Total assets	\$ 438,069,845	\$ 406,600,440
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt (Note 5)	\$ 2,531,362	\$ 3,505,828
Accounts payable	15,913,879	18,228,668
Due to third parties	7,980,943	2,054,886
Accrued liabilities:		
Salaries and wages	5,289,629	5,166,434
Vacation and sick pay	4,001,974	4,501,456
Interest	425,970	700,422
Other	2,576,920	2,650,797
Total current liabilities	38,720,677	36,808,491
Long-term Debt - Net of current portion (Note 5)	156,504,008	128,110,837
Pension Liability (Note 6)	15,165,415	28,516,672
Professional Liability (Note 7)	10,321,694	7,464,299
Other Liabilities	930,109	1,127,801
Total liabilities	221,641,903	202,028,100
Net Assets		
Unrestricted	212,067,271	199,185,291
Unrestricted - Noncontrolling interest	66,626	169,906
Temporarily restricted	4,294,045	5,217,143
Total net assets	216,427,942	204,572,340
Total liabilities and net assets	\$ 438,069,845	\$ 406,600,440

Crittenton Hospital Medical Center and Subsidiaries

Consolidated Statement of Operations and Changes in Net Assets

	Year Ended	
	December 31, 2013	December 31, 2012
Unrestricted Revenue, Gains, and Other Support		
Patient service revenue - Net of contractual allowances and discounts	\$ 228,241,577	\$ 243,661,694
Provision for bad debts	(10,969,851)	(11,737,367)
Net patient service revenue less provision for bad debts	217,271,726	231,924,327
Other operating revenue	8,103,581	5,527,214
Income from investment in joint ventures (Note 8)	1,032,319	1,363,922
Net assets released from restrictions for operations	91,155	228,318
Total unrestricted revenue, gains, and other support	226,498,781	239,043,781
Expenses		
Salaries and wages	87,702,283	92,670,762
Fringe benefits	21,954,394	22,201,401
Supplies	42,908,654	43,340,696
Outside professional medical services	14,767,895	13,938,087
Administrative and general	61,736,566	63,619,261
Depreciation and amortization	15,266,809	16,107,631
Provision for nonpatient bad debt expense (recovery)	3,661	(10,893)
Interest	4,359,588	3,307,219
Total expenses (Note 10)	248,699,850	255,174,164
Operating Loss	(22,201,069)	(16,130,383)
Other Income (Loss)		
Investment income (Note 2)	21,788,231	13,916,837
Contributions made	(202,000)	(250,000)
Impairment loss (Note 8)	(1,095,693)	-
Other	444,237	(498,372)
Total other income	20,934,775	13,168,465
Excess of Revenue Under Expenses	(1,266,294)	(2,961,918)
Less Gain Attributable to Noncontrolling Interest	(114,172)	(92,702)
Excess of Revenue Under Expenses Attributable to Parent	\$ (1,380,466)	\$ (3,054,620)

Crittenton Hospital Medical Center and Subsidiaries

Consolidated Statement of Operations and Changes in Net Assets (Continued)

	Year Ended	
	December 31, 2013	December 31, 2012
Unrestricted Net Assets		
Excess of revenue under expenses	\$ (1,266,294)	\$ (2,961,918)
Distribution (to) from noncontrolling interest	(217,452)	117,476
Pension-related changes other than net periodic pension costs	12,768,383	(1,834,304)
Net assets released from restrictions for purchase of long-lived assets	1,502,067	27,306
Other changes in unrestricted net assets	(8,004)	(18,498)
Increase (Decrease) in Unrestricted Net Assets	12,778,700	(4,669,938)
Temporarily Restricted Net Assets		
Contributions for operation, plant, and equipment	670,124	866,626
Net assets released from restriction	(1,593,222)	(255,624)
(Decrease) Increase in Temporarily Restricted Net Assets	(923,098)	611,002
Increase (Decrease) in Net Assets	11,855,602	(4,058,936)
Net Assets - Beginning of year	204,572,340	208,631,276
Net Assets - End of year	\$ 216,427,942	\$ 204,572,340

Crittenton Hospital Medical Center and Subsidiaries

Consolidated Statement of Cash Flows

	Year Ended	
	December 31, 2013	December 31, 2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 11,855,602	\$ (4,058,936)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Pension-related changes other than net periodic pension costs	(12,768,383)	1,834,304
Depreciation and amortization	15,266,809	16,107,631
Realized and unrealized gains on investments	(20,138,377)	(11,522,579)
Restricted contributions	(670,124)	(866,626)
Provision for bad debts	10,973,512	11,726,476
Distribution to (from) noncontrolling interest	217,452	(117,476)
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(6,357)	(4,458,218)
Due from third parties	(880,113)	(3,076,833)
Other assets	2,393,837	(1,583,883)
Equity earnings from joint ventures	(1,420,452)	(1,345,359)
Accounts payable	(2,314,787)	3,244,739
Accrued liabilities	(724,616)	606,615
Professional liability	2,857,395	177,500
Pension liability	(582,874)	(2,956,647)
Due to third parties	5,926,057	(2,847,764)
Net cash provided by operating activities	9,984,581	862,944
Cash Flows from Investing Activities		
Purchase of property and equipment	(27,561,682)	(36,209,030)
Proceeds from sales of investments	219,446,040	194,344,882
Purchase of investments	(218,993,148)	(174,990,082)
Distributions from joint ventures	1,729,533	1,191,796
Net cash used in investing activities	(25,379,257)	(15,662,434)
Cash Flows from Financing Activities		
Restricted contributions	670,124	866,626
Distribution (to) from noncontrolling interest	(217,452)	117,476
Issuance of bond financing costs	(50,241)	(1,296,672)
Proceeds from issuance of long-term debt	30,000,000	130,792,547
Payments on long-term debt	(2,581,295)	(113,346,774)
Net cash provided by financing activities	27,821,136	17,133,203
Net Increase in Cash and Cash Equivalents	12,426,460	2,333,713
Cash and Cash Equivalents - Beginning of year	6,944,038	4,610,325
Cash and Cash Equivalents - End of year	\$ 19,370,498	\$ 6,944,038
Supplemental Cash Flow Information		
Cash paid for interest	\$ 6,134,327	\$ 3,421,302
Cash paid for income taxes	30,035	260,078
Capitalized interest on long-term debt for patient tower	1,166,591	91,386
Accruals for purchase of property, plant, and equipment	1,221,307	6,078,403

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies

Organization - Crittenton Hospital Medical Center (CHMC) is a Michigan nonprofit corporation which owns and operates a 290-licensed bed acute care hospital in Rochester, Michigan. CHMC is the sole corporate member of Crittenton Hospital Medical Center Foundation (the "Foundation"), Crittenton Development Corporation (CDC), Crittenton Cancer Center (CCC), and Strategic Alliance Assurance Company, Ltd. (SAAC), a captive insurance company, together referred to as the "Hospital". CDC operates a home health agency and a home medical equipment venture. In addition, CDC has a majority interest in an outpatient surgery center. The Hospital provides health care services primarily to residents of the region.

