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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
TOGETHER, WE PROVIDE EXCELLENT HEALTHCARE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 126,812,595 including grants of \$ 117,647) (Revenue \$ 182,910,717)
BRONSON BATTLE CREEK HOSPITAL (BBCH) IS A MEDICAL CENTER PROVIDING ACUTE CARE MEDICAL AND SURGICAL SERVICES BBCH HAS 218 BEDS AND PROVIDES SERVICES TO THE GREATER BATTLE CREEK AREA AND SURROUNDING COMMUNITIES BBCH IS RECOGNIZED AS ONE OF THE NATION'S SAFEST HOSPITALS AND FEATURES SERVICES SUCH AS BEHAVIORAL HEALTH, CANCER CARE, ROBOTIC SURGERY, WORLD-CLASS DIAGNOSITCS, AND WOUND HEALING

4b (Code) (Expenses \$ 38,481,679 including grants of \$) (Revenue \$ 22,758,915)
IN 2013, BBCH'S MEDICAID COST WAS \$38,481,679 AND MEDICAID NET REVENUE WAS \$22,758,915


















4c (Code) (Expenses \$ 16,043,610 including grants of \$) (Revenue \$)
IN FURTHERANCE OF ITS MISSION, BBCH INCURRED \$16,043,610 IN BAD DEBT EXPENSE TO PROVIDE CARE TO ITS PATIENTS

(Code) (Expenses \$ 5,385,044 including grants of \$) (Revenue \$)
IN FUTHERANCE OF ITS MISSION, BBCH PROVIDED \$5,385,044 IN CHARITY CARE EXPENSE

4d Other program services (Describe in Schedule O)
(Expenses \$ 5,385,044 including grants of \$) (Revenue \$)

4e Total program service expenses 186,722,928

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
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.	183	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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	1,749
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	No
b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?		9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders.		11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	21	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	15	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	a The governing body?	8a	Yes
8b	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
10b	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
12b	b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	a The organization's CEO, Executive Director, or top management official	15a	Yes
15b	b Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
16b	b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶KENNETH TAFT 301 JOHN STREET KALAMAZOO, MI 49007 (269) 341-6000

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

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

Form **990** (2013)

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	3,379,601	6,615,520	531,466

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 ►7

		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
SODEXOMAGIC LLC 4880 PAYSHERE CIRCLE CHICAGO IL 60674	FOOD & ENVIRONMENTAL SVCS	2,364,867
RACHEL LE DBA AGILITY HEALTH INC, DEPT CH 19509 PALATINE IL 60055	THERAPISTS	2,252,639
AMERICAN RED CROSS PO BOX 73013 CHICAGO IL 60673	BLOOD WORK	848,404
COOK JACKSON COMPANY 4560 WAYNE RD BATTLE CREED MI 49016	CONSTRUCTION CONTRACTORS	651,039
GRAHAM MICHIGAN MEDICAL BLDG LP 505 FIFTH AVE STE 200 DE MOINES IA 50309	RENT	628,975

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 20

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	93,148		
	e	Government grants (contributions)	1e	535,578		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	448,781		
	g	Noncash contributions included in lines 1a-1f \$		24,802		
	h	Total. Add lines 1a-1f		1,077,507		
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	Business Code 622110	202,087,279	202,087,279	0
	b	PHARMACY	446110	1,969,560	408,510	1,561,050
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		204,056,839		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,665,036	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 240,502	(ii) Personal		
b		Less rental expenses	0			
c		Rental income or (loss)	240,502			
d		Net rental income or (loss)		240,502		240,502
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 25,738		
b		Less cost or other basis and sales expenses		0		
c		Gain or (loss)		25,738		
d		Net gain or (loss)		25,738		25,738
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a			
b		Less direct expenses	b			
c		Net income or (loss) from fundraising events				
9a		Gross income from gaming activities See Part IV, line 19	a			
b		Less direct expenses	b			
c		Net income or (loss) from gaming activities				
10a		Gross sales of inventory, less returns and allowances	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory				
Miscellaneous Revenue		Business Code				
11a	MISCELLANEOUS	900099	1,998,275	1,998,275		
b	MEANINFUL USE REVENUE	900099	1,086,323	1,086,323		
c	SERVICES TO AI & PHO OF BBC	900099	1,083,812		1,083,812	
d	All other revenue		1,137,656	89,245	73,374	
e	Total. Add lines 11a-11d		5,306,066			
12	Total revenue. See Instructions		212,371,688	205,669,632	2,718,236	2,906,313

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.	117,647	117,647		
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.	251,507		251,507	
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.	86,812,387	80,313,665	6,498,722	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	-1,072,306	-1,072,306		
9	Other employee benefits.	19,638,940	1,795,372	17,843,568	
10	Payroll taxes.	5,167,104	5,076,162	90,942	
11	Fees for services (non-employees):				
a	Management.	28,595,690	24,898,338	3,697,352	
b	Legal.	272,906		272,906	
c	Accounting.				
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	611,639		611,639	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).				
12	Advertising and promotion.	25,398	25,398		
13	Office expenses.	985,583	985,583		
14	Information technology.				
15	Royalties.				
16	Occupancy.	4,151,260	4,139,852	11,408	
17	Travel.				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	139		139	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	13,231,651	13,231,651		
23	Insurance.	594,816	975	593,841	
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	UBT EXPENSE	38,375		38,375	
b	MEDICAL SUPPLIES	32,212,629	32,186,713	25,916	
c	BAD DEBT EXPENSE	16,043,610	16,043,610		
d	PHYSICIAN PROFESSIONAL	2,351,159	2,351,159		
e	All other expenses	6,858,193	6,629,109	229,084	
25	Total functional expenses. Add lines 1 through 24e.	216,888,327	186,722,928	30,165,399	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		14,250,799	1	11,688,501
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		12,758,156	4	14,471,664
	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		4,081,669	8	4,237,556
	9	Prepaid expenses and deferred charges		984,261	9	1,072,219
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 98,427,012			
	b	Less: accumulated depreciation	10b 23,590,174	76,025,387	10c	74,836,838
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11		40,025,413	12	43,067,772
	13	Investments—program-related. See Part IV, line 11		2,809,562	13	2,874,365
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		7,560,642	15	3,429,225
	16	Total assets. Add lines 1 through 15 (must equal line 34)		158,495,889	16	155,678,140
Liabilities	17	Accounts payable and accrued expenses		17,609,816	17	16,220,850
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		30,164,187	25	9,689,225
	26	Total liabilities. Add lines 17 through 25		47,774,003	26	25,910,075
Net Assets or Fund Balances		Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets		109,230,170	27	128,221,075
	28	Temporarily restricted net assets		1,276,538	28	1,331,812
	29	Permanently restricted net assets		215,178	29	215,178
		Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		110,721,886	33	129,768,065
	34	Total liabilities and net assets/fund balances		158,495,889	34	155,678,140

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	212,371,688
2	Total expenses (must equal Part IX, column (A), line 25)	2	216,888,327
3	Revenue less expenses Subtract line 2 from line 1	3	-4,516,639
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	110,721,886
5	Net unrealized gains (losses) on investments	5	4,055,665
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	19,507,153
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	129,768,065

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization BRONSON BATTLE CREEK HOSPITAL	Employer identification number 38-2776791
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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

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

Facts And Circumstances Test

Return Reference	Explanation	
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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BRONSON BATTLE CREEK HOSPITAL

Employer identification number

38-2776791

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

- 1a

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

☐ Yes

☐ No
- b

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

	Amount
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	215,635	215,635	213,178	103,606	113,799
b Contributions				151,529	
c Net investment earnings, gains, and losses			2,457	3,661	2,025
d Grants or scholarships					
e Other expenditures for facilities and programs				45,618	12,218
f Administrative expenses					
g End of year balance	215,635	215,635	215,635	213,178	103,606

- 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 100 000 %

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

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

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.
- | Description of property | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land | | 3,303,394 | | 3,303,394 |
| b Buildings | | 62,301,752 | 9,663,562 | 52,638,190 |
| c Leasehold improvements | | 44,518 | | 44,518 |
| d Equipment | | 32,777,348 | 13,926,612 | 18,850,736 |
| e Other | | | | |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 74,836,838 |
- Schedule D (Form 990) 2013

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	200,002,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	4,055,665
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-16,043,909
e	Add lines 2a through 2d	2e	-11,988,244
3	Subtract line 2e from line 1	3	211,990,244
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	381,444
c	Add lines 4a and 4b	4c	381,444
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	212,371,688

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	200,845,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	200,845,000
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	16,043,327
c	Add lines 4a and 4b	4c	16,043,327
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	216,888,327

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	ROY CAMPBELL ENDOWMENT FUND PROVIDES NURSING SCHOLARSHIPS FOR STUDENTS AT KELLOGG COMMUNITY COLLEGE. THE BRIEDE CHARITABLE REMAINDER TRUST FUNDS PROJECT IS DESIGNED TO IMPROVE PATIENT CARE AND SERVE THE COMMUNITY. FOVETTE DUSH ANNUITY BENEFIT SUPPORTS SPECIAL NEEDS IN PEDIATRICS AND BBCH'S FAMILY BIRTH CENTER. SPECIAL NEEDS INCLUDES SUCH THINGS AS THE COST OF MEDICAL CARE, PHARMACEUTICALS, EXTENDED THERAPY AND MEDICAL EQUIPMENT, AS WELL AS BASIC NEEDS LIKE FOOD, BLANKETS, CAR SEATS, AND CLOTHING.
PART X, LINE 2	THE HOSPITAL IS A NONPROFIT, TAX-EXEMPT ORGANIZATION, AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND, ACCORDINGLY, NO TAX PROVISION IS REFLECTED IN THE CONSOLIDATED FINANCIAL STATEMENTS. THE HOSPITAL'S TAX RETURNS ARE NOT SUBJECT TO EXAMINATION BY TAXING AUTHORITIES FOR YEARS BEGINNING PRIOR TO JULY 1, 2011. AIS IS A FOR-PROFIT LIMITED LIABILITY COMPANY. AIS IS TREATED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND AS SUCH MEMBERS ARE TAXED INDIVIDUALLY ON THEIR PRO-RATA OWNERSHIP SHARE OF AIS'S EARNINGS. THERE HAS BEEN NO CURRENT TAX LIABILITY OR ASSETS RECOGNIZED FOR ESTIMATED TAXES PAYABLE OR REFUNDABLE. THE HOSPITAL HAS ADOPTED ACCOUNTING STANDARDS RELATED TO UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, REVIEWED ALL TAX POSITIONS. THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL.
PART XI, LINE 2D - OTHER ADJUSTMENTS	BAD DEBT EXPENSE -16,043,610. ROUNDING -299.
PART XI, LINE 4B - OTHER ADJUSTMENTS	TEMPORARILY RESTRICTED CONTRIBUTIONS 318,754. TEMPORARILY RESTRICTED INVESTMENT INCOME 62,690.
PART XII, LINE 4B - OTHER ADJUSTMENTS	BAD DEBT EXPENSE 16,043,610. ROUNDING -283.

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BRONSON BATTLE CREEK HOSPITAL

Employer identification number
38-2776791

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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		No
b	If "Yes," did the organization make it available to the public?	5c		
	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)			5,385,044		5,385,044	2 680 %
b Medicaid (from Worksheet 3, column a)		34,260	38,481,679	22,758,915	15,722,764	7 830 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		34,260	43,866,723	22,758,915	21,107,808	10 510 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	53	83,867	1,344,452		1,344,452	0 670 %
f Health professions education (from Worksheet 5)	12	125	477,717		477,717	0 240 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	22	5,520	222,163		222,163	0 110 %
j Total. Other Benefits	87	89,512	2,044,332		2,044,332	1 020 %
k Total. Add lines 7d and 7j	87	123,772	45,911,055	22,758,915	23,152,140	11 530 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development	3	360	8,929		8,929	0 %
3Community support	9	1,318	32,733		32,733	0 020 %
4Environmental improvements						
5Leadership development and training for community members	1	350	862		862	0 %
6Coalition building	7	30,081	62,777		62,777	0 030 %
7Community health improvement advocacy						
8Workforce development	1	135	139,168		139,168	0 070 %
9Other						
10Total	21	32,244	244,469		244,469	0 120 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?

