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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
ST LUKE'S METHODIST HOSPITAL

Doing Business As
ST LUKE'S HOSPITAL

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1026 A AVENUE NE

City or town, state or province, country, and ZIP or foreign postal code
CEDAR RAPIDS, IA 52402

D Employer identification number
42-0504780

E Telephone number
(319) 369-7796

G Gross receipts $ 474,853,938

F Name and address of principal officer
THEODORE E TOWNSEND JR
1026 A AVENUE NE
CEDAR RAPIDS,IA 52402

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW UNITYPOINT ORG/CEDARRAPIDS

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

L Year of formation 1903

M State of legal domicile IA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO GIVE THE HEALTHCARE WE'D LIKE OUR LOVED ONES TO RECEIVE

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3,618
6	Total number of volunteers (estimate if necessary)	**6**	963
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	620,704
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	52,921

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	3,332,056	15,682,654
9	Program service revenue (Part VIII, line 2g)	349,214,371	354,731,733
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	19,989,256	10,487,595
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,200,696	2,741,005
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	375,736,379	383,642,987
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,655,332	4,368,315
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	184,890,584	180,397,537
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶289,098		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	170,361,046	175,324,349
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	358,906,962	360,090,201
19	Revenue less expenses Subtract line 18 from line 12	16,829,417	23,552,786

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	404,903,256	433,666,510
21	Total liabilities (Part X, line 26)	162,358,258	150,979,354
22	Net assets or fund balances Subtract line 21 from line 20	242,544,998	282,687,156

Part II Signature Block

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

Sign Here

****** | 2014-11-10
Signature of officer | Date

MILTON E AUNAN II SENIOR VP FINANCE/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF ST LUKE'S METHODIST HOSPITAL IS TO GIVE THE HEALTHCARE WE'D LIKE OUR LOVED ONES TO RECEIVE OUR STRATEGIC FRAMEWORK IS BUILT UPON THESE PILLARS 1 DEMONSTRABLY BETTER QUALITY IN OUR PATIENT CARE WE STRIVE TO PROVIDE THE BEST POSSIBLE HEALTHCARE SERVICE TO OUR PATIENTS AND THEIR FAMILIES OUR SERVICES ARE ACCESSIBLE TO ALL PERSONS REGARDLESS OF RACE, RELIGION, GENDER OR ABILITY TO PAY 2 ST LUKE'S IS COMMITTED TO BEING THE WORKSHOP OF CHOICE FOR PHYSICIANS WHO PRACTICE IN OUR HOSPITAL 3 ST LUKE'S IS COMMITTED TO PARTNERING WITH ALL PERSONNEL, WHO TOGETHER MAKE UP THE BOARD OF DIRECTORS, MEDICAL STAFF, VOLUNTEERS, EMPLOYEES AND STUDENTS WHICH RESULTS IN PERSONAL SATISFACTION, RECOGNITION, ACHIEVEMENT AND COMMITMENT 4 ST LUKE'S IS COMMITTED TO STRENGTHENING OUR CORE SERVICES TO RENDER THE HIGHEST QUALITY OF HEALTHCARE 5 ST LUKE'S IS COMMITTED TO BEING A REGIONAL RESOURCE FOR EASTERN IOWANS

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 $ 279,400,196 including grants of $ 954,284) (Revenue $ 355,442,842)

HEALTH-CARE SERVICESST LUKE'S METHODIST HOSPITAL IS AN IMPORTANT ELEMENT OF THE HEALTH-CARE DELIVERY SYSTEM THAT THE CEDAR RAPIDS COMMUNITIES RELY ON EVERY DAY IT IS COMMITTED TO PROVIDING QUALITY HEALTH CARE, AND TO USING ITS RESOURCES TO THE GREATEST COMMUNITY BENEFIT ST LUKE'S METHODIST HOSPITAL PROVIDES INPATIENT AND OUTPATIENT MEDICAL SERVICES TO TREAT INDIVIDUALS WITH DISEASES, ILLNESS AND INJURIES WITH VARYING COMPLEXITIES IT PROVIDES SERVICES TO IMPROVE THE HEALTH OF PATIENTS AND TO BETTER THEIR QUALITY OF LIFE ALL SERVICES ARE PROVIDED REGARDLESS OF AN INDIVIDUAL'S RACE, CREED, SEX, NATIONALITY, HANDICAP, AGE OR ABILITY TO COMPENSATE FOR SERVICES RENDERED THESE INCLUDE, BUT ARE NOT LIMITED TO, GENERAL ACUTE CARE, SURGERIES, HOME HEALTH, INTENSIVE CARE AND CRITICAL CARE, MENTAL HEALTH CARE, CARDIOLOGY, ONCOLOGY, REHABILITATION, SKILLED NURSING, BEHAVIORAL DISORDER PROGRAMS, MATERNAL/CHILD CARE, LABORATORY, PALLIATIVE CARE, PHARMACEUTICAL DRUGS, EMERGENCY SERVICES, OUTPATIENT CLINICS, CHECK-UPS AND RADIOLOGY SOME OF THE SERVICES PROVIDED DO NOT GENERATE ENOUGH INCOME TO OFFSET THEIR COST IN THE FISCAL PERIOD ENDED DECEMBER 31, 2013, ST LUKE'S METHODIST HOSPITAL ADMITTED 17,869 PATIENTS RESULTING IN A TOTAL OF 82,532 PATIENT DAYS OUTPATIENT VISITS TOTALED 643,894 AND TOTAL OUTPATIENT SURGERY REGISTRATIONS, INCLUDING THE DIGESTIVE HEALTH CENTER, FOR THE SAME PERIOD WERE 13,230 THERE WERE ALSO 53,284 EMERGENCY ROOM VISITS AND 2,552 BABIES DELIVERED