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of all wholly owned, majority-owned, and controlled organizations. Investments, whereby the Hospital holds up to 50 percent ownership interest and exercises significant influence, are accounted for using the equity method of accounting. All significant intercompany transactions and balances have been eliminated in consolidation.

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.

Investments - Investments, inclusive of assets limited as to use, in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value using quoted market prices in the consolidated balance sheet. Investments also include commingled funds which hold securities directly and are stated at the fair value of the underlying investments, determined by the fund administrators, based on readily determinable market value of the underlying assets. Purchases and sales of investments are accounted for as of the settlement date, and sales are accounted for using the first-in, first-out method. Investment income or loss (including unrealized gains and losses on trading securities and realized gains and losses on investments, interest, and dividends) is included in the excess of revenue over expenses, unless the income or loss is restricted by donor or law.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying consolidated balance sheet and consolidated statements of operations and changes in net assets.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Accounts Receivable - Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges. An allowance for doubtful accounts totaling \$6,101,257 and \$7,650,740 at December 31, 2013 and 2012, respectively, is established on an aggregate basis by the Hospital based upon its past history and trends for each of its major payor sources of revenue. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible.

For receivables associated with self-pay patients, which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for a portion of the claim, 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.

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

	2013	2012
Medicare	34 %	35 %
Medicaid	11	13
Blue Cross/Blue Shield of Michigan	14	17
Commercial and self-pay patient	41	35
Total	100 %	100 %

Inventories - Inventories, which are principally medical supplies, are stated at the lower of cost or market, with cost determined based on the first-in, first-out method.

Other Assets - Other assets are composed significantly of loans to physicians and a health care institution.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Assets Limited as to Use - Assets limited as to use, composed principally of short-term and intermediate investments, include assets designated by the board of trustees for future capital expenditures and retirement of debt, assets held by the trustees under indenture agreements, assets held under self-insurance trust agreements, and assets held under donor restrictions. Assets limited as to use are comprised of common stock, treasury notes, mutual funds, mortgage obligations, corporate bonds, and municipal obligations.

Property and Equipment - Property and equipment purchases 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. Expenditures for maintenance and repairs are charged to operations as incurred and improvements are capitalized. The Hospital eliminates the costs and related allowances from the accounts for properties sold or retired and any resulting gains or losses are reported separately from operations concurrently.

Asset Impairment - The carrying value of long-lived assets is periodically evaluated for impairment. These evaluations are primarily based on the estimated recoverability of the assets' carrying value. The evaluation of excess of costs over net assets acquired is based principally on the projected undiscounted cash flows generated by the underlying tangible assets.

Deferred Bond Issue Costs - Deferred bond issue costs are amortized using an effective interest method over the lives of the related bonds. Amortization expense is included within depreciation and amortization on the consolidated statement of operations.

Net Patient Service Revenue - The majority of the Hospital's patient service revenue is received under contractual arrangements with Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan. Approximately 44 percent and 43 percent of net patient service revenue was received under the Medicare program during 2013 and 2012, respectively. Approximately 7 percent and 6 percent of net patient service revenue was received under the Medicaid program during 2013 and 2012, respectively. Approximately 25 percent and 24 percent of net patient service revenue was received under the Blue Cross/Blue Shield of Michigan program during 2013 and 2012, respectively.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Net patient service revenue is reported at the estimated net realizable amount due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Estimated settlements are recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Management believes that adequate provision has been made in the consolidated financial statements for any adjustments that may result from final settlements.

The estimated receivables from or payables to third-party payors related to settlements are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as needed until final settlements are determined.

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

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. A demonstration project completed in several other states resulted in the identification of potential significant overpayments. The RAC program began for Michigan in 2009 and as of December 31, 2013, the Hospital has had claims covering from 2009 through 2013 reviewed, the net outcome of which is not significant to the consolidated financial statements. The Hospital is unable to determine the extent of liability for overpayment.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources total \$228,241,577 and \$243,661,694 as of December 31, 2013 and 2012, respectively. This amount is made up of amounts from third-party payors of \$217,938,620 and \$234,696,230, and from self-pay payors of \$10,302,957 and \$8,965,464 at December 31, 2013 and 2012, respectively.

The provision for bad debts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible receivables. After satisfaction of amounts due from insurance, the Hospital follows established guidelines for placing certain past due patient balances with collection agencies.

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. 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 revenues received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue. The Hospital estimates that it provided \$682,718 and \$762,507 of services to charity patients during 2013 and 2012, respectively.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Excess of Revenue Under Expenses - Included in excess of revenue under expenses in the accompanying consolidated statement of operations are all changes in unrestricted net assets other than equity transfers to or from related entities under common control, net assets released from restrictions for long-lived assets, pension-related changes other than net periodic pension cost, and investment returns restricted by donors.

Unrestricted and Temporarily Restricted Net Assets - Net assets of the Hospital are classified as temporarily restricted or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Hospital'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. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law. Included in unrestricted net assets is a noncontrolling interest by a minority stockholder of Bald Mountain Holdings, LLC, which is a surgical center included in CDC. Temporarily restricted net assets are comprised of funds restricted for operations and property and equipment. During 2013, it was determined that certain board-designated assets were not externally restricted and have been classified as unrestricted net assets.