1Yes

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

216,043,610

3Enter 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.

32,327,248

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

566,266,565

6Enter Medicare allowable costs of care relating to payments on line 5.

670,661,174

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7-4,394,609

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9aYes

No

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

9b

No

Part IVManagement 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 ADVANCED IMAGING SERVICES	RADIOLOGY/IMAGING	51 000 %	0 %	49 000 %
2 2 PHYSICIAN HOSPITAL ORGANIZATION OF BATTLE CREEK	CONTRACTING SERVICES	50 000 %	0 %	50 000 %
3 3 REGIONAL MEDICAL LABORATORIES	LABORATORY SERVICES	50 000 %	0 %	50 000 %
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V

Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW.BRONSONHEALTH.COM</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☐

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

☒

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

☒

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

☒

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 5

Name and address	Type of Facility (describe)
1 FIELDSTONE CENTER 165 N WASHINGTON AVE BATTLE CREEK, MI 49037	PSYCHIATRIC SERVICES
2 BRONSON MEDICAL GROUP 632 NORTH AVE BATTLE CREEK, MI 49017	EMPLOYED PHYSICIANS
3 BRONSON BATTLE CREEK URGENT CARE 5352 BECKLEY RD BATTLE CREEK, MI 49015	URGENT CARE AND MRI
4 FREMONT MEDICAL OFFICE BUILDING 363 FREMONT BATTLE CREEK, MI 49017	EMPLOYED PHYSICIANS
5 OCCUPATIONAL MEDICINE & HEALTH CENTER 265 FREMONT BATTLE CREEK, MI 49017	OCC MEDICINE, EMPLOYED PHYSICIANS
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 3C	THE ORGANIZATION USES THE FOLLOWING FPG TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS 225% OF FPL IS ENTITLED TO A 80% REDUCTION250% OF FPL IS ENTITLED TO A 60% REDUCTION275% OF FPL IS ENTITLED TO A 40% REDUCTION300% OF FPL IS ENTITLED TO A 20% REDUCTION
PART I, LINE 7	COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS INSTRUCTIONS FOR LINES A-C COSTING METHODOLOGY IS ACTUAL COSTS PER THE HOSPITAL ACCOUNTING SYSTEM FOR LINES E-I

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX,LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$16,043,610
PART II, COMMUNITY BUILDING ACTIVITIES	BRONSON BATTLE CREEK HOSPITAL (BBCH) IS PROUD OF ITS EXTENSIVE COLLABORATION AMONG HEALTH CARE ORGANIZATIONS IN THE REGION OUR COMMUNITY NEEDS ASSESSMENT PRIORITIES OF HEALTHY LIFESTYLES, ACCESS TO CARE, PERCEPTION AND TRUST, AND CHRONIC DISEASE PROGRAMMING SERVES AS THE BASIS FOR BRONSON BATTLE CREEK AS WE COLLABORATE WITH OTHER COMMUNITY HEALTHCARE PROVIDERS PROJECT 20/20 IS A UNIQUE COLLABORATION OF COMMUNITY LEADERS THAT FOCUSES ON WORTHWHILE EFFORTS IN FOUR AREAS ECONOMIC DEVELOPMENT, EDUCATION,HEALTHCARE, AND YOUTH THE GROUP SPECIFICALLY MEETS ONE OF OUR IDENTIFIEDCOMMUNITY NEEDS (ACCESS TO CARE) AND WAS FORMED PRIMARILY TO BUILDKNOWLEDGE AND CONFIDENCE AMONG COMMUNITY LEADERS (PERCEPTION AND TRUST) EMERGENCY MANAGEMENT BBCH IS ACTIVE WITH REGIONAL EMERGENCY PLANNERS AND HOMELAND SECURITY TO ASSURE THE COMMUNITY UNDERSTANDS AND TRUSTS OUR PREPAREDNESS FOR DISASTER (PERCEPTION AND TRUST) SILENT OBSERVER A KEY COMPONENT OF A HEALTHY COMMUNITY IS SAFETY BBCH SUPPORTS THE LOCAL SILENT OBSERVER AND EFFORTS TO ASSURE BOTH SAFETY AND CRIME REDUCTION MOST OFTEN THESE EFFORTS IMPACT OUR FINANCIALLY CHALLENGED NEIGHBORHOODS, WHERE CRIME IS TRULY A HEALTH ISSUE URBAN LEAGUE BBCH SUPPORTS A UNIQUE SUMMER PROGRAM THAT ASSISTS YOUTH (MANY AFRICAN AMERICANS FROM FINANCIALLY AT-RISK FAMILIES)IN THE ACHIEVEMENT OF SOCIAL AND ECONOMIC EQUALITY PROGRAMMING INCLUDESEDUCATION, JOB TRAINING AND PLACEMENT, CRIME PREVENTION, HEALTH PROGRAMSAND CHARACTER BUILDING AND FITS WELL WITH ALL FOUR OF OUR COMMUNITY NEEDSASSESSMENT PRIORITIES HEALTHCARE LEADERSHIP FORUM FOUNDED BY BBCH, THE HEALTH CARE LEADERSHIP FORUM PROVIDES EDUCATION AND BUILDS RELATIONSHIPS AMONG HEALTHCARE EXECUTIVES, VOLUNTEERS, BOARD MEMBERS, AND PHYSICIANS ACROSS CALHOUN COUNTY THIS PAST YEAR, NATIONAL SPEAKERS PRESENTED LEADING EDGE SOLUTIONS AND IDEAS IN ACCESS TO CARE, ALTERNATIVE AND COMPLEMENTARY MEDICINE, AND CHRONIC DISEASE CALHOUN COUNTY CANCER CONTROL COALITION FOUNDED BY THE CURRENT CHIEF OFSTAFF AT BBCH, THE CALHOUN COUNTY CANCER CONTROL COALITION WORKS HARD TO EDUCATE THE COUNTY ON CANCER, ENCOURAGE HEALTHY LIFESTYLES AND OFFER SPECIAL ACCESS TO CARE FOR THOSE FINANCIALLY AT-RISK KEY PROGRAMMING INCLUDED AN EDUCATION PRESENTATION OF "THE COLOSSAL COLON" AT THE COUNTY FAIR AND SEVERAL DOZEN FREE COLONOSCOPIES FOR FINANCIALLY AT-RISK COMMUNITY MEMBERS THE REGIONAL HEALTH ALLIANCE BRINGS TOGETHER BBCH, OAK LAWN HOSPITAL, THE CALHOUN COUNTY HEALTH DEPARTMENT, FAMILY HEALTH CENTER AND SUMMIT POINT (COMMUNITY MENTAL HEALTH) TO IMPROVE MINORITY HEALTH, INFANT MORTALITY, SCHOOL WELLNESS, TEEN PREGNANCY, HEALTHY LIFESTYLES, AND ACCESS TO CARE HEALTH IMPROVEMENT ADVOCACY BBCH SHARES OUR COMMUNITY NEEDS ASSESSMENT AND COMMUNITY BENEFIT PROGRAMMING WITH OUR LEGISLATORS CONVERSATIONS WITH LEGISLATORS IN THE PAST YEAR INCLUDED HEALTH CARE REFORM, OUR CHRONIC DISEASE INITIATIVE (PATHWAYS TO HEALTH) AND IDEAS FOR IMPROVED ACCESS TO CARE WORKFORCE DEVELOPMENT BBCH, CALHOUN AREA TECHNOLOGY CENTER, AND KELLOGG COMMUNITY COLLEGE FOUNDED THE 21ST CENTURY HEALTH CAREERS PROGRAM TO ENGAGE AND ENCOURAGE HIGH SCHOOL JUNIORS AND SENIORS TO CONSIDER CAREERS IN THE MEDICAL FIELD THIS UNIQUE PROGRAM ALLOWS IN-DEPTH EXPERIENCE WORKING SIDE-BY-SIDE WITH SKILLED PROFESSIONALS IN A RANGE OF HEALTH CARE SETTINGS OUR 21ST CENTURY PROGRAM WAS RECOGNIZED BY THE WALL STREET JOURNAL AS A NATIONAL CAREER MODEL AND BY THE STATE OF MICHIGAN WITH ITS GOVERNOR'S EXCELLENCE IN PRACTICE AWARD FOR ACHIEVEMENT IN CAREER PREPARATION OVER THE PAST 15 YEARS, MORE THAN 1,000 HIGH SCHOOL STUDENTS BEGAN THEIR EXPLORATION AND THEN MAPPED THEIR CAREER COURSES IN HEALTH CARE RIGHT HERE BBCH MANAGERS ARE ACTIVE SERVANT/ LEADERS WITH A VARIETY OF HEALTH CARE ORGANIZATIONS WORKING IN OUR COMMUNITY FROM THE CHARITABLE UNION AND THE SUSAN B KOMEN FOUNDATION, TO OUR SENIOR CARE CONTINUUM NORTHPOINTE WOODS- BRONSON BATTLE CREEK LEADERS HELP ASSURE OUR COMMUNITY NEEDS ASSESSMENT PRIORITIES OF HEALTHY LIFESTYLES, ACCESS TO CARE, PERCEPTION AND TRUST, AND CHRONIC DISEASE PROGRAMMING ARE SIGNIFICANT CONSIDERATIONS WITH OTHER MAJOR HEALTH CARE ORGANIZATIONS OTHER IMPORTANT PROGRAMMING CONNECTIONS AT BCHS INCLUDE EDUCATING ELEMENTARY SCHOOL KIDS IN A PROFESSIONAL HEALTH CARE ENVIRONMENT WHILE ACTING AS MENTORS IN THE HOSPITAL SETTING WITH BIG BROTHERS/ BIG SISTERS,SUPPORTING CARE FOR BABIES BORN TO FINANCIALLY AT-RISK TEEN MOTHERS THROUGH CITY LINC, AND SHARING LEARNING, COORDINATION AND EXCHANGE OF INFORMATION EVERY MONTH WITH LOCAL NON-PROFIT GROUPS IN THE COORDINATINGCOUNCIL

Form and Line Reference	Explanation
PART III, LINE 4	<p>PART III, LINE 2 UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE BAD DEBT EXPENSE IS DISCLOSED BASED ON GROSS CHARGES PART III, LINE 3 BAD DEBT WRITE OFFS SUPPORT THE COMMUNITY BY PROVIDING A PORTION OF SERVICES WITHOUT PAYMENT THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY WAS ESTIMATED BY REVIEWING THE BAD DEBT DETAIL FOR A SPECIFIC WRITE-OFF CODE PART III, LINE 4 AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS ESTABLISHED ON AN AGGREGATE BASIS BY USING HISTORICAL WRITE-OFF RATE FACTORS APPLIED TO UNPAID ACCOUNTS BASED ON AGING LOSS RATE FACTORS ARE BASED ON HISTORICAL LOSS EXPERIENCE AND ADJUSTED FOR ECONOMIC CONDITIONS AND OTHER TRENDS AFFECTING THE HOSPITAL'S ABILITY TO COLLECT OUTSTANDING AMOUNTS UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENT ADVANCES IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON CURRENT REIMBURSEMENT METHODOLOGIES THIS AMOUNT ALSO INCLUDES AMOUNTS RECEIVED FOR INTERIM PAYMENTS AGAINST UNPAID CLAIMS BY CERTAIN PAYORS SEE "ACCOUNTS RECEIVABLE" ON PAGE 9 OF THE NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR MORE INFORMATION</p>
PART III, LINE 8	<p>COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS 990 INSTRUCTIONS SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT DUE TO ITS REPRESENTATION OF COST OF A PORTION OF SERVICES PROVIDED TO THE COMMUNITY WITHOUT PAYMENT PART III, LINE 7 BRONSON BATTLE CREEK EXPERIENCES ADDITIONAL COMMUNITY BENEFIT EXPENSE OF \$14,551,246 AND DIRECT OFFSETTING REVENUE OF \$12,328,665 FOR A NET COMMUNITY BENEFIT OF \$2,222,581 RELATED TO SERVICES PROVIDED MEDICARE ADVANTAGE INSURED</p>