4b (Code) (Expenses $ 27,328,727 including grants of $ 3,414,031) (Revenue $ 0)

COMMUNITY BENEFIT, INCLUDING CHARITY CARECHARITY CARE AND MEANS-TESTED PROGRAMS ST LUKE'S METHODIST HOSPITAL PROVIDES CHARITY CARE AND OTHER MEANS-TESTED PROGRAMS WITH THE GOAL TO IMPROVE THE COMMUNITY'S OVERALL HEALTH AND ACCESS TO CARE THIS INCLUDES HEALTH-CARE SERVICES REGARDLESS OF THE PATIENT'S INSURANCE COVERAGE OR FINANCIAL STATUS CHARITY CARE AND PARTIAL TO FULL FINANCIAL ASSISTANCE IS PROVIDED TO PATIENTS ON A CASE-BY-CASE BASIS CHARITY CARE WAS MADE AVAILABLE TO PEOPLE AT A VALUE OF $5,477,151 IN 2013 OFTENTIMES, ST LUKE'S METHODIST HOSPITAL RECEIVES PAYMENTS FROM PAYORS OR PATIENTS THAT ARE LESS THAN IT CHARGES FOR SERVICES ST LUKE'S METHODIST HOSPITAL PARTICIPATES IN MEDICAID AND OTHER GOVERNMENT-SPONSORED HEALTH-CARE PROGRAMS ST LUKE'S METHODIST HOSPITAL'S NET COST OF PROVIDING CARE FOR WHICH IT RECEIVES PAYMENT BELOW ITS COST IS $11,786,137 FOR 2013 TOTAL CHARITY CARE AND MEANS-TESTED PROGRAMS REPORTED VALUE $17,263,288 OTHER BENEFITS ST LUKE'S METHODIST HOSPITAL PROVIDES SEVERAL OTHER BENEFITS THAT ASSIST THE COMMUNITY PROGRAMS MAY INCLUDE, BUT ARE NOT LIMITED TO, COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS SUCH AS PREVENTION AND HEALTH SCREENINGS, HEALTH PROFESSIONAL'S EDUCATION, SUBSIDIZED HEALTH SERVICES, AND CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS ST LUKE'S METHODIST HOSPITAL COLLABORATES WITH OTHER HOSPITALS, CHURCHES, SCHOOLS, CHAMBERS OF COMMERCE AND DAYCARE CENTERS TO IMPROVE COMMUNITY HEALTH AND EXPAND ACCESS TO HEALTH CARE ST LUKE'S METHODIST HOSPITAL HAS DEDICATED STAFF TO ASSIST COMMUNITY BENEFIT EFFORTS APPROXIMATELY 46,474 PERSONS WERE SERVED THROUGH THESE PROGRAMS TOTAL OTHER BENEFITS REPORTED VALUE $10,065,438

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 306,728,923

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	Yes	
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	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	138		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,618		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	22		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			**2** 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**	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b** Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			**8a** Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b** Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**	No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶MILTON E AUNAN II SENIOR VP FINANCECFO 1026 A AVENUE NE
CEDAR RAPIDS,IA 52402 (319) 369-7796

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								6,378,128	43,265	951,256