Use of Estimates - The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Tax - CHMC, the Foundation, and CCC are nonprofit, tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and accordingly, no tax provision is reflected in the consolidated financial statements. With few exceptions, the Hospital is no longer subject to U.S. federal, state or local, or non-U.S. income tax examinations by tax authorities for years before 2010.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Hospital and recognize a tax liability if the Hospital has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Hospital and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

CDC is a taxable corporation. Income taxes are not material to the consolidated financial statements.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including April 29, 2014, which is the date the consolidated financial statements were available to be issued.

Note 2 - Investments and Assets Limited as to Use

The composition of investments at December 31, 2013 and 2012 is as follows:

	2013	2012
Cash and cash equivalents	\$ 4,094,031	\$ 4,591,856
Common stock	5,159,569	13,377,448
Mutual funds	35,126,302	21,818,503
Foreign funds	127,484	670,521
Equity funds	255,195	253,193
Total investments	<u>\$ 44,762,581</u>	<u>\$ 40,711,521</u>

Assets limited as to use at December 31, 2013 and 2012 are as follows:

	2013	2012
Funds held by trustee	\$ 7,371,619	\$ 7,328,013
Board-designated assets	82,585,088	68,622,797
Professional liability fund	18,940,016	16,733,406
Donor-restricted assets	3,950,182	4,528,267
Pledges receivable	343,863	688,876
Total assets limited as to use	113,190,768	97,901,359
Less current portion of funds held by trustee	<u>(267,504)</u>	<u>(227,277)</u>
Long-term portion	<u>\$ 112,923,264</u>	<u>\$ 97,674,082</u>

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Investments and Assets Limited as to Use (Continued)

Investment return for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
Interest and dividends	\$ 3,046,444	\$ 3,152,615
Net realized gains on investments	15,464,121	6,045,898
Net unrealized gains on investments	4,674,256	5,476,681
Total investment return gain	<u>\$ 23,184,821</u>	<u>\$ 14,675,194</u>
Included in operating income	\$ 1,396,590	\$ 758,357
Included in nonoperating gains	21,788,231	13,916,837
Total amount recorded	<u>\$ 23,184,821</u>	<u>\$ 14,675,194</u>

Investment return on temporary cash investments, professional liability funds, and funds held in trust under bond agreements is included in operating income. All other investment return is included in the nonoperating gains and losses section of the consolidated statement of operations.

Note 3 - Fair Value Measurements

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

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

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

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets 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. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 3 - Fair Value Measurements (Continued)

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

Assets Measured at Fair Value on a Recurring Basis at December 31, 2013

	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
Investments:				
Cash and cash equivalents	\$ 4,094,031	\$ -	\$ -	\$ 4,094,031
Common stock	5,159,569	-	-	5,159,569
Foreign stock	127,484	-	-	127,484
Mutual funds	35,126,302	-	-	35,126,302
Equity funds	255,195	-	-	255,195
Total investments	44,762,581	-	-	44,762,581
Assets limited as to use:				
Cash and cash equivalents	10,306,603	-	-	10,306,603
Common stock	16,082,816	-	-	16,082,816
Foreign stock	819,513	-	-	819,513
Treasury notes	10,420,200	-	-	10,420,200
Mutual funds	51,200,620	-	-	51,200,620
Collateralized mortgage obligations	-	2,708,738	-	2,708,738
Corporate bonds	-	11,403,627	-	11,403,627
Foreign corporate bonds	-	658,956	-	658,956
Asset-backed corporate bonds	-	2,630,990	-	2,630,990
Private placements	-	519,214	-	519,214
Residential mortgage government agency	-	5,311,581	-	5,311,581
Real estate investment trusts	357,982	-	-	357,982
Municipal obligations	-	426,065	-	426,065
Total assets limited as to use	89,187,734	23,659,171	-	112,846,905
Total assets	\$ 133,950,315	\$ 23,659,171	\$ -	\$ 157,609,486

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 3 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2012

	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
Investments:				
Cash and cash equivalents	\$ 4,591,856	\$ -	\$ -	\$ 4,591,856
Common stock	13,377,448	-	-	13,377,448
Foreign stock	670,521	-	-	670,521
Mutual funds	21,818,503	-	-	21,818,503
Equity funds	253,193	-	-	253,193
Total investments	40,711,521	-	-	40,711,521
Assets limited as to use:				
Cash and cash equivalents	11,251,340	-	-	11,251,340
Common stock	15,348,623	-	-	15,348,623
Foreign stock	863,882	-	-	863,882
Treasury notes	12,603,422	-	-	12,603,422
Mutual funds	36,371,988	-	-	36,371,988
Collateralized mortgage obligations	-	3,262,426	-	3,262,426
Corporate bonds	-	9,449,958	-	9,449,958
Foreign corporate bonds	-	517,505	-	517,505
Asset-backed corporate bonds	-	2,617,673	-	2,617,673
Residential mortgage government agency	-	4,023,818	-	4,023,818
Real estate investment trusts	434,488	-	-	434,488
Municipal obligations	-	467,360	-	467,360
Total assets limited as to use	76,873,743	20,338,740	-	97,212,483
Total assets	\$ 117,585,264	\$ 20,338,740	\$ -	\$ 137,924,004

Assets reflected in the tables above include investments, funds held by trustee, board-designated assets, professional liability fund, and donor-restricted assets, exclusive of pledges receivable.

The fair value of the mortgage and municipal obligations, bonds, and private placements at December 31, 2013 and 2012 was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 3 - Fair Value Measurements (Continued)

The Hospital's policy is to recognize transfers between fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2013 and 2012.

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended 2012 are as follows:

	Corporate Bonds
Balance at January 1, 2012	\$ 85,636
Sales	(85,636)
Total realized/unrealized gains	128
Total unrealized losses	(128)
Balance at December 31, 2012	\$ -

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. As a result, the unrealized gains and losses for these assets presented in the table above may include changes in fair value that were attributable to both observable and unobservable inputs.

The following methods and assumptions were used in estimating fair value of disclosures as of December 31, 2013 and 2012:

Cash and Cash Equivalents - The carrying amount in the consolidated balance sheet for cash and cash equivalents approximates fair value.

Marketable Securities - The fair values for marketable debt and equity securities are based on quoted market prices.