Form and Line Reference	Explanation
PART VI, LINE 2	<p>BRONSON BATTLE CREEK HOSPITAL (BBCH) ASSESSES THE HEALTH NEEDS OF THE COMMUNITY THROUGH COMMUNITY NEEDS ASSESSMENTS EVERY THREE YEARS A COMMUNITY NEEDS ASSESSMENT IS A POINT-IN-TIME EFFORT TO MEASURE THE HEALTH AND WELL BEING OF THE COMMUNITY IT SERVES AS THE BASIS FOR BRONSON BATTLE CREEK HOSPITAL'S STRATEGIC AND SUBSEQUENT ACTION PLANNING TO DEVELOP HEALTH POLICY, ALLOCATE RESOURCES, IMPROVE OR EXPAND EXISTING SERVICES, IMPLEMENT NEW PROGRAMS, AND COLLABORATE WITH OTHER COMMUNITY HEALTHCARE PROVIDERS A COMMUNITY NEEDS ASSESSMENT ALSO SERVES AS A BENCHMARK FOR FUTURE ASSESSMENT OF RELATIVE PROGRESS TOWARD ESTABLISHED COMMUNITY HEALTH OBJECTIVES BBCH'S COMMUNITY NEEDS ASSESSMENT PROVIDES THE OPPORTUNITY TO - GAIN INSIGHTS INTO THE NEEDS AND ASSETS OF THE COMMUNITIES SERVED-IDENTIFY AND ADDRESS THE NEEDS OF VULNERABLE POPULATIONS WITHIN THE COMMUNITY- ENHANCE HOSPITAL/COMMUNITY RELATIONSHIPS AND THE OPPORTUNITY FOR COLLABORATIVE COMMUNITY ACTION, INCLUDING INVOLVEMENT WITH COALITIONS, PARTNERSHIPS, BOARDS, COMMITTEES, COMMISSIONS, ADVISORY GROUPS, AND PANELS-PROVIDE THE INFORMATION REQUIRED FOR COMMUNITY OUTREACH PLANNING BBCH'S COMMUNITY NEEDS ASSESSMENT PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC) AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS) THE DATA HELPS SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF HUMAN AND CAPITAL RESOURCES FOR THE COMMUNITY BBCH'S COMMUNITY NEEDS ASSESSMENT BEGAN IN 2012 AND WAS COMPLETED IN 2013 THE ASSESSMENT WAS CONDUCTED BY BBCH AND INCLUDED SIGNIFICANT REVIEW OF COMMUNITY DATA, INTERVIEWS WITH KEY COMMUNITY LEADERS, ANALYSIS AND SUMMARY BY AN INDEPENDENT COMMUNITY WRITER, AND ASSESSMENT AND REVIEW BY OUR COMMUNITY BENEFIT MINISTRY TEAM THE ASSESSMENT WAS SHARED WITH OUR BOARD OF DIRECTORS</p>
PART VI, LINE 3	<p>SELF PAY PATIENTS ARE REFERRED TO AN AGENCY FOR SCREENING FOR MEDICAID, MEDICARE, AND OTHER ELIGIBILITY A SOFTWARE PROGRAM ALSO HELPS DETERMINE ELIGIBILITY FOR CHARITY CARE THE FINANCIAL ASSISTANCE POLICY IS POSTED ON THE HOSPITAL'S WEBSITE, IN THE EMERGENCY ROOM, AND IS AVAILABLE UPON REQUEST</p>

Form and Line Reference	Explanation
PART VI, LINE 4	BRONSON BATTLE CREEK HOSPITAL'S ACUTE CARE HOSPITAL IS LOCATED IN THE CITY OF BATTLE CREEK, A MEDIUM-SIZED COMMUNITY THAT IS BEST KNOWN AS HOME TO THE KELLOGG COMPANY. BRONSON BATTLE CREEK HOSPITAL IS PART OF THE BRONSON HEALTHCARE SYSTEM, AND IS A PARTNERSHIP BETWEEN BRONSON HEALTH CARE GROUP (51% OWNER AND OPERATING PARTNER) AND THE BBCH COMMUNITY PARTNERS (49% OWNER). APPROXIMATELY 76% OF BRONSON BATTLE CREEK HOSPITAL'S TOTAL DISCHARGES COME FROM THE FOUR BATTLE CREEK ZIP CODES (49037, 49017, 49015, 49014) LOCATED WITHIN CALHOUN COUNTY. THE POPULATION OF THE BATTLE CREEK AREA IS APPROXIMATELY 93,000, OF WHICH 51% ARE FEMALE AND 49% ARE MALE. OVER 68% OF THE POPULATION IS TWENTY-FIVE YEARS OR OLDER WITH THE HIGH CONCENTRATION IN THE RANGE OF FORTY-FIVE THROUGH FIFTY-FOUR.
PART VI, LINE 5	BRONSON BATTLE CREEK HOSPITAL (BBCH) MAINTAINS AN OPEN MEDICAL STAFF. OUR STANDARDS FOR ACCEPTANCE TO THE MEDICAL STAFF ARE VERY HIGH, BUT ALL QUALIFIED PHYSICIANS IN THE COMMUNITY ARE ENCOURAGED AND WELCOME TO JOIN THE BBCH EMERGENCY DEPARTMENT (ED). IS AN ACTIVE SERVICE THAT CARES FOR BETWEEN 45,000 - 50,000 PATIENTS EACH YEAR. THE ED CARES FOR ANYONE, REGARDLESS OF ABILITY TO PAY. 11% OF OUR ED PATIENTS ARE UNINSURED, AND AN ADDITIONAL 29% ARE ON MEDICAID. THE ED TRULY SERVES AS THE FINAL SAFETY NET FOR BOTH EMERGENT AND PRIMARY CARE IN THE COMMUNITY. CONSISTENT WITH THE NON-PROFIT STATUS, BBCH USES OPERATING MARGIN AS A CATALYST FOR REINVESTMENT IN FACILITIES, TECHNOLOGY, STAFF, AND MEDICAL SERVICES FOR THE COMMUNITY.

Form and Line Reference	Explanation
PART VI, LINE 6	BRONSON BATTLE CREEK HOSPITAL (BBCH) IS PART OF AN AFFILIATED SYSTEM THAT INCLUDES TWO OTHER HOSPITALS BRONSON METHODIST HOSPITAL AND BRONSON LAKEVIEW HOSPITAL ALL OF THESE HOSPITALS ARE CONTROLLED BY BRONSON HEALTHCARE GROUP, WHICH IS A COMMUNITY-OWNED AND GOVERNED NOT-FOR-PROFIT HOLDING COMPANY THE BRONSON HEALTHCARE GROUP (BHG) BOARD IS COMPRISED OF 25 MEMBERS OF THE COMMUNITY EACH OF THE THREE HOSPITALS IN THE BHG SYSTEM ADMITS PATIENTS REGARDLESS OF ABILITY TO PAY AND PROVIDES OUTREACH SERVICES TO THEIR RESPECTIVE COMMUNITIES BRONSON METHODIST HOSPITAL IS THE LARGEST OF THE THREE HOSPITALS IN THE BHG SYSTEM AS SUCH, IT HAS A LARGER ROLE IN PROVIDING SERVICES AND PROMOTING THE HEALTH OF THE MANY COMMUNITIES IT SERVES THE HEALTH PROMOTION ACTIVITIES OF BRONSON METHODIST HOSPITAL ARE DESCRIBED IN #6 ABOVE IN ADDITION TO THE THREE HOSPITALS, THE BHG SYSTEM INCLUDES SEVERAL SMALLER ENTITIES WHOSE EFFECTS SUPPORT THE HOSPITALS AND THEIR MISSION OF PROVIDING EXCELLENT HEALTHCARE TO THEIR COMMUNITIES THESE ENTITIES INCLUDE BRONSON HEALTHCARE GROUP, BRONSON MEDICAL GROUP, BRONSON COMMONS, BRONSON STAFFING SERVICES, BRONSON LIFESTYLEIMPROVEMENT & RESEARCH CENTER, BRONSON HEALTH FOUNDATION, LIFESPAN, BRONSON PROPERTIES CORPORATION
PART VI, LINE 7, REPORTS FILED WITH STATES	MI

Schedule I
(Form 990)

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

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

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

OMB No 1545-0047

2013

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
BRONSON BATTLE CREEK HOSPITAL

Employer identification number
38-2776791

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SENIOR HEALTH PARTNERS 200 W MICHIGAN AVE STE 104 BATTLE CREEK, MI 49017	38-3013991	501(C)(3)	94,102				PARTNERSHIP CONTRIBUTION FOR SENIOR SERVICES
(2) CALHOUN COUNTY PUBLIC HEALTH DEPT 190 E MICHIGAN BATTLE CREEK, MI 49014	38-6004358	CALHOUN CTY PUB HLTH	16,045				PARTNERSHIP FOR HEALTH EQUITY ALLIANCE DIRECTOR
(3) BATTLE CREEK HOT AIR BALLOON CHAMPIONS 3140 5TH AVE BATTLE CREEK, MI 490377902	38-2287342	501(C)(3)	7,500				SPONSORSHIP

2

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

3

3

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

0

Part III

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

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

Part IV

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

Return Reference	Explanation
PART I, LINE 2	DONATIONS ARE MADE IN FURTHERANCE OF THE RECIPIENT ORGANIZATION'S EXEMPT PURPOSE AND ARE CONSIDERED UNRESTRICTED WITH REGARD TO THE USE OF THE FUNDS

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BRONSON BATTLE CREEK HOSPITAL

Employer identification number
38-2776791

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>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</div></div>	Yes	
<div><div>2</div><div>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?</div></div>	Yes	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>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</div></div>		No
<div><div>8</div><div>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</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>		

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

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

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

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

Part III Supplemental Information

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

Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 1A	A HOUSING AND CAR ALLOWANCE WERE PROVIDED TO ANNE REGLING THIS WAS TREATED AS TAXABLE COMPENSATION
PART I, LINE 3	BRONSON HEALTHCARE GROUP, A RELATED ORGANIZATION, USES A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY AND/OR STUDY AND APPROVAL BY BOARD AND/OR COMPENSATION COMMITTEE TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S CEO/EXECUTIVE DIRECTOR
PART I, LINE 4B	TAFT,KENNETH L \$105,052 61 SERP DISTRIBUTION TAFT,KENNETH L \$77,089 00 SERP CONTRIBUTION FALAHEE JR ,JAMES B \$73,784 02 SERP DISTRIBUTION FALAHEE JR ,JAMES B \$57,717 00 SERP CONTRIBUTION SARDONE,FRANK J \$208,929 65 SERP DISTRIBUTION SARDONE,FRANK J \$175,660 00 SERP CONTRIBUTION LARSON,SCOTT D \$65,834 87 SERP DISTRIBUTION LARSON,SCOTT D \$67,449 00 SERP CONTRIBUTION HAYDEN,JOHN T \$34,028 00 SERP CONTRIBUTION BROOKS-WILLIAMS,DENISE \$20,215 60 SERP DISTRIBUTION INCLUDED IN PART II, COLUMN (B) (III) AND (F) ARE AMOUNTS THAT WERE PAID TO THE EXECUTIVE UNDER THE BRONSON HEALTHCARE GROUP, INC SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) THESE AMOUNTS WERE CREDITED TO AN ACCOUNT FOR THE EXECUTIVE IN PRIOR YEARS AND WERE PREVIOUSLY REPORTED IN COLUMN C IN THE PRIOR YEAR, BUT THE EXECUTIVE WAS REQUIRED TO REMAIN EMPLOYED UNTIL THE YEAR FOR WHICH THIS FORM IS BEING FILED IN ORDER TO BECOME VESTED IN HIS OR HER ACCOUNT AMOUNTS HAVE BEEN CREDITED TO THESE EXECUTIVES' ACCOUNTS EACH YEAR SINCE THE SERP WAS ADOPTED IN 1994, AND THE ACCOUNTS HAVE ALSO BEEN ADJUSTED FOR GAINS AND LOSSES SINCE THAT TIME THEREFORE, THESE AMOUNTS SHOULD BE VIEWED AS HAVING BEEN EARNED OVER THE EXECUTIVE'S ENTIRE PERIOD OF EMPLOYMENT AS AN EXECUTIVE OF BRONSON THE AMOUNT CREDITED TO EACH EXECUTIVE'S ACCOUNT IN THE SERP EACH YEAR AND EACH EXECUTIVE'S TOTAL COMPENSATION PACKAGE WAS APPROVED BY AN INDEPENDENT CONSULTANT TO ENSURE THAT THESE AMOUNTS ARE COMPARABLE TO OR LESS THAN THE AMOUNTS AWARDED TO EXECUTIVES OF COMPARABLE HEALTH CARE ORGANIZATIONS FOR THE CURRENT REPORTING YEAR NO AMOUNTS THAT ARE REPORTED IN COLUMN B (III) WERE REPORTED IN A PREVIOUS YEAR RETURN, THEREFORE NO AMOUNTS ARE REPORTED IN COLUMN (F)