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 ▶ 132

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
GRAHAM CONSTRUCTION CO INC 421 GRAND AVE DES MOINES IA 50309	CONSTRUCTION SERVICES	5,505,166
MR ASSOCIATES PO BOX 2686 CEDAR RAPIDS IA 52406	MR SERVICES	5,044,309
JOHN DAVID COWDEN 1026 A AVE NE SUITE 5000 CEDAR RAPIDS IA 52402	PHYSICIAN SERVICES	1,323,040
ARAMARK ASSOCIATES LLP 24863 NETWORK PLACE CHICAGO IL 606731248	MANAGEMENT SERVICES	1,288,191
PHYSICIANS CLINIC OF IOWA 202 10TH STREET SE CEDAR RAPIDS IA 52402	PHYSICIAN SERVICES	1,242,343

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 ▶ 81

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	11,624,150			
	e	Government grants (contributions)	1e	885,220			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,173,284			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		15,682,654			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	900099	169,333,038	169,333,038		
	b	PHARMACY REVENUE	446110	95,764,180	79,601,539		16,162,641
	c	LABORATORY SERVICES	621510	77,391,880	77,391,880		
	d	MGMT & SUPPORT SVCS	561000	3,842,760	3,279,168	563,592	
	e	SUBS & JOINT VENTURES	900099	3,573,708	3,545,243	28,465	
	f	All other program service revenue		4,826,167	4,802,046	24,121	
	g	**Total.** Add lines 2a–2f . . . . . ▶		354,731,733			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		6,725,090			6,725,090
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	92,238,024 / 1,979,697				
	b	Less cost or other basis and sales expenses	88,794,166 / 1,661,050				
	c	Gain or (loss)	3,443,858 / 318,647				
	d	Net gain or (loss) . . . . . ▶		3,762,505			3,762,505
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a	120,500				
	b	Less direct expenses . . . b	70,157				
	c	Net income or (loss) from fundraising events . . ▶		50,343			50,343
	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	551,148				
	b	Less cost of goods sold . . b	685,578				
	c	Net income or (loss) from sales of inventory . . ▶		-134,430			-134,430
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA/FOOD SVCS	722210	2,113,983			2,113,983
	b	MISCELLANEOUS REVENUE	900099	563,558	559,032	4,526	
	c	PUBLIC HEALTH PROGRAMS	923120	120,285	120,285		
	d	All other revenue		27,266	27,266		
	e	**Total.** Add lines 11a–11d . . . . . ▶		2,825,092			
	12	**Total revenue.** See Instructions . . . . . ▶		383,642,987	338,659,497	620,704	28,680,132

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	4,344,024	4,344,024		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	24,291	24,291		
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	2,765,227		2,765,227	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	170,479		170,479	
7 Other salaries and wages	144,296,628	124,020,865	20,275,763	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,193,618	7,042,296	1,151,322	
9 Other employee benefits	14,683,740	12,620,462	2,063,278	
10 Payroll taxes	10,287,845	8,842,254	1,445,591	
11 Fees for services (non-employees)				
a Management	8,210,723	5,831,032	2,379,691	
b Legal	584,124	94,263	489,861	
c Accounting				
d Lobbying	387		387	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	882,379	90,576	791,803	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	27,681,755	21,405,265	6,023,780	252,710
12 Advertising and promotion	1,647,805	405,673	1,242,132	
13 Office expenses	9,508,399	8,055,630	1,416,747	36,022
14 Information technology	26,261,872	26,015,451	246,421	
15 Royalties . .				
16 Occupancy	12,599,069	10,063,400	2,535,669	
17 Travel	1,172,973	958,553	214,054	366
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	423,118	279,743	143,375	
20 Interest	3,757,949		3,757,949	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	16,212,778	15,494,339	718,439	
23 Insurance	1,269,463	1,249,469	19,994	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	69,159,789	68,988,128	171,661	
b BAD DEBT EXPENSE	128,539	128,539		
c INCOME TAXES	9,200		9,200	
d MISCELLANEOUS EXPENSE	-4,185,973	-9,225,330	5,039,357	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	360,090,201	306,728,923	53,072,180	289,098
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		8,472,313	1	11,862,420
	2	Savings and temporary cash investments		7,159,094	2	6,654,902
	3	Pledges and grants receivable, net		130,984	3	75,512
	4	Accounts receivable, net		47,201,637	4	48,520,003
	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		20,113,160	7	8,859,693
	8	Inventories for sale or use		7,499,646	8	7,654,865
	9	Prepaid expenses and deferred charges		1,419,032	9	1,445,741
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 312,571,945			
	b	Less accumulated depreciation	10b 162,149,534	141,859,571	10c	150,422,411
	11	Investments—publicly traded securities		125,554,265	11	153,206,325
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		45,493,554	13	44,964,638
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		404,903,256	16	433,666,510
Liabilities	17	Accounts payable and accrued expenses		30,215,123	17	35,916,602
	18	Grants payable		936,918	18	670,000
	19	Deferred revenue		6,179	19	275,800
	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		3,784,294	24	3,093,015
	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		127,415,744	25	111,023,937
	26	**Total liabilities.** Add lines 17 through 25		162,358,258	26	150,979,354
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		209,228,852	27	249,789,324
	28	Temporarily restricted net assets		15,204,122	28	14,384,295
	29	Permanently restricted net assets		18,112,024	29	18,513,537
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		242,544,998	33	282,687,156
	34	Total liabilities and net assets/fund balances		404,903,256	34	433,666,510