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.

Long-term Debt - The fair values for long-term debt are estimated using discounted cash flow analysis based on the current borrowing rate for similar types of borrowing arrangements.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - Property and Equipment

The costs of property, plant, equipment, and depreciable lives are summarized as follows:

	2013	2012	Depreciable Life - Years
Land	\$ 4,902,986	\$ 4,902,986	-
Land improvements	5,933,951	5,933,951	3-36
Buildings	160,468,965	160,441,865	5-90
Building improvements	48,388,993	48,175,844	2-50
Equipment	122,685,499	119,849,108	1-25
Construction in progress	65,547,772	41,062,730	-
Total cost	407,928,166	380,366,484	
Accumulated depreciation	(200,069,822)	(185,741,805)	
Total property and equipment	<u>\$ 207,858,344</u>	<u>\$ 194,624,679</u>	

Depreciation expense on property and equipment totaled \$14,145,012 and \$14,636,860 in 2013 and 2012, respectively.

Note 5 - Long-term Debt

Long-term debt at December 31, 2013 and 2012 consists of the following:

	2013	2012
Michigan State Hospital Finance Authority:		
Series 2012A, Hospital Revenue and Refunding Bonds	\$ 105,515,000	\$ 107,290,000
Series 2012B, Hospital Revenue and Refunding Bonds	45,000,000	15,000,000
PNC Equipment Finance LLC: Series 2010, Hospital		
Revenue Bonds	510,990	858,157
PNC Mortgage (CDC)	2,106,000	2,190,936
Total long-term debt	153,131,990	125,339,093
Unamortized bond premium	5,903,380	6,277,572
Less current portion	2,531,362	3,505,828
Long-term portion	<u>\$ 156,504,008</u>	<u>\$ 128,110,837</u>

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 5 - Long-term Debt (Continued)

The Hospital entered into several agreements with the Michigan State Hospital Finance Authority for the issuance of hospital revenue and refunding bonds. The proceeds have been loaned to the Hospital under a master indenture. Long-term debt is collateralized by accounts receivable and gross revenues of the obligated group (includes CHMC and Foundation), as well as a first mortgaged lien on the Hospital's facility, adjacent parking structure, and related parking. Long-term debt under this indenture is subject to certain financial covenants.

In November 2012, Hospital Revenue and Refunding Bonds Series 2012A (Series 2012A Bonds) were issued by the Michigan State Hospital Finance Authority. The proceeds were loaned to the Hospital under a new master indenture. A portion of the proceeds was used to advance refund prior bonds. The remaining portion of \$12,000,000 was used to fund the new South Tower Project at the Hospital. The Series 2012A Bonds mature in annual amounts ranging from \$1,775,000 in 2013 to \$6,925,000 in 2039 and bear interest at rates from 3.00 percent to 5.00 percent.

In December 2012, Hospital Revenue and Refunding Bonds Series 2012B (Series 2012B Bonds) were issued by the Michigan State Hospital Finance Authority. The proceeds were loaned to the Hospital under a new master indenture. The proceeds are being used to fund the new South Tower Project at the Hospital. These bonds were a direct placement with Comerica Bank. The total amount of the Series 2012B Bonds of \$45,000,000 was drawn on during the construction of the South Tower Project through December 2013. Interest only is paid on these bonds until the 2012A Bonds are paid in full in 2039. The Series 2012B Bonds mature in annual amounts ranging from \$5,060,000 in 2040 to \$6,225,000 in 2047. The effective interest rate at December 31, 2013 was 1.565 percent.

In May 2010, Hospital Revenue Bonds, Series 2010, for \$1,710,000 were issued by the Michigan State Hospital Finance Authority. The bonds were then purchased by PNC Equipment Finance L.L.C. The bonds mature in a monthly amount of \$30,702, including interest. The interest rate is fixed at 2.9679 percent.

In November 2012, CDC converted a construction loan to a mortgage in the amount of \$2,193,750. The note is payable in 59 equal consecutive monthly principal installments in the amount of \$7,312 plus interest, with a balloon payment due on the maturity date of November 30, 2017. Interest is based on a variable rate at the one-month LIBOR plus 3.00 percent. The effective interest rate at December 31, 2013 is 3.164 percent. The mortgage is subject to certain financial covenants.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 5 - Long-term Debt (Continued)

Minimum principal payments on long-term debt as of December 31, 2013 are as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2014	\$ 2,531,362
2015	2,420,128
2016	2,377,750
2017	2,497,750
2018	4,285,000
Thereafter	<u>139,020,000</u>
Total	<u>\$ 153,131,990</u>

Note 6 - Retirement Plans

The Hospital has a defined contribution pension plan and a noncontributory defined benefit pension plan covering substantially all of its employees. Under the noncontributory defined benefit plan, the benefits are based on years of service and final average earnings. The Hospital's funding policy for the defined benefit plan is to fund an amount based on the recommendation of consulting actuaries, in compliance with the requirements under the Employee Retirement Income Security Act of 1974. Funding for the defined contribution plan is based on the participating employees' base pay with a maximum percentage contributed by the employee based on their collective bargaining agreement and the remainder contributed by the Hospital.

In November 2006, the Hospital announced that benefits provided under the noncontributory defined benefit pension plan would be frozen effective January 1, 2007 to reduce the expected increase in pension expense in future years.

The Hospital also has a defined contribution retirement plan for employees. The Hospital contributes a fixed percentage of employees' salaries to the plan and will also match contributions made by the employees to the plan during the year. The Hospital also makes available a 403(b) plan for employees' elective deferrals.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

A reconciliation of the changes in the noncontributory defined benefit plan's benefit obligation and fair value of plan assets for the years ended December 31, 2013 and 2012, and a statement of the funded status as of December 31, 2013 and 2012, are as follows:

Obligations and Funded Status

	2013	2012
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 83,005,434	\$ 74,541,482
Service cost	665,643	754,130
Interest cost	3,535,072	3,728,481
Actuarial (gain) loss	(6,947,788)	6,831,195
Benefits paid	<u>(3,098,505)</u>	<u>(2,849,854)</u>
Benefit obligation at end of year	77,159,856	83,005,434
Change in plan assets:		
Fair value of plan assets at beginning of year	54,488,762	44,902,467
Actual return on plan assets	8,265,103	6,980,937
Employer contributions	2,899,081	5,875,212
Benefits and other expenses paid	<u>(3,658,505)</u>	<u>(3,269,854)</u>
Fair value of plan assets at end of year	<u>61,994,441</u>	<u>54,488,762</u>
Unfunded status at end of year	<u>\$ (15,165,415)</u>	<u>\$ (28,516,672)</u>

Amounts recognized in the consolidated balance sheet are noncurrent liabilities of \$15,165,415 and \$28,516,672 at December 31, 2013 and 2012, respectively.