Additional Data

Software ID:
Software Version:
EIN: 38-2776791
Name: BRONSON BATTLE CREEK HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
FRANK J SARDONE PRESIDENT & CEO	(i)	0	0	0	0	0	0	0
	(ii)	732,643	291,320	427,344	11,162	14,974	1,477,443	0
BERNARD ROEHR MD DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	265,174	0	631	7,650	9,046	282,501	0
MAHESH C KARAMCHANDANI DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	477,254	0	3,221	9,385	13,008	502,868	0
KENNETH L TAFT EXECUTIVE VICE PRESIDENT	(i)	0	0	0	0	0	0	0
	(ii)	438,147	153,669	187,529	11,012	19,493	809,850	0
JAMES FALAHEE SR VP LEGAL AFFAIRS	(i)	0	0	0	0	0	0	0
	(ii)	305,060	89,429	150,365	11,087	19,256	575,197	0
SCOTT LARSON MD SR VP MEDICAL AFFAIRS/CMO	(i)	0	0	0	0	0	0	0
	(ii)	373,296	87,644	136,970	1,512	14,577	613,999	0
JOHN HAYDEN SR VP CHIEF HR OFFICER BHG	(i)	0	0	0	0	0	0	0
	(ii)	265,426	73,713	52,964	11,162	9,599	412,864	0
CHERYL L KNAPP VP QUALITY SYSTEMS	(i)	0	0	0	0	0	0	0
	(ii)	188,873	31,676	4,127	6,752	8,118	239,546	0
AMY BARNES VP OF BBCH	(i)	188,635	28,479	164	10,193	19,155	246,626	0
	(ii)	0	0	0	0	0	0	0
ANNE REGLING VP AND CEO OF BBCH	(i)	34,080	0	149	11,162	2,264	47,655	0
	(ii)	286,284	54,603	12,393	11,162	14,706	379,148	0
MARY M MEITZ SR VP CFO BHG	(i)	0	0	0	0	0	0	0
	(ii)	299,641	59,291	19,341	11,162	14,980	404,415	0
KATHLEEN M HARRELSON SR VP, CLINICAL OPERATIONS	(i)	0	0	0	0	0	0	0
	(ii)	289,783	60,291	26,677	11,162	12,813	400,726	0
JOHN L JONES JR SR VP, REG & PHYS SVS	(i)	0	0	0	0	0	0	0
	(ii)	258,131	57,224	20,600	11,162	19,115	366,232	0
MICHAEL S WAY SR VP SUP CHAIN FAC & RE BHG	(i)	0	0	0	0	0	0	0
	(ii)	180,943	41,344	35,890	10,915	12,438	281,530	0
MARK A CRAWFORD VP OF COMMUNITY HEALTH SVCS	(i)	183,208	28,182	1,651	2,484	19,114	234,639	0
	(ii)	0	0	0	0	0	0	0
TAREK EL SHAARAWY MD PHYSICIAN	(i)	648,834	470,370	1,348	11,162	19,656	1,151,370	0
	(ii)	0	0	0	0	0	0	0
KERRI L MURRAY MD PHYSICIAN	(i)	581,559	59,937	1,087	11,162	19,842	673,587	0
	(ii)	0	0	0	0	0	0	0
CHRISTOPHER L WILHELMSON MD PHYSICIAN	(i)	357,372	9,498	972	11,162	19,601	398,605	0
	(ii)	0	0	0	0	0	0	0
BRIAN KRAUSS MD PHYSICIAN	(i)	387,749	30,000	784	11,162	19,652	449,347	0
	(ii)	0	0	0	0	0	0	0
DAVID BARTHOLOMEW MD PHYSICIAN	(i)	338,824	25,000	1,719	11,162	19,578	396,283	0
	(ii)	0	0	0	0	0	0	0

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				
DENISE BROOKS-WILLIAMS FORMER CEO OF BBCH	(i)	0	0	0	0	0	0	0
	(ii)	38,021	63,840	21,404	0	2,265	125,530	0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
BRONSON BATTLE CREEK HOSPITAL

Employer identification number
38-2776791

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ANESTHESIA ASSOCIATES OF BATTLE CREEK	BOARD MEMBER LINS IS PART OWNER AND EMPLOYEE OF AABC	1,142,828	PAYMENTS BY BBCH TO AABC FOR CRNA COVERAGE AND LABOR AND DELIVERY SERVICES		No
(2) ADVANCED IMAGING SERVICES	KEY EMPLOYEE MARK CRAWFORD IS A BOARD MEMBER OF AIS	890,000	PAYMENTS BY AIS TO BBCH, PARTNERSHIP DISTRIBUTION FROM AIS BBCH IS A 51% PARTNER IN AIS		No
(3) ADVANCED IMAGING SERVICES	FORMER OFFICER DENISE BROOKS-WILLIAMS IS A BOARD MEMBER OF AIS	890,000	PAYMENTS BY AIS TO BBCH, PARTNERSHIP DISTRIBUTION FROM AIS BBCH IS A 51% PARTNER IN AIS		No
(4) ADVANCED IMAGING SERVICES	KEY EMPLOYEE/OFFICER AMY BARNES IS A BOARD MEMBER OF AIS	890,000	PAYMENTS BY AIS TO BBCH, PARTNERSHIP DISTRIBUTION FROM AIS BBCH IS A 51% PARTNER IN AIS		No

Part V Supplemental Information

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

Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

**Open to Public
Inspection**

Name of the organization BRONSON BATTLE CREEK HOSPITAL	Employer identification number 38-2776791
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Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	KENNETH TAFT, FRANK SARDONE, STEVEN J LINS, M.D AND SCOTT C GIBSON, M.D HAVE A BUSINESS RELATIONSHIP ALL BOARD MEMBERS HAVE A BUSINESS RELATIONSHIP WITH ALL BRONSON SUBSIDIARIES DUE TO BEING ON BRONSON HEALTHCARE GROUP BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	BRONSON HEALTHCARE GROUP (BHG) IS THE CLASS A MEMBER AND HOLDS 51% OF THE MEMBERSHIP INTEREST IN THE HOSPITAL BBCH COMMUNITY PARTNERS IS THE CLASS B MEMBER AND HOLDS 49% OF THE MEMBERSHIP INTEREST IN THE HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	BRONSON HEALTHCARE GROUP (BHG) IS THE CLASS A MEMBER OF THE BRONSON BATTLE CREEK HOSPITAL (BBCH) AND AS SUCH ELECTS 2 MEMBERS OF THE BBCH BOARD. COMMUNITY PARTNERS SHALL, AFTER CONSULTING WITH AND SEEKING INPUT FROM THE NOMINATING COMMITTEE OF BHG, APPOINT 3 MEMBERS TO THE BOARD. THE REMAINING 3 MEMBERS OF THE BOARD SHOULD BE EX OFFICIO WITH VOTE AND SHALL COSIST OF THE PRESIDENT, THE CHIEF OF STAFF, AND IMMEDIATE PAST CHIEF OF THE MEDICAL STAFF OF THE HOSPITAL.

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

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

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

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>FOR THE CEO, OFFICERS, AND OTHER KEY EMPLOYEES, THE EXECUTIVE COMMITTEE OF THE BRONSON HEALTHCARE GROUP BOARD OF DIRECTORS, WHICH FUNCTIONS AS THE COMPENSATION COMMITTEE FOR BRONSON HEALTHCARE GROUP, RETAINS THE SERVICES OF AN EXTERNAL EXECUTIVE COMPENSATION CONSULTANT (SULLIVAN, COTTER AND ASSOCIATES) WHO CONDUCTS A THOROUGH COMPENSATION AND BENEFIT SURVEY PROCESS THAT IS USED TO DETERMINE THE APPROPRIATE ADJUSTMENT IN CASH COMPENSATION AND BENEFITS PROVIDED. THIS PROCESS WAS UNDERTAKEN IN 2012. THE CONSULTANT USES 3-5 NATIONAL HEALTHCARE-BASED SURVEYS FOR COMPARABILITY DATA, EACH ONE OF LIKE REVENUE SIZE HEALTHCARE SYSTEMS TO THE BRONSON HEALTHCARE GROUP. THE CONSULTANT PREPARES A DETAILED REPORT WITH RECOMMENDATIONS FOR PAY AND/OR BENEFIT ADJUSTMENTS, AND PRESENTS THE INFORMATION TO THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS (WHEN THE CEO SURVEY DATA AND RECOMMENDATIONS ARE PRESENTED, THE CEO AND STAFF ARE EXCUSED FROM THE DELIBERATIONS). AFTER ALL QUESTIONS OF THE BOARD MEMBERS ARE ANSWERED, FORMAL MOTIONS ARE PROPOSED, SECONDED, AND VOTED ON (FOR ANY PAY ADJUSTMENTS AND FOR RECEIPT OF THE CONSULTANT REPORT). AT THE SUBSEQUENT MEETING OF THE FULL BOARD OF DIRECTORS, THE CHAIR PRESENTS RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE, AND THE FULL BOARD ACTS ON A FORMAL MOTION THAT IS SECONDED AND VOTED ON.</p>

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

Return Reference	Explanation
FORM 990, PART XI, LINE 9	GAIN ON INTEREST RATE SWAPS 453,900 PENSION RELATED CHANGES 19,181,337 NET ASSETS RELEASED FROM RESTRICTION FOR CAPITAL 198,086 NET ASSETS RELEASED FROM RESTRICTION -326,170

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

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BRONSON BATTLE CREEK HOSPITAL

Employer identification number
38-2776791

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) HOSPITAL NETWORK LEASING 6212 AMERICAN AVE PORTAGE, MI 49002 38-3638430	PROVIDE SUPPORT SERVICES	MI	N/A	RELATED				No			No	
(2) HOSPITAL NETWORK VENTURES LLC 6212 AMERICAN AVE PORTAGE, MI 49002 38-3302979	PROVIDE SUPPORT SERVICES	MI	N/A	RELATED				No			No	
(3) ADVANCED IMAGING SERVICES 5352 BECKLEY RD STE A BATTLE CREEK, MI 49015 20-4594297	RADIOLOGY/IMAGING	MI	BRONSON BATTLE CREEK HOSPITAL	RELATED	469,169	579,337		No		Yes		51 000 %