Included in unrestricted net assets is a net loss of \$11,901,867 and \$24,670,250 as of December 31, 2013 and 2012, respectively, that has not yet been recognized in net periodic benefit cost.

The accumulated benefit obligation for all defined benefit pension plans was \$76,220,943 and \$82,140,740 at December 31, 2013 and 2012, respectively.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

Components of net periodic benefit cost and other amounts included in net assets not yet recognized in net periodic benefit cost are as follows:

	2013	2012
Net Periodic Benefit Cost		
Service cost	\$ 1,225,643	\$ 1,174,130
Interest cost on projected benefit obligation	3,535,072	3,728,481
Expected return on plan assets	(4,277,622)	(3,665,117)
Amortization - Loss	1,833,114	1,681,071
Net periodic benefit cost	<u>\$ 2,316,207</u>	<u>\$ 2,918,565</u>

Other Changes in Plan Assets and Benefit Obligations Recognized in Net Assets Not Yet Recognized in Net Periodic Benefit Cost

	2013	2012
Net (gain) loss	\$ (10,935,269)	\$ 3,515,375
Amortization or settlement recognition of net loss	<u>(1,833,114)</u>	<u>(1,681,071)</u>
Total recognized in unrestricted net assets	<u>\$ (12,768,383)</u>	<u>\$ 1,834,304</u>
Total recognized in net periodic benefit cost and unrestricted net assets	<u>\$ (10,452,176)</u>	<u>\$ 4,752,869</u>

The estimated amount to be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is \$471,914.

Assumptions

Weighted average assumptions used to determine benefit obligations at December 31 are as follows:

	2013	2012
Weighted average discount rate	5.25 %	4.35 %
Rate of compensation increase	4.50	4.50

Weighted average assumptions used to determine net periodic benefit cost for years ended December 31 are as follows:

	2013	2012
Weighted average discount rate	4.35 %	5.10 %
Rate of compensation increase	4.50	4.50
Expected rate of return on plan assets	8.00	8.00

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

To develop the expected long-term rate of return on assets assumption, the Hospital considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested, and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 8.00 percent assumption.

Pension Plan Assets

Plan investments include immediate participation funds held by an insurance company and units of certain collective investment funds held by a commercial bank.

For 2013 and 2012, the Hospital elected to use the bond model approach for valuation of obligations. The Hospital believes the bond model approach provides greater precision given the increased volatility in the high-quality fixed-income universe which shows no signs of reverting to historic norms.

The Hospital's pension plan weighted average asset allocation as of December 31, 2013 is 64 percent equity securities, 27 percent fixed income debt securities, and 9 percent other investments. The weighted average asset allocation as of December 31, 2012 is 69 percent equity securities, 30 percent debt securities, and 1 percent other investments.

The plan assets are invested in separately managed portfolios using investment management firms. The plan's objective is to maximize total return without assuming undue risk exposure. The plan maintains a well-diversified asset allocation that best meets these objectives. Plan assets are largely composed of equity securities, which include all market capitalization sizes in addition to international and convertible securities. Debt securities include both intermediate and international securities.

Investments in derivative securities are not permitted for the sole purpose of speculating on the direction of market interest rates. Included in this prohibition are leveraging, shorting, swaps, futures, options, forwards, and like strategies.

In each investment account, investment managers are responsible to monitor and react to economic indicators, such as gross domestic product, Consumer Price Index, and the federal monetary policy, that may affect the performance of their account. The performance of all managers and the aggregate asset allocation are formally reviewed on a quarterly basis, with a rebalancing of the asset allocation occurring at least once a year. The current asset allocation objective is to maintain 64 percent of plan assets in equity securities, 26 percent in fixed-income securities, and 10 percent in real assets.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

The fair values of the Hospital's pension plan assets at December 31, 2013 and 2012 by asset category are as follows:

Fair Value Measurements at December 31, 2013

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Classes				
Cash and cash equivalents	\$ 1,154,944	\$ 1,154,944	\$ -	\$ -
Common stock	7,380,410	7,380,410	-	-
Foreign stock	307,193	307,193	-	-
Treasury notes	3,670,147	3,670,147	-	-
Mutual funds - Open end	20,756,568	18,347,080	2,409,488	-
Collateralized mortgage obligations	368,053	-	368,053	-
Equity funds	20,597,688	-	10,595,658	10,002,030
Mutual funds - Closed end	4,483,416	4,483,416	-	-
Corporate bonds	2,023,590	-	2,023,590	-
Foreign corporate bonds	255,441	-	255,441	-
Asset-backed corporate bonds	176,700	-	176,700	-
Private placements	68,539	-	68,539	-
Real estate investment trusts	122,833	122,833	-	-
Residential mortgage government agency	443,090	-	443,090	-
Municipal obligations	185,829	-	185,829	-
Total	\$ 61,994,441	\$ 35,466,023	\$ 16,526,388	\$ 10,002,030

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

Fair Value Measurements at December 31, 2012

Asset Classes	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 1,335,186	\$ 1,335,186	\$ -	\$ -
Common stock	7,528,676	7,528,676	-	-
Foreign stock	312,166	312,166	-	-
Treasury notes	457,696	457,696	-	-
Mutual funds - Open end	10,842,835	8,193,638	2,649,197	-
Collateralized mortgage obligations	38,214	-	38,214	-
Equity funds	18,111,203	-	10,390,088	7,721,115
Mutual funds - Closed end	8,274,643	8,274,643	-	-
Corporate bonds	5,248,726	-	5,248,726	-
Foreign corporate bonds	1,102,750	-	1,102,750	-
Asset-backed corporate bonds	180,819	-	180,819	-
Real estate investment trusts	129,307	129,307	-	-
Municipal obligations	926,541	-	926,541	-
Total	<u>\$ 54,488,762</u>	<u>\$ 26,231,312</u>	<u>\$ 20,536,335</u>	<u>\$ 7,721,115</u>

The tables above present information about the pension plan assets measured at fair value at December 31, 2013 and 2012 and the valuation techniques used by the Hospital to determine those fair values.

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

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets 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.

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

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2013 and 2012 are as follows:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Beginning balance - January 1, 2013	\$ 7,721,115
Total gains or losses (realized/unrealized)	1,380,916
Purchases	2,300,000
Sales and settlements	<u>(1,400,001)</u>
Ending balance - December 31, 2013	<u>\$ 10,002,030</u>

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Beginning balance - January 1, 2012	\$ 6,806,676
Total gains or losses (realized/unrealized)	914,439
Purchases	400,972
Sales and settlements	<u>(400,972)</u>
Ending balance - December 31, 2012	<u>\$ 7,721,115</u>

Cash Flow

Contributions

The Hospital expects to contribute \$4,866,882 to its pension plan in 2014.

Estimated Future Benefit Payments

Benefits expected to be paid by the Hospital during the ensuing five years and thereafter are approximately as follows:

<u>Year</u>	<u>Pension Benefits</u>
2014	\$ 3,976,147
2015	4,160,723
2016	4,375,167
2017	4,734,265
2018	5,033,460
2019-2023	26,839,118

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 6 - Retirement Plans (Continued)

In addition, CDC has a noncontributory profit-sharing 401(k) plan covering substantially all full-time eligible employees of the home health agency. Employer contributions are discretionary and \$68,520 was expensed in 2013. There were no discretionary contributions in 2012.

Note 7 - Commitments and Contingencies

The Hospital has established an offshore captive insurance company to provide professional and general liability coverage to the Hospital, certain medical staff members, and other affiliates. Under these insurance programs, a portion of the risk of loss from professional liability claims is retained by SAAC. The Hospital has accrued its best estimate of the ultimate cost of losses payable by the captive insurance company and the retained portion of losses under other insurance arrangements.

The Hospital established a self-insurance program for professional liability claims reported after May 31, 1986, and prior to December 31, 2003, and arising from services to patients after May 31, 1985. A trust was established for the payment of covered losses and related expenses, as specified under the Hospital's insurance program. The irrevocable trust is funded based on recommendations of a consulting actuary. Assets of the trust are reported in the consolidated balance sheet and income on the trust assets is reported as operating revenue. The Hospital accrues its best estimate of self-insured losses as they occur, based upon recommendations by the consulting actuary. The discount rate used in estimating the liability was 1.50 percent in 2013 and 2012. The malpractice expense was \$2,576,057 and \$1,601,456 for the years ended December 31, 2013 and 2012, respectively.

Because of the nature of its operations, the Hospital is, at all times, subject to pending and threatened legal actions that arise in the normal course of its activities. There are known incidents that have occurred through December 31, 2013 that may result in the assertion of professional liability claims. At December 31, 2013, Hospital management accrued its best estimate of these contingent losses to the extent they fall within the limits of the Hospital's self-insurance program, as well as an estimate of incurred but not reported claims, and to the extent claims are subject to reimbursement from insurance, a receivable has been recorded.

Additionally, during 2013 management has reported to the Centers for Medicare and Medicaid Services (CMS) a potential Stark Law violation. The amount due to CMS is unknown at this time and management is waiting for a response from CMS. Management believes amounts recorded on the consolidated balance sheet are adequate for any potential loss.

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 8 - Investment in Corporate Joint Ventures

The Hospital invested \$100,000 for a 33-1/3 percent equity interest in a magnetic resonance imaging center (the "Center"). The Center reported operating gains of \$715,976 and \$668,820 during the years ended December 31, 2013 and 2012, respectively, of which the Hospital's share was approximately \$196,000 and \$232,000 in 2013 and 2012, respectively. The investment in the joint venture is accounted for on the equity method.

The condensed financial information for the Center as of and for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
At December 31 - Total assets	\$ 7,540,214	\$ 9,655,142
Total liabilities	\$ 2,772,200	\$ 4,286,801
Capital	4,768,014	5,368,341
At December 31 - Total liabilities and capital	\$ 7,540,214	\$ 9,655,142
Net income for the year ended December 31	\$ 715,976	\$ 668,820

On November 30, 2007, the Hospital invested \$2,880,000 for a 20 percent equity interest in USC, LLC. USC, LLC is engaged in the business of owning and operating an ambulatory surgery center in Troy, Michigan. In 2009, the ownership interest increased to 28.7 percent and in 2011, the ownership interest increased to 30.3 percent. The surgical center reported operating income of approximately \$833,600 and \$2,273,700 for the years ended December 31, 2013 and 2012, respectively, of which the Hospital's share of the income was approximately \$218,000 and \$549,000 in 2013 and 2012, respectively. The investment in the joint venture is accounted for on the equity method. During the years ended December 31, 2013 and 2012, the Hospital incurred expenses related to the surgical center of \$4,967,711 and \$6,077,497, respectively. For the year ended December 31, 2013, the Hospital recorded an impairment loss of \$1,095,693 related to the investment in USC. The net investment in USC prior to the impairment loss was \$2,696,081.

The condensed unaudited financial information for USC, LLC as of and for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
At December 31 - Total assets	\$ 4,349,075	\$ 4,373,183
Total liabilities	\$ 952,724	\$ 1,110,012
Capital	3,396,351	3,263,171
At December 31 - Total liabilities and capital	\$ 4,349,075	\$ 4,373,183
Net income for the year ended December 31	\$ 833,630	\$ 2,273,733

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 8 - Investment in Corporate Joint Ventures (Continued)

The Hospital had other joint ventures accounted for on the equity method. The Hospital's share was approximately \$1,053,000 and \$583,000 in 2013 and 2012, respectively.

Note 9 - Leases

The Hospital is obligated under certain operating leases, primarily for facilities and equipment. Total rent expense under these leases was \$3,685,206 and \$4,837,293 for the years ended December 31, 2013 and 2012, respectively.