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) BRONSON MGMT SERVICES CORP 601 JOHN ST KALAMAZOO, MI 49007 38-2415032	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C					No
(2) BRONSON LIFESTYLE IMPROVEMENT & RESEARCH 601 JOHN ST KALAMAZOO, MI 49007 38-3552556	REHABILITATION SERVICES	MI	BRONSON HEALTHCARE GROUP	C					No
(3) BRONSON STAFFING SERVICE 601 JOHN ST KALAMAZOO, MI 49007 38-3277697	HOME HEALTH CARE	MI	BRONSON HEALTHCARE GROUP	C					No
(4) BRONSON PRACTICE MGMT 601 JOHN ST KALAMAZOO, MI 49007 38-2511179	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C					No
(5) PHYSICIAN HOSPITAL ORGANIZATION DBA IHP 165 N WASHINGTON BATTLE CREEK, MI 49017 38-3252060	MEDICAL STAFF	MI	BRONSON BATTLE CREEK HOSPITAL	C	-36,086	972,462			No
(6) REGIONAL MEDICAL LABORATORIES 175 COLLEGE ST BATTLE CREEK, MI 49037 38-2739533	LABORATORIES	MI	BRONSON BATTLE CREEK HOSPITAL	C	79,304	1,785,666			No
(7) WESTLEY DEVELOPMENT COMPANY 301 JOHN ST KALAMAZOO, MI 49007 38-3619232	REAL ESTATE OWNERSHIP	MI	BRONSON HEALTHCARE GROUP	C				Yes	

Part V

Transactions With Related Organizations

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l	Yes	
1m	Yes	
1n		No
1o	Yes	
1p		No
1q		No
1r		No
1s		No

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

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

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
PART II LINE 10	BRONSON HEALTHCARE MIDWEST (BHCMW) TAX ID 46-2134675 WAS PURCHASED BY BRONSON HEALTHCARE GROUP ON 7/1/2013 PRIOR TO 7/1/2013, BHCMW WAS CLASSIFIED AS A FOR-PROFIT ENTITY APPLICATION FORM 1023 HAS BEEN FILED WITH THE IRS TO REQUEST A CONVERSION TO 501(C)(3) WITH PUBLIC CHARITY STATUS OF #3 AS OF 6/11/2014

Additional Data

Software ID:

Software Version:

EIN: 38-2776791

Name: BRONSON BATTLE CREEK HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) BRONSON HEALTHCARE GROUP INC 601 JOHN ST KALAMAZOO, MI 49007 38-2418383	PROVIDE SUPPORT SERVICES	MI	501(C)(3)	LINE 11C, III-FI	N/A		No
(1) BRONSON HEALTH FOUNDATION 601 JOHN ST KALAMAZOO, MI 49007 38-2415081	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 7	BRONSON HEALTHCARE GROUP	Yes	
(2) BRONSON LAKEVIEW HOSPITAL 601 JOHN ST KALAMAZOO, MI 49007 38-1359218	HOSPITAL	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	
(3) BRONSON COMMONS 601 JOHN ST KALAMAZOO, MI 49007 38-2842451	SKILLED NURSING FACILITY	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(4) VBEMS 601 JOHN ST KALAMAZOO, MI 49007 38-2745910	AMBULANCE SERVICE	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(5) BRONSON PROPERTIES CORPORATION 601 JOHN ST KALAMAZOO, MI 49007 38-6052573	PROVIDE SUPPORT SERVICES	MI	501(C)(3)	LINE 11B, II	BRONSON HEALTHCARE GROUP	Yes	
(6) LIFESPAN 116 GOODALE AVE BATTLE CREEK, MI 49037 38-3298476	NURSING, HOSPICE, & EQUIP SALES	MI	501(C)(3)	LINE 9	BRONSON HEALTHCARE GROUP	Yes	
(7) BRONSON METHODIST HOSPITAL 601 JOHN ST KALAMAZOO, MI 49007 38-1359087	HOSPITAL	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	
(8) BBC AUXILIARY 300 NORTH AVE BATTLE CREEK, MI 49017 38-3355520	PROVIDE SUPPORT SERVICES	MI	501(C)(3)	LINE 11A, I	BRONSON HEALTHCARE GROUP	Yes	
(9) BRONSON HEALTHCARE MIDWEST 601 JOHN ST KALAMAZOO, MI 49007 46-2134675	PHYSICIAN SERVICES	MI	501(C)(3)	LINE 3	BRONSON HEALTHCARE GROUP	Yes	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
BRONSON HEALTHCARE GROUP	M	29,695,673	COST
BRONSON HEALTHCARE GROUP	O	-56,331	COST
BRONSON METHODIST HOSPITAL	M	133,230	COST
BRONSON METHODIST HOSPITAL	O	35,304	COST
BRONSON MEDICAL GROUP	L	13,772	COST
BRONSON MEDICAL GROUP	O	-10,750	COST
BRONSON STAFFING SERVICE	L	6,107	COST
BRONSON STAFFING SERVICE	O	-7,064	COST
BRONSON LAKEVIEW HOSPITAL	L	2,612	COST
BRONSON LAKEVIEW HOSPITAL	O	-2,644	COST
LIFESPAN	L	243,368	COST
LIFESPAN	O	-238	COST
ADVANCED IMAGING SERVICES	L	1,129,757	COST
BRONSON PROPERTIES CORPORATION	K	197,727	AMT PER RENTAL AGREE
BBC AUXILIARY	C	93,148	ACTUAL CASH AMOUNT

Bronson Battle Creek

**Consolidated Financial Report
with Other Supplemental Information
December 31, 2013**

Bronson Battle Creek

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Independent Auditor's Report

To the Audit Committee of
Bronson Healthcare Group
Bronson Battle Creek

We have audited the accompanying consolidated financial statements of Bronson Battle Creek (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 Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

To the Audit Committee of
Bronson Healthcare Group
Bronson Battle Creek

Opinion

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

Plante & Moran, PLLC

April 14, 2014

Bronson Battle Creek

Consolidated Balance Sheet

(amounts in thousands)

	December 31, 2013	December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 12,064	\$ 14,426
Investments (Note 4)	43,068	40,025
Accounts receivable (Note 5)	14,629	12,945
Prepaid expenses and other current assets	5,313	5,066
Total current assets	75,074	72,462
Assets Limited as to Use		
Funds held for payment of employee benefits	96	121
By donors for specific purpose (Note 4)	1,528	1,604
Property and Equipment - Net (Note 9)	76,186	77,693
Other Assets		
Investment in joint venture (Note 10)	2,874	2,810
Right to use of information technology (Note 2)	1,570	5,448
Other noncurrent assets	409	581
Total assets	\$ 157,737	\$ 160,719
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 5,109	\$ 11,207
Accrued liabilities and other (Note 11)	9,012	5,822
Current portion of long-term debt (Note 12)	91	77
Estimated third-party payor settlements (Note 6)	2,299	790
Total current liabilities	16,511	17,896
Long-term Debt - Net of current portion (Note 12)	634	830
Other Liabilities		
Pension obligation (Note 13)	8,851	29,105
Other long-term liabilities	838	1,060
Total liabilities	26,834	48,891
Net Assets		
Unrestricted	128,800	109,790
Noncontrolling interest in consolidated subsidiary	556	547
Temporarily restricted	1,332	1,276
Permanently restricted	215	215
Total net assets	130,903	111,828
Total liabilities and net assets	\$ 157,737	\$ 160,719

Bronson Battle Creek

Consolidated Statement of Operations (amounts in thousands)

	Year Ended	
	December 31, 2013	December 31, 2012
Operating Revenue		
Net patient service revenue (Note 8)	\$ 207,425	\$ 200,123
Provision for bad debts	(16,324)	(13,357)
Net patient service revenue less provision for bad debts	191,101	186,766
Investment income	1,602	1,345
Other	5,415	5,407
Net assets released from restrictions for operations	128	78
Total operating revenue	198,246	193,596
Expenses		
Salaries and wages	86,888	80,871
Employee benefits and payroll taxes	23,231	18,751
Other	78,668	83,922
Depreciation and amortization	13,439	13,335
Total operating expenses	202,226	196,879
Operating Loss	(3,980)	(3,283)
Nonoperating Gains		
Other income	-	34
Change in unrealized investment gain	4,056	2,006
Total nonoperating gains	4,056	2,040
Excess of Revenue Over (Under) Expenses	76	(1,243)
Other	(436)	(505)
Pension-related Changes Other than Net Periodic Benefit Cost (Note 13)	19,181	(13,520)
Net Assets Released from Restriction	198	1,614
Increase (Decrease) in Unrestricted Net Assets	\$ 19,019	\$ (13,654)

Bronson Battle Creek

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

	Year Ended December 31	
	2013	2012
Unrestricted Net Assets		
Excess of revenue over (under) expenses	\$ 76	\$ (1,243)
Other	(436)	(505)
Pension-related changes other than net periodic benefit cost	19,181	(13,520)
Net assets released from restriction	198	1,614
Increase (Decrease) in Unrestricted Net Assets	19,019	(13,654)
Temporarily Restricted Net Assets		
Restricted contributions	319	262
Restricted investment income	63	59
Net assets released from restriction	(326)	(1,692)
Increase (Decrease) in Temporarily Restricted Net Assets	56	(1,371)
Increase (Decrease) in Net Assets	19,075	(15,025)
Net Assets - Beginning of year	111,828	126,853
Net Assets - End of year	\$ 130,903	\$ 111,828

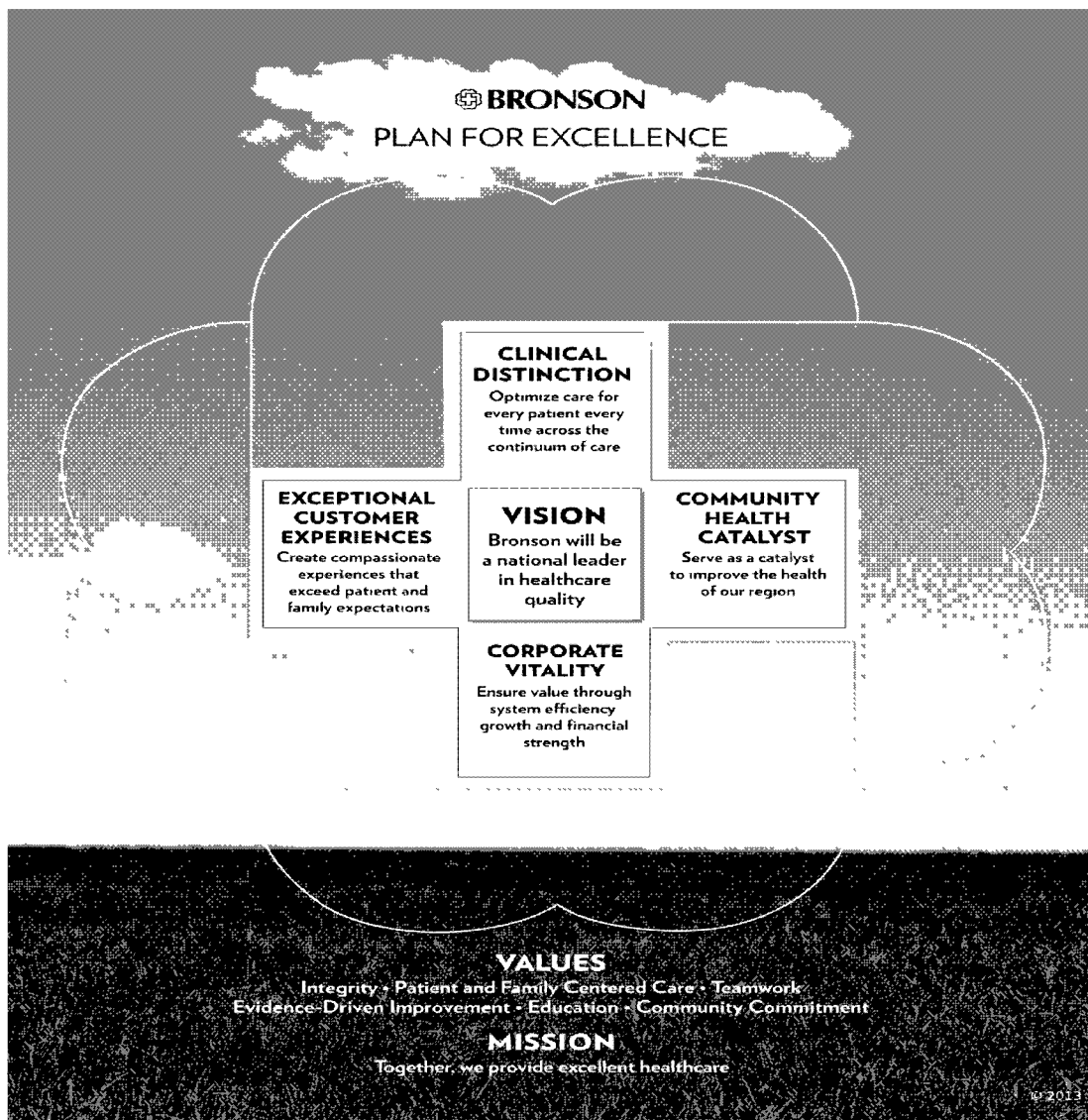
Bronson Battle Creek

Consolidated Statement of Cash Flows (amounts in thousands)