The Hospital has facilities leases and subleases under rental income. Total rental income for 2013 and 2012 for all rental leases was approximately \$1,262,000 and \$1,314,000, respectively.

Subsequent to year-end the Hospital leased the Cancer Center building and related equipment, which had a net book value of approximately \$18,300,000.

Future minimum operating lease commitments and sublease receipts under noncancelable operating leases (with an initial or remaining term in excess of one year) at December 31, 2013 are as follows:

<u>Years Ending December 31</u>	<u>Payments</u>	<u>Receipts</u>
2014	\$ 2,763,781	\$ 2,257,155
2015	2,298,493	2,519,471
2016	2,183,775	2,216,840
2017	1,989,986	2,181,276
2018	1,748,807	2,191,032
Thereafter	3,093,573	1,490,767
Total	<u>\$ 14,078,415</u>	<u>\$ 12,856,541</u>

Note 10 - Functional Expenses

The Hospital provides general healthcare services to patients within its geographic location. Expenses related to providing these services for the years ended December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Health care services	\$ 219,149,266	\$ 222,169,268
General and administrative	29,550,584	33,004,896
Total	<u>\$ 248,699,850</u>	<u>\$ 255,174,164</u>

Crittenton Hospital Medical Center and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 11 - The American Recovery and Reinvestment Act of 2009

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 technology (EHR) by 2014. The Hospital may receive an incentive payment for up to four years, provided the Hospital demonstrates meaningful use of certified EHR technology during the EHR reporting period. Criteria for demonstrating meaningful use is established by the Centers of Medicare and Medicaid Services (CMS) using a phased approach defining meaningful use through three stages. Stage One has been defined and is applicable to the federal fiscal year 2012 and 2013 payments. For Medicare, the incentive payments are based on estimated total hospital discharges and days, Medicare days, and total hospital charges less charity care.

During 2013 and 2012, the Hospital attested to CMS that it had met the first stage of meaningful use criteria for the first and second year EHR reporting period. As such, the incentive payments were recognized as income within operating revenue in the amounts of \$268,972 and \$336,216 for Medicaid and \$1,823,463 and \$2,588,098 for Medicare as of December 31, 2013 and 2012, respectively.

Retroactively calculated adjustments to the incentive payments recorded may occur as incentive payments are based on management's best estimates and the amounts are subject to change until final settlement occurs on related Medicare cost reports. Changes to incentive payment revenue will be recorded within operating income in the period in which the adjustments occur.

Management believes that it is in compliance with all applicable meaningful use criteria as attested. Final determination of the Hospital attestation is subject to audit by the federal government or its designee.

Note 12 - Management's Plan

The consolidated financial statements for the year ended December 31, 2013 reflect an operational loss of \$22,201,069. Management has and will continue to focus on performance improvement initiatives that will yield additional net revenue and a reduction in expenses. Areas of focus include, but are not limited to, physician recruitment, revenue cycle initiatives, payor contracting, and expense reductions.

Additional Information

Crittenton Hospital Medical Center and Subsidiaries

Consolidating Balance Sheet December 31, 2013

	Crittenton Hospital Medical Center	Crittenton Cancer Center	Strategic Alliance Assurance Co.	CHMC Foundation	Crittenton Development Corporation	Eliminations	Consolidated Balances
Assets							
Current Assets							
Cash and cash equivalents	\$ 16,245,877	\$ 407,965	\$ 308,478	\$ 759,490	\$ 1,648,688	\$ -	\$ 19,370,498
Investments	13,329,960	-	-	29,128,481	2,304,140	-	44,762,581
Patient accounts receivable	24,228,831	279,145	-	-	1,010,131	(291,483)	25,226,624
Notes and advances to affiliates	17,341,225	206,163	168,516	27,503	138,618	(17,732,336)	149,689
Due from third parties	5,024,404	-	-	-	-	-	5,024,404
Funds held by trustee - Current portion	267,504	-	-	-	-	-	267,504
Prepaid expenses	3,498,974	249,782	10,366	1,779	384,536	-	4,145,437
Inventories	3,789,893	-	-	-	724,471	-	4,514,364
Other current assets	2,999,677	32,801	-	-	(44,313)	-	2,988,165
Total current assets	86,726,345	1,175,856	487,360	29,917,253	6,166,271	(18,023,819)	106,449,266
Assets Limited as to Use	96,443,161	-	10,705,013	5,775,090	-	-	112,923,264
Property and Equipment - Net	179,600,148	18,342,019	-	15,443	9,900,734	-	207,858,344
Other Assets							
Investment in corporate joint ventures	9,648,818	-	-	-	1,720,068	(6,085,904)	5,282,982
Debt issuance costs	1,987,362	-	-	-	-	-	1,987,362
Other assets	14,882,412	-	-	-	-	(11,313,785)	3,568,627
Total assets	\$ 389,288,246	\$ 19,517,875	\$ 11,192,373	\$ 35,707,786	\$ 17,787,073	\$ (35,423,508)	\$ 438,069,845