	Year Ended	
	December 31, 2013	December 31, 2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 19,075	\$ (15,025)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation and amortization	13,439	13,335
Net change in unrealized net gains and losses on investments	(4,056)	(2,006)
Pension-related changes other than benefit costs	(19,181)	13,520
Provision for bad debts	16,324	13,357
Equity income in joint ventures	(64)	(24)
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(18,008)	(8,378)
Prepaid expenses and other assets	(247)	(484)
Estimated third-party payor settlements	1,509	(158)
Other assets	172	(122)
Accounts payable	(6,098)	1,313
Accrued liabilities and other	(1,295)	(1,802)
Other liabilities	3,190	(1,988)
Net cash provided by operating activities	4,760	11,538
Cash Flows from Investing Activities		
Purchase of property and equipment	(8,054)	(10,600)
Decrease in assets limited as to use	101	1,411
Decrease (increase) in pooled investment funds	1,013	(9,799)
Net cash used in investing activities	(6,940)	(18,988)
Cash Flows from Financing Activities		
Proceeds from issuance of debt obligations	-	1,000
Principal payment on long-term debt	(182)	(93)
Net cash (used in) provided by financing activities	(182)	907
Net Decrease in Cash and Cash Equivalents	(2,362)	(6,543)
Cash and Cash Equivalents - Beginning of year	14,426	20,969
Cash and Cash Equivalents - End of year	\$ 12,064	\$ 14,426

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012



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

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 1 - Nature of Business

Bronson Battle Creek (the "Hospital") is a medical center providing acute care medical and surgical services. The Hospital, located in Battle Creek, Michigan, has 218 beds and provides services to the greater Battle Creek and surrounding communities. Admitting physicians are primarily practitioners in the local area. The Hospital is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

Prior to July 1, 2011, BCHS Community Partners of Battle Creek and Trinity Health each had a 50 percent membership interest in the Hospital, which was referred to as Battle Creek Health System. On July 1, 2011, Bronson Healthcare Group (the "Group") purchased a 51 percent interest in the Hospital, purchasing the 50 percent interest of Trinity Health and 1 percent interest from BCHS Community Partners of Battle Creek. At the time of acquisition, the name of the Hospital was changed to Bronson Battle Creek. The Group board of directors provides governance oversight of the Hospital's net assets and operations.

The Hospital owns 51 percent of Advanced Imaging Services of Battle Creek (AIS). The consolidated financial statements include the accounts of the Hospital and AIS. Significant intercompany accounts and transactions have been eliminated in consolidation.

Note 2 - Significant Accounting Policies

Basis of Consolidation - The consolidated financial statements include the accounts of the Hospital and its majority-owned and controlled subsidiary. Significant intercompany accounts and transactions 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, excluding those amounts included in assets limited as to use.

Investments - The Hospital's cash equivalents and investments are maintained in a pooled investment fund held by the Group. Requests for withdrawals from the fund are generally honored on demand at the amount deposited, minus withdrawals, plus earnings credited while on deposit. The fund's investment policy allows for investments in such securities as U.S. government obligations, commercial paper, bankers' acceptances, certificates of deposit, marketable equity securities, money market funds, and privately held alternative investments. Earnings of the fund are credited to investment participants on a pro-rata basis when realized. Aggregate investment earnings and realized and unrealized losses from the fund for the years ended December 31, 2013 and 2012 were approximately \$5,658,000 and \$3,351,000, respectively.

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue (under) over expenses unless the income or loss is restricted by donor or law.

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

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

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

Assets Limited as to Use - Assets limited as to use include funds held in trust for payment of employee benefits and amounts restricted by donors for specific purposes.

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

Property and Equipment - Property and equipment amounts were recorded at fair value at the time of acquisition by the Group. Current year additions have been 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.

Right to Use of Information Technology - The Hospital has an agreement with Trinity Health for the right to use Trinity's information technology system for up to three years. The agreement was subsequently extended and the prepaid fees are recorded at cost and are being amortized over the remaining life of the agreement. Expected implementation date for EPIC is February 2015.

Classification of Net Assets - Net assets of the Hospital are classified as permanently restricted, 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. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Net Patient Service Revenue - Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and include estimated retroactive revenue adjustments based upon audits, reviews, and adjustments by third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period such adjustments become known or as years are no longer subject to such audits, reviews, and adjustments. Management believes that adequate provisions have been made in the consolidated financial statements for any adjustments that may result from final settlements. Patient service revenue, net of contractual allowances and discounts, amounted to \$180,308,000 and \$170,534,000 for third-party payors, and \$27,117,000 and \$29,589,000 for self pay for the years ended December 31, 2013 and 2012, respectively.

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

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 2 - Significant Accounting Policies (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation.

Tax Status - The Hospital is a nonprofit, tax-exempt organization, and is exempt from federal income taxes on related income pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, no tax provision is reflected in the consolidated financial statements. The Hospital's tax returns are not subject to examination by taxing authorities for years beginning prior to July 1, 2011.

AIS is a for-profit limited liability company. AIS is treated as a partnership for federal income tax purposes and as such members are taxed individually on their pro-rata ownership share of AIS's earnings. There has been no current tax liability or assets recognized for estimated taxes payable or refundable.

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

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.

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

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

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 3 - Fair Value of Financial Instruments

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

Cash and Cash Equivalents - The carrying amount reported in the consolidated balance sheet approximates its fair value because of the short maturity of those instruments.

Accounts Receivable, Estimated Third-party Payor Settlements, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the consolidated balance sheet approximates its fair value.

Marketable Securities - The fair value amounts of marketable securities, included in investments and assets limited or restricted as to use in the consolidated balance sheet, are based on quoted market prices, if available, or are estimated using quoted market prices for similar assets.

Long-term Debt - The carrying amount of the Hospital's long-term debt approximates fair value.

Note 4 - Fair Value Measurements

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

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

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.

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - 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 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
Assets Limited as to Use and Investments				
Trading securities:				
Assets limited as to use -				
Mutual funds - Held for				
payment of employee				
benefits	\$ 96	\$ -	\$ -	\$ 96
Investments - Pooled				
funds - Held in				
Bronson Investment				
Fund	-	43,068	-	43,068
Total assets	<u>\$ 96</u>	<u>\$ 43,068</u>	<u>\$ -</u>	<u>\$ 43,164</u>

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2012
Assets Limited as to Use and Investments				
Trading securities:				
Assets limited as to use -				
Mutual funds - Held for				
payment of employee				
benefits	\$ 121	\$ -	\$ -	\$ 121
Investments - Pooled				
funds - Held in				
Bronson Investment				
Fund	-	40,025	-	40,025
Total assets	<u>\$ 121</u>	<u>\$ 40,025</u>	<u>\$ -</u>	<u>\$ 40,146</u>

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 4 - Fair Value Measurements (Continued)

The fair value of the pooled funds held in the Bronson Investment Fund at December 31, 2013 and 2012 was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments using market value. See Note 2 for additional information related to the Bronson Investment Fund.

The Hospital's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer.

During the years ended December 31, 2013 and 2012, there were no significant transfers between Levels 1 and 2.

A reconciliation of investments, assets limited as to use, and long-term investments from the above table to the consolidated balance sheet is presented below for the years ended December 31, 2013 and 2012:

	2013	2012
	(in thousands)	
Investments	\$ 43,068	\$ 40,025
Assets limited as to use - Funds held for payment of employee benefits	96	121
Total investments and assets limited as to use - At fair value	43,164	40,146
By donors for specific use - Cash and cash equivalents - Not included in fair value table above	1,528	1,604
Total investments, assets limited as to use, and long-term investments	\$ 44,692	\$ 41,750

Note 5 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2013	2012
	(in thousands)	
Patient accounts receivable	\$ 69,303	\$ 69,630
Allowance for collectible accounts	(14,379)	(16,231)
Allowance for contractual adjustments	(42,639)	(42,600)
Net patient accounts receivable	12,285	10,799
Other	2,344	2,146
Total	\$ 14,629	\$ 12,945

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 5 - Patient Accounts Receivable (Continued)

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors as of December 31, 2013 and 2012 was as follows:

	Percentage	
	2013	2012
Medicare	34	28
Blue Cross/Blue Shield of Michigan	12	13
Medicaid	20	19
Commercial insurance	18	20
Self-pay	16	20
Total	100	100

Note 6 - Estimated Third-party Payor Settlements

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

- **Medicare** - Inpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient and homecare services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care. Payments are also received for capital and medical education costs subject to certain limits.
- **Medicaid** - Inpatient, acute care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service and percentage-of-charge bases.

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

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

- **Other Third-party Payors** - The Hospital has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The bases for reimbursement to the Hospital under these agreements are discounts from established charges, prospectively determined rates per discharge, and prospectively determined daily rates.

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

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

Note 7 - Charity Care

In support of its mission, the Hospital provides various health-related services, at a loss, to the indigent and other residents of its service area. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other 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 estimated amount of charity care is as follows for the years ended December 31, 2013 and 2012:

	2013	2012
	(in thousands)	
Charity care, at cost	\$ 5,413	\$ 6,020

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 8 - Net Patient Service Revenue - Unaudited

Net patient service revenue is composed of the following for the years ended December 31, 2013 and 2012:

	2013	2012
	(in thousands)	
Gross charges	\$ 574,457	\$ 557,716
Less total contractual deductions and other provisions	367,032	357,593
Net patient service revenue	<u>\$ 207,425</u>	<u>\$ 200,123</u>

Note 9 - Property and Equipment

The values of property, plant, and equipment are summarized as follows.

	2013	2012	Useful Lives
	(in thousands)		
Land	\$ 3,303	\$ 3,303	-
Land improvements	3	3	7-40
Buildings and improvements	62,979	58,405	2-10
Equipment	34,258	30,885	3-5
Construction in progress	-	11	-
Total cost	100,543	92,607	
Accumulated depreciation	(24,357)	(14,914)	
Net property and equipment	<u>\$ 76,186</u>	<u>\$ 77,693</u>	

Depreciation expense on property and equipment totaled approximately \$9,411,000 for the year ended December 31, 2013 and \$9,580,000 for the year ended December 31, 2012.

Note 10 - Related Party Transactions

Investments in joint ventures, primarily the Regional Medical Lab of Battle Creek, Integrated Health Partners of Battle Creek, and Partners Insurance Agency, that are not majority-owned (each 50 percent owned by the Hospital) and controlled are recorded using the equity method. Equity in earnings or losses of such joint ventures is included in other revenue in the consolidated statements of operations and changes in net assets and amounted to gains of approximately \$64,000 and \$24,000 in 2013 and 2012, respectively.

The Hospital also purchases certain services in the ordinary course of business, and maintains most insurance coverage from the Group. The Hospital's expenses related to these activities generally are based on costs incurred and are not material in relation to the Hospital's operations.