Crittenton Hospital Medical Center and Subsidiaries

Consolidating Balance Sheet (Continued) December 31, 2013

	Crittenton Hospital Medical Center	Crittenton Cancer Center	Strategic Alliance Assurance Co.	CHMC Foundation	Crittenton Development Corporation	Eliminations	Consolidated Balances
Liabilities and Net Assets							
Current Liabilities							
Current portion of long-term debt	\$ 2,443,612	\$ -	\$ -	\$ -	\$ 127,960	\$ (40,210)	\$ 2,531,362
Accounts payable	15,028,123	347,724	27,270	12,000	790,245	(291,483)	15,913,879
Due to third parties	7,686,287	-	-	-	294,656	-	7,980,943
Accrued liabilities:							
Salaries and wages	5,074,081	-	-	-	215,548	-	5,289,629
Vacation and sick pay	3,844,403	-	-	-	157,571	-	4,001,974
Interest	425,970	-	-	-	-	-	425,970
Other	1,579,252	-	701,315	-	296,353	-	2,576,920
Accounts payable affiliates	342,472	17,193,072	-	129,526	67,266	(17,732,336)	-
Total current liabilities	36,424,200	17,540,796	728,585	141,526	1,949,599	(18,064,029)	38,720,677
Long-term Debt - Net of current portion	154,485,758	-	-	-	4,213,704	(2,195,454)	156,504,008
Pension Liability	15,165,415	-	-	-	-	-	15,165,415
Professional Liability	9,056,027	-	10,343,788	-	-	(9,078,121)	10,321,694
Other Liabilities	380,109	-	-	-	550,000	-	930,109
Total liabilities	215,511,509	17,540,796	11,072,373	141,526	6,713,303	(29,337,604)	221,641,903
Net Assets							
Unrestricted	173,743,774	1,977,079	120,000	31,305,178	11,007,144	(6,085,904)	212,067,271
Unrestricted - Noncontrolling interest	-	-	-	-	66,626	-	66,626
Temporarily restricted	32,963	-	-	4,261,082	-	-	4,294,045
Total net assets	173,776,737	1,977,079	120,000	35,566,260	11,073,770	(6,085,904)	216,427,942
Total liabilities and net assets	\$ 389,288,246	\$ 19,517,875	\$ 11,192,373	\$ 35,707,786	\$ 17,787,073	\$ (35,423,508)	\$ 438,069,845

Crittenton Hospital Medical Center and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets Year Ended December 31, 2013

	Crittenton Hospital Medical Center	Crittenton Cancer Center	Strategic Alliance Assurance Co.	CHMC Foundation	Crittenton Development Corporation	Eliminations	Consolidated Balances
Unrestricted Revenue, Gains, and Other Support							
Patient service revenue - Net of contractual allowances and discounts	\$ 216,094,145	\$ 1,327,166	\$ -	\$ -	\$ 13,213,471	\$ (2,393,205)	\$ 228,241,577
Provision for bad debts	(10,921,557)	(48,294)	-	-	-	-	(10,969,851)
Net patient service revenue less provision for bad debts	205,172,588	1,278,872	-	-	13,213,471	(2,393,205)	217,271,726
Other operating revenue	6,250,182	76,903	2,999,312	46,765	1,225,391	(2,494,972)	8,103,581
Income from investment in joint ventures	818,373	-	-	-	213,946	-	1,032,319
Net assets released from restrictions for operations	91,155	-	-	-	-	-	91,155
Total unrestricted revenue, gains, and other support	212,332,298	1,355,775	2,999,312	46,765	14,652,808	(4,888,177)	226,498,781
Expenses							
Salaries and wages	81,667,480	247,928	-	361,668	5,425,207	-	87,702,283
Fringe benefits	20,679,311	24,793	-	63,499	1,186,791	-	21,954,394
Supplies	39,374,582	75,350	-	5,104	3,453,618	-	42,908,654
Outside professional medical services	14,282,071	393,048	-	-	92,776	-	14,767,895
Administrative and general	57,549,690	1,322,012	3,848,337	209,449	3,576,789	(4,769,711)	61,736,566
Depreciation and amortization	13,343,759	1,347,120	-	6,645	569,285	-	15,266,809
Provision for nonpatient bad debt expense	-	-	-	-	3,661	-	3,661
Interest	4,119,997	-	-	-	358,057	(118,466)	4,359,588
Total expenses	231,016,890	3,410,251	3,848,337	646,365	14,666,184	(4,888,177)	248,699,850
Operating Loss	(18,684,592)	(2,054,476)	(849,025)	(599,600)	(13,376)	-	(22,201,069)
Other Income (Loss)							
Investment income	14,829,507	-	849,025	6,058,899	50,800	-	21,788,231
Contributions made	-	-	-	(202,000)	-	-	(202,000)
Impairment loss	(1,095,693)	-	-	-	-	-	(1,095,693)
Other	238,337	-	-	-	205,900	-	444,237
Total other income	13,972,151	-	849,025	5,856,899	256,700	-	20,934,775
Excess of Revenue (Under) Over Expenses							
Attributable to Consolidated Operations	(4,712,441)	(2,054,476)	-	5,257,299	243,324	-	(1,266,294)
Less Gain Attributable to Noncontrolling Interest	-	-	-	-	(114,172)	-	(114,172)
Excess of Revenue (Under) Over Expenses							
Attributable to Parent	\$ (4,712,441)	\$ (2,054,476)	\$ -	\$ 5,257,299	\$ 129,152	\$ -	\$ (1,380,466)

Crittenton Hospital Medical Center and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (Continued) Year Ended December 31, 2013

	Crittenton Hospital Medical Center	Crittenton Cancer Center	Strategic Alliance Assurance Co.	CHMC Foundation	Crittenton Development Corporation	Eliminations	Consolidated Balances
Unrestricted Net Assets							
Excess of revenue (under) over expenses	\$ (4,712,441)	\$ (2,054,476)	\$ -	\$ 5,257,299	\$ 243,324	\$ -	\$ (1,266,294)
Distribution to noncontrolling interest	-	-	-	-	(217,452)	-	(217,452)
Pension-related changes other than net periodic pension costs	12,768,383	-	-	-	-	-	12,768,383
Net assets released from restrictions for purchase of long-lived assets	34,822	-	-	1,467,245	-	-	1,502,067
Other changes in unrestricted net assets	-	-	-	-	(8,004)	-	(8,004)
Increase (Decrease) in Unrestricted Net Assets	8,090,764	(2,054,476)	-	6,724,544	17,868	-	12,778,700
Temporarily Restricted Net Assets							
Contributions for operation, plant, and equipment	4,001	-	-	666,123	-	-	670,124
Net assets released from restriction	-	-	-	(1,593,222)	-	-	(1,593,222)
Increase (Decrease) in Temporarily Restricted Net Assets	4,001	-	-	(927,099)	-	-	(923,098)
Increase (Decrease) in Net Assets	8,094,765	(2,054,476)	-	5,797,445	17,868	-	11,855,602
Net Assets - Beginning of year	165,681,972	4,031,555	120,000	29,768,815	11,055,902	(6,085,904)	204,572,340
Net Assets - End of year	\$ 173,776,737	\$ 1,977,079	\$ 120,000	\$ 35,566,260	\$ 11,073,770	\$ (6,085,904)	\$ 216,427,942