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 11 - Accrued Liabilities

The detail of accrued liabilities as of December 31, 2013 and 2012 is given below:

	2013	2012
	(in thousands)	
Compensation and payroll taxes	\$ 2,654	\$ 465
Compensated paid time off	3,750	3,486
Other	2,608	1,871
Total accrued liabilities	<u>\$ 9,012</u>	<u>\$ 5,822</u>

Note 12 - Long-term Debt

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

	2013	2012
	(in thousands)	
Bank term note of AIS at a fixed rate of 3 percent, due in monthly installments of \$9,313.24, including interest, due October 2022	\$ 725	\$ 907
Less current portion	<u>91</u>	<u>77</u>
Long-term portion	<u>\$ 634</u>	<u>\$ 830</u>

Scheduled principal repayments on long-term debt are as follows:

Years Ending December 31	Amount
2014	\$ 91
2015	94
2016	97
2017	100
2018	103
Thereafter	<u>240</u>
Total	<u>\$ 725</u>

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 13 - Pension Plan

Prior to July 1, 2011, the employees of the Hospital participated in the cash balance defined benefit pension plan sponsored by Trinity Health. As a result of the Group's acquisition of the Hospital during 2011, the defined benefit pension plan obligation specific to the Hospital's employees under the Trinity plan was determined and transferred to a new defined benefit pension plan, which was immediately frozen. A total of \$94 million of assets was transferred from the Trinity plan related to the obligation. As part of the acquisition, the former Trinity plan has been frozen and is being separately tracked.

Starting on July 1, 2011, all employees of the Hospital are eligible to participate in the existing BHG plan. Under this arrangement, the Hospital is charged for its share of costs incurred to provide pension benefits for its employees under the plan. Benefits are based on a participant's years of service and compensation during the last 10 years of employment. Expense recorded by the Hospital under the ongoing pension plan totaled approximately \$1,100,000 and \$900,000 for the years ended December 31, 2013 and 2012, respectively.

The liability related to the pension obligation was assumed by the Hospital at fair value.

The funded status and accrued pension of the frozen defined benefit plan described above as of December 31, 2013 and 2012 are summarized below:

Obligations and Funded Status

	Pension Benefits	
	2013	2012
	(in thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 125,035	\$ 110,459
Interest cost	5,315	5,594
Actuarial (gain) loss	(11,089)	12,491
Benefits paid	(5,679)	(3,509)
Plan change	(634)	-
Benefit obligation at end of year	112,948	125,035
Change in plan assets:		
Fair value of plan assets at beginning of year	95,930	93,000
Actual return on plan assets	13,846	6,379
Employer contributions	-	60
Benefits paid	(5,679)	(3,509)
Fair value of plan assets at end of year	104,097	95,930
Funded status at end of year	\$ (8,851)	\$ (29,105)

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 13 - Pension Plan (Continued)

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

	Pension Benefits	
	2013	2012
	(in thousands)	
Net (gain) loss	\$ (19,181)	\$ 13,520

Components of Net Periodic Benefit Cost

	Pension Benefits	
	2013	2012
	(in thousands)	
Net periodic benefit cost:		
Interest cost	\$ 5,315	\$ 5,594
Expected return on plan assets	(6,776)	(7,269)
Total	\$ (1,461)	\$ (1,675)

Assumptions

	Pension Benefits	
	2013	2012
Weighted average assumptions used to determine benefit obligations	5.11 %	4.30 %
Weighted average assumptions used to determine net periodic benefit cost	4.30	5.32

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

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 13 - Pension Plan (Continued)

Plan Assets

	Percentage	
	2013	2012
Asset category:		
Equity securities	46	42
Debt securities	32	26
Government securities	18	26
Cash and money market investments	4	6
Total	100	100

Investment Policies and Strategies

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

Contributions

The Hospital expects to contribute \$220,000 to its pension plan in 2014.

Estimated Future Benefit Payments

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

Years Ending December 31	Pension Benefits
2014	\$ 4,381
2015	4,710
2016	5,119
2017	5,583
2018-2020	35,563

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

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 13 - Pension Plan (Continued)

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.

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

Pension Plan Assets

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
Money market funds	\$ 4,995	\$ -	\$ -	\$ 4,995
Common and preferred stock - General (unclassified)	1,122	-	-	1,122
Common and preferred stock - Industrials	3,652	-	-	3,652
Common and preferred stock - Consumer discretionary	5,728	-	-	5,728
Common and preferred stock - Consumer staples	5,291	-	-	5,291
Common and preferred stock - Energy	3,730	-	-	3,730
Common and preferred stock - Financial	10,753	-	-	10,753
Common and preferred stock - Materials	3,716	-	-	3,716
Common and preferred stock - Information technology	5,299	-	-	5,299
Common and preferred stock - Utilities	2,526	-	-	2,526
Common and preferred stock - Health care	4,504	-	-	4,504
Common and preferred stock - Telecommunication services	805	-	-	805
Treasury bonds	-	16,567	-	16,567
Government and government agency bonds	-	2,358	-	2,358
Corporate securities	-	22,393	-	22,393
Mortgages	-	4,623	-	4,623
Other fixed-income assets	-	6,035	-	6,035
Total	\$ 52,121	\$ 51,976	\$ -	\$ 104,097

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 13 - Pension Plan (Continued)

Pension Plan Assets

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2012
Money market funds	\$ 6,308	\$ -	\$ -	\$ 6,308
Common and preferred stock - Various industries	1,338	-	-	1,338
Common and preferred stock - Industrials	2,127	-	-	2,127
Common and preferred stock - Consumer discretionary	4,677	-	-	4,677
Common and preferred stock - Consumer staples	4,772	-	-	4,772
Common and preferred stock - Energy	3,095	-	-	3,095
Common and preferred stock - Financial	9,686	-	-	9,686
Common and preferred stock - Materials	3,345	-	-	3,345
Common and preferred stock - Information technology	4,500	-	-	4,500
Common and preferred stock - Utilities	3,487	-	-	3,487
Common and preferred stock - Health care	2,894	-	-	2,894
Common and preferred stock - Telecommunication services	645	-	-	645
Treasury bonds	-	15,819	-	15,819
Government and government agency bonds	-	3,093	-	3,093
Corporate securities	-	13,978	-	13,978
Mortgages	-	5,347	-	5,347
Other fixed-income assets	-	10,819	-	10,819
Total	\$ 46,874	\$ 49,056	\$ -	\$ 95,930

The fair value of the various bonds, corporate securities, mortgages, and other fixed-income assets was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments using quoted prices for similar assets in active markets. The fair value of these assets was determined primarily based on quoted market prices from the Hospital's custodial banks.

Bronson Battle Creek

Notes to Consolidated Financial Statements December 31, 2013 and 2012

Note 14 - Professional Liability Insurance

The Hospital participates in a self-insured, multiprovider, professional liability arrangement sponsored by the Group. This arrangement is designed to provide participating members with a specified level of primary professional liability coverage, with excess layers of insurance coverage provided by commercial insurers under claims-made policies. The levels of excess coverage vary by year, depending upon the availability and cost of that insurance. Should the claims-made policies not be renewed or be replaced with equivalent insurance, claims based on occurrences during its term and reported subsequently will be uninsured. Participating members of the self-insured arrangement are annually assessed amounts that reflect the level of professional liability risk subject to self-insurance for the participating entity. The expense assessed to the Hospital totaled approximately \$594,000 and \$322,000 for the years ended December 31, 2013 and 2012, respectively.

The Hospital is involved in certain legal actions arising from services provided to patients and, additionally, is aware of certain possible claims that presently are not the subject of judicial proceedings. Although the Hospital is unable to precisely estimate the ultimate cost of settlements of professional liability claims, a provision is made for management's best estimate of losses for uninsured portions of pending claims and for known incidents that may result in the assertion of additional claims. Management believes, after considering legal counsel's evaluations of all actions and claims, that insurance coverage and accruals recorded at the Group for estimated losses are adequate to cover expected settlements.

Note 15 - Functional Expenses

The Hospital provides inpatient and outpatient healthcare services to patients in the Battle Creek, Michigan area. Expenses related to providing these services for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
	(in thousands)	
Healthcare services	\$ 183,671	\$ 169,669
General and administrative	18,555	27,210
Total	<u>\$ 202,226</u>	<u>\$ 196,879</u>

Other Supplemental Information

Independent Auditor's Report on Supplemental Information

To the Audit Committee of
Bronson Healthcare Group
Bronson Battle Creek

We have audited the consolidated financial statements of Bronson Battle Creek as of and for the years ended December 31, 2013 and 2012. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the accompanying schedules, as listed in the table of contents, is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. 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 14, 2014

Bronson Battle Creek

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

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 11,688	\$ 376	\$ -	\$ 12,064
Investments	43,068	-	-	43,068
Accounts receivable	14,472	278	(121)	14,629
Prepaid expenses and other current assets	5,310	3	-	5,313
Total current assets	74,538	657	(121)	75,074
Assets Limited as to Use	1,624	-	-	1,624
Property and Equipment - Net	74,837	1,349	-	76,186
Other Assets				
Investment in joint venture	2,874	-	-	2,874
Right to use of information technology	1,570	-	-	1,570
Other noncurrent assets	236	173	-	409
Total assets	<u>\$ 155,679</u>	<u>\$ 2,179</u>	<u>\$ (121)</u>	<u>\$ 157,737</u>

Bronson Battle Creek

Consolidating Balance Sheet (Continued)

December 31, 2013

(amounts in thousands)

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminating Entries	Total
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 4,911	\$ 319	\$ (121)	\$ 5,109
Accrued liabilities and other	9,012	-	-	9,012
Current portion of long-term debt	-	91	-	91
Estimated third-party payor settlements	2,299	-	-	2,299
Total current liabilities	16,222	410	(121)	16,511
Long-term Debt - Net of current portion	-	634	-	634
Other Liabilities				
Pension obligation	8,851	-	-	8,851
Other long-term liabilities	838	-	-	838
Total liabilities	25,911	1,044	(121)	26,834
Net Assets				
Unrestricted	128,221	1,135	(556)	128,800
Controlling interest	-	-	556	556
Temporarily restricted	1,332	-	-	1,332
Permanently restricted	215	-	-	215
Total liabilities and net assets	<u>\$ 155,679</u>	<u>\$ 2,179</u>	<u>\$ (121)</u>	<u>\$ 157,737</u>

Bronson Battle Creek

Consolidating Balance Sheet December 31, 2012

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 14,251	\$ 175	\$ -	\$ 14,426
Short-term investments	40,025	-	-	40,025
Accounts receivable	12,758	322	(135)	12,945
Prepaid expenses and other current assets	5,066	-	-	5,066
Total current assets	72,100	497	(135)	72,462
Assets Limited as to Use	1,725	-	-	1,725
Property and Equipment - Net	76,025	1,668	-	77,693
Other Assets				
Investment in joint venture	2,810	-	-	2,810
Right to use of information technology	5,448	-	-	5,448
Other noncurrent assets	387	194	-	581
Total assets	<u>\$ 158,495</u>	<u>\$ 2,359</u>	<u>\$ (135)</u>	<u>\$ 160,719</u>

Bronson Battle Creek

Consolidating Balance Sheet (Continued) December 31, 2012

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminating Entries	Consolidated Totals
Liabilities and Net Assets				
Current Liabilities				
Current portion of long-term debt	\$ -	\$ 77	\$ -	\$ 77
Accounts payable	10,996	346	(135)	11,207
Estimated third-party payor settlements	790	-	-	790
Accrued liabilities and other	5,822	-	-	5,822
Total current liabilities	17,608	423	(135)	17,896
Long-term Debt - Net of current portion	-	830	-	830
Other Liabilities				
Pension obligation	29,105	-	-	29,105
Other long-term liabilities	1,060	-	-	1,060
Total liabilities	47,773	1,253	(135)	48,891
Net Assets				
Unrestricted	109,231	1,106	(547)	109,790
Noncontrolling interest in consolidated subsidiary	-	-	547	547
Temporarily restricted	1,276	-	-	1,276
Permanently restricted	215	-	-	215
Total liabilities and net assets	\$ 158,495	\$ 2,359	\$ (135)	\$ 160,719

Bronson Battle Creek

Consolidating Statement of Operations Year Ended December 31, 2013

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminations	Totals
Operating Revenue				
Net patient service revenue	\$ 204,057	\$ 3,368	\$ -	\$ 207,425
Provision for bad debts	(16,044)	(280)	-	(16,324)
Net patient service revenue less provision for bad debts	188,013	3,088	-	191,101
Investment gain	1,602	-	-	1,602
Other	6,203	2	(790)	5,415
Net assets released from restrictions for operations	128	-	-	128
Total unrestricted revenue, gains, and other support	195,946	3,090	(790)	198,246
Expenses				
Salaries and wages	87,351	327	(790)	86,888
Employee benefits and payroll taxes	23,133	98	-	23,231
Other	77,129	1,539	-	78,668
Depreciation and amortization	13,232	207	-	13,439
Total expenses	200,845	2,171	(790)	202,226
Operating (Loss) Income	(4,899)	919	-	(3,980)
Nonoperating Gains - Change in unrealized investment gain	4,056	-	-	4,056
Excess of Revenue (Under) Over Expenses	(843)	919	-	76
Other	454	(890)	-	(436)
Pension-related Changes Other Than Net Periodic Benefit Cost	19,181	-	-	19,181
Net Assets Released from Restriction	198	-	-	198
Increase in Unrestricted Net Assets	\$ 18,990	\$ 29	\$ -	\$ 19,019

Bronson Battle Creek

Consolidating Statement of Operations Year Ended December 31, 2012

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminations	Totals
Unrestricted Revenue, Gains, and Other Support				
Net patient service revenue	\$ 197,065	\$ 3,058	\$ -	\$ 200,123
Provision for bad debts	(13,082)	(275)	-	(13,357)
Net patient service revenue less provision for bad debts	183,983	2,783	-	186,766
Investment loss	1,345	-	-	1,345
Other	6,060	-	(653)	5,407
Net assets released from restrictions for operations	78	-	-	78
Total unrestricted revenue, gains, and other support	191,466	2,783	(653)	193,596
Expenses				
Salaries and wages	81,258	266	(653)	80,871
Employee benefits and payroll taxes	18,671	80	-	18,751
Other	82,586	1,336	-	83,922
Depreciation and amortization	13,194	141	-	13,335
Total expenses	195,709	1,823	(653)	196,879
Operating (Loss) Income	(4,243)	960	-	(3,283)
Nonoperating Gains				
Other income	34	-	-	34
Change in unrealized investment gain	2,006	-	-	2,006
Total other income	2,040	-	-	2,040
Excess of Revenue (Under) Over Expenses	(2,203)	960	-	(1,243)
Other	525	(1,030)	-	(505)
Minimum Pension Liability Adjustment	(13,520)	-	-	(13,520)
Pension-related Changes Other than Net Periodic Benefit Cost	1,614	-	-	1,614
Decrease in Unrestricted Net Assets	\$ (13,584)	\$ (70)	\$ -	\$ (13,654)

Bronson Battle Creek

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

(amounts in thousands)

	Bronson Battle Creek Hospital	Advanced Imaging Services	Eliminating Entries	Total
Unrestricted Net Assets				
Excess of revenue (under) over expenses	\$ (843)	\$ 919	\$ -	\$ 76
Other	454	(890)	-	(436)
Minimum pension liability adjustment	19,181	-	-	19,181
Net assets released from restriction for capital	198	-	-	198
Increase in Unrestricted Net Assets	18,990	29	-	19,019
Temporarily Restricted Net Assets				
Restricted contributions	319	-	-	319
Restricted investment income	63	-	-	63
Net assets released from restriction	(326)	-	-	(326)
Increase in Temporarily Restricted Net Assets	56	-	-	56
Increase in Net Assets	19,046	29	-	19,075
Net Assets - Beginning of year	110,722	1,106	-	111,828
Net Assets - End of year	\$ 129,768	\$ 1,135	\$ -	\$ 130,903

Bronson Battle Creek

Consolidating Statement of Changes in Net Assets Year Ended December 31, 2012

	Bronson Battle Creek Hospital	Advanced Imaging Services	Elimination	Total
Unrestricted Net Assets				
Excess of revenue (under) over expenses	\$ (2,203)	\$ 960	\$ -	\$ (1,243)
Other	525	(1,030)	-	(505)
Minimum pension liability adjustment	(13,520)	-	-	(13,520)
Net assets released from restriction for capital	1,614	-	-	1,614
Decrease in Unrestricted Net Assets	(13,584)	(70)	-	(13,654)
Temporarily Restricted Net Assets				
Restricted contributions	262	-	-	262
Restricted investment income	59	-	-	59
Net assets released from restriction	(1,692)	-	-	(1,692)
Decrease in Temporarily Restricted Net Assets	(1,371)	-	-	(1,371)
Decrease in Net Assets	(14,955)	(70)	-	(15,025)
Net Assets - Beginning of year	125,677	1,176	-	126,853
Net Assets - End of year	\$ 110,722	\$ 1,106	\$ -	\$ 111,828

**Community Health Needs Assessment
Implementation Strategy 2014-2015
Bronson Battle Creek Hospital
Not for Publication
Final November 22, 2013**

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

Adequate access is dependent not only on supply of providers but also on affordability, physical accessibility, acceptability of services, and removal of barriers. To address this need, Bronson Battle Creek Hospital will take a leadership role, collaborate with community partners across county boundaries and focus programming on issues related to reducing the number of uninsured in the region, ensuring residents have access to primary care services, and complex care coordination.

OBJECTIVE 1.

Reduce the number of uninsured in the region.

Implementation Strategies

- A. Convene stakeholders and lead a coalition to organize a coordinated community approach to enroll eligible residents in Medicaid and insurance exchanges. Many organizations are working on this issue but there remains little leadership, communication, or coordination. An assessment of ongoing activities and current gap analysis will be completed with community stakeholders. Outreach opportunities will be identified to engage uninsured persons prior to admission to hospital. (2014)
- B. Financial counselors and other staff as identified will be trained to facilitate enrollment in Medicaid and insurance exchanges. (2014-2015)
- C. Develop a communication plan and distribute informational materials and resource guides explaining Medicaid and insurance exchanges throughout the community. Assist community agencies when needed to explain insurance exchanges. (2014-2015)
- D. Continue support for Community Healthcare Connections including selected resources and direct financial support. (2014-2016)

Anticipated Impact & Measures

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

1. Percent of residents in Calhoun county with no health insurance coverage & percent of Medicaid expansion eligible residents enrolled in Medicaid
2. Number of individuals provided enrollment assistance
3. Time of application assistance to enrollment
4. Other measures identified through establishment of programming throughout 2014-2016

OBJECTIVE 2.

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

Implementation Strategies

- A. Enhance community recruitment efforts for primary care physicians and midlevel providers to Bronson Practices and the Family Health Center. (2014-2016)
- B. Seek Patient-Centered Medical Home designation for all Bronson practices. (2014-2016)
- C. Develop community resource guide on providers open to new patients to include providers accepting Medicaid. (2015)
- D. Promote establishment of medical homes within recently insured population and promote use of medical homes throughout community. (2014-2016)
- E. Bronson Battle Creek Hospital will continue operation of an urgent care facility to ensure continued access to after-hours, night, and weekend health care. (2014)
- F. Promote and increase open-access availability in Bronson practices, the FHC, and within private practices. (2014-2016)
- G. Leverage 211 to become referral conduit for primary care. (2015-2016)
- H. Enhance collaborative partnerships with the Battle Creek Family Health Center (FHC) to improve open access and ensure quality primary care for the underserved. (2014-2016)
- I. Continue partnership with FHC and Community HealthCare Connections to provide dental health access. (2014-2016)

Anticipated Impact & Measures

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

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

OBJECTIVE 3.

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

Implementation Strategies

- A. Bronson Battle Creek Hospital will participate in the Michigan Primary Care Transformation and staff hybrid case managers and/or social workers in Bronson Practices. (2014)
- B. Organize, coordinate, and improve access to community transportation resources and promote the use of community resources with community partners and hospital staff. (2015)
- C. Develop collaborations to enhance health services coordination throughout the care continuum including medical, social, and behavioral care coordination. (2015-2016)
- D. Improve communication, coordination, and collaboration among agencies providing social service support, housing, healthcare, education, and mental health services. (2015-2016)
- E. Continue collaboration and partnership with the CentraCare Inc. Program for All-Inclusive Care for the Elderly (PACE); a community-based supplemental adult care service for Medicare and Medicaid "dual-eligible" seniors to provide physician, social worker and rehabilitation facilities, as well as dietitian and personal-care services in a single location. (2014-2016)
- F. Continue collaborative efforts and support for Healthy Babies, Healthy Start; Nurse Family Partnership; Great Start Collaborative; and the FHC to improve birth and learning outcomes for Calhoun County children. (2014-2016)
- G. Leverage Integrated Health Partners to facilitate community based care coordination activities. (2014-2016)
- H. Continue provision of a nurse navigator to assist in the coordination of care and act as a single point of contact with the medical team and community resources. (2014)
- I. Collaborate with and provide financial resources for Senior Health Partners; a community partnership providing healthcare, education, support services, and exercise programming to improve the health and well-being of older adults. (2014)

Anticipated Impact & Measures

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

- 1. Established PACE measures
- 2. Number of referrals to navigator
- 3. Provider and patient satisfaction surveys
- 4. Other measures identified through establishment of programming throughout 2014-2016

NEEDS NOT ADDRESSED IN THIS IMPLEMENTATION PLAN

The 2013 Community Health Needs Assessment included a prioritization of health needs encompassing: magnitude of needs, measurable outcomes, Bronson capabilities, evidence for effective interventions, community commitment, and consistency with Bronson Strategy. At the conclusion of this prioritization process, Access to Care was selected for the focus of Community Health activities in 2014-2016. This

effort will require substantial financial and staffing resources as well as significant collaborations with community organizations. As such, other significant health needs identified in the Community Health Needs Assessment will not be a strategic priority at this time.

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

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

RESOURCES

In keeping with Bronson's strategic commitment to be a community leader and serve as a catalyst to improve the health of the Southwest Michigan region Bronson commits substantial resources to community health improvement efforts. These resources include but are not limited to; staffing for programs related to community health, the continuation of financial and charity care provisions for those in need, direct financial support for community health strategic initiatives, sponsorships for community organizations, and investment in activities and programs to increase healthcare capacity in the region. In addition, Bronson Healthcare Group has designated executive leadership and select staff including at least one full time position to develop and oversee the implementation of the Community Health Improvement Plan and to engage community organizations in collaborative efforts. Through community partnerships, our service with the Regional Health Alliance, The Coordinating Council, Integrated Health Partners, and our own BBCH Community Partners, we share in the work that is advancing to improve the health of Calhoun County.

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHERYL L KNAPP	12 20									
VP QUALITY SYSTEMS	27 80			X				0	224,676	14,870
AMY BARNES	40 00									
VP OF BBCH	0 00			X				217,278	0	29,348
ANNE REGLING	40 00									
VP AND CEO OF BBCH	0 00			X				34,229	353,280	39,294
MARY M MEITZ	6 80									
SR VP CFO BHG	33 20				X			0	378,273	26,142
KATHLEEN M HARRELSON	6 80									
SR VP, CLINICAL OPERATIONS	33 20				X			0	376,751	23,975
JOHN L JONES JR	6 80									
SR VP, REG & PHYS SVS	33 20				X			0	335,955	30,277
MICHAEL S WAY	6 80									
SR VP SUP CHAIN FAC & RE BHG	33 20				X			0	258,177	23,353
MARK A CRAWFORD	40 00									
VP OF COMMUNITY HEALTH SVCS	0 00				X			213,041	0	21,598
TAREK EL SHAARAWY MD	40 00					X		1,120,552	0	30,818
PHYSICIAN	0 00									
KERRI L MURRAY MD	40 00					X		642,583	0	31,004
PHYSICIAN	0 00									
CHRISTOPHER L WILHELMSON MD	40 00					X		367,842	0	30,763
PHYSICIAN	0 00									
BRIAN KRAUSS MD	40 00					X		418,533	0	30,814
PHYSICIAN	0 00									
DAVID BARTHOLOMEW MD	40 00					X		365,543	0	30,740
PHYSICIAN	0 00									
DENISE BROOKS-WILLIAMS	0 00									
FORMER CEO OF BBCH	1 00						X	0	123,265	2,265