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	383,642,987
2	Total expenses (must equal Part IX, column (A), line 25)	2	360,090,201
3	Revenue less expenses Subtract line 2 from line 1	3	23,552,786
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	242,544,998
5	Net unrealized gains (losses) on investments	5	7,310,125
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	9,279,247
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	282,687,156

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KARL CASSELL BOARD MEMBER	1 00 1 00	X						0	0	0
TERRI CHRISTOFFERSEN BOARD MEMBER	1 00 1 00	X						0	13,039	0
LEE CLANCEY BOARD MEMBER	1 00 1 00	X						0	0	0
RANDY EASTON BOARD MEMBER	1 00 1 00	X						0	14,347	0
KATHY ENO BOARD MEMBER	1 00 1 00	X						0	15,380	0
SALLY GRAY BOARD MEMBER	1 00 1 00	X						0	0	0
VICTOR HAMRE BOARD MEMBER	1 00 1 00	X						0	0	0
PERCY HARRIS MD BOARD MEMBER	1 00 1 00	X						0	0	0
JOHN HERRING MD BOARD MEMBER	1 00 1 00	X						0	0	0
JAMES HOFFMAN BOARD MEMBER	1 00 1 00	X						0	0	0
CHRIS LINDELL BOARD MEMBER	1 00 1 00	X						0	0	0
KATHLEEN MINETTE BOARD MEMBER	1 00 1 00	X						0	0	0
ROBIN MIXDORF BOARD MEMBER	1 00 1 00	X						0	0	0
DOUG OLSON BOARD MEMBER	1 00 1 00	X						0	0	0
WILLIAM PROWELL BOARD MEMBER	1 00 1 00	X						0	0	0
AMY REASNER BOARD MEMBER	1 00 1 00	X						0	0	0
MARCIA ROGERS BOARD MEMBER	1 00 1 00	X						0	0	0
BRIAN SCOTT BOARD CHAIR	1 00 1 00	X		X				0	499	0
DREW SKOGMAN BOARD SECRETARY	1 00 1 00	X		X				0	0	0
MICK STARCEVICH BOARD VICE CHAIR	1 00 1 00	X		X				0	0	0
THEODORE TOWNSEND JR BOARD MEMBER & PRESIDENT/CEO	40 00 1 00	X		X				535,642	0	342,113
STEVEN WAHLE MD BOARD MEMBER	1 00 1 00	X						0	0	0
MILTON AUNAN II SENIOR VP/CFO	40 00 1 00			X				323,408	0	42,977
MICHELLE NIERMANN SENIOR VP/COO	40 00 1 00			X				285,270	0	51,104
JOHN SHEEHAN TO 713 EXEC VP/COO	40 00 1 00			X				289,285	0	23,785

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			
MARGARET M BRADKE VP POST-ACUTE SVCS	40 00 0 00				X			153,619	0	24,512
MICHAEL EASLEY ADM DIR, FAC, PLNG & OPER	40 00 0 00				X			159,145	0	32,149
TODD LANGAGER MD PRESIDENT (CLC)	40 00 0 00				X			560,047	0	33,777
MARY ANN OSBORN SENIOR VP/CCO	40 00 1 00				X			315,213	0	187,003
SUBHI ABU-HALAWA MD VICE PRESIDENT (CLC)	40 00 0 00					X		586,564	0	44,200
MARY HLAVIN PHYSICIAN-NEUROSURGERY	40 00 0 00					X		824,340	0	48,919
RICHARD KETTELKAMP MD VICE PRESIDENT (CLC)	40 00 0 00					X		625,367	0	48,647
TAUSEEF KHAN PHYSICIAN	40 00 0 00					X		891,532	0	30,139
HISHAM WAGDY MD PHYSICIAN	40 00 0 00					X		686,182	0	13,966
KATHERINE OBERBROECKLING FORMER INTERIM CFO (TO 12/08)	40 00 1 00						X	142,514	0	27,965

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

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

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

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

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

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

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

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

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

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

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

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

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

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2013

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

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

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

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

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

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

Name of the organization	Employer identification number
ST LUKE'S METHODIST HOSPITAL	42-0504780

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		387
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			387
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	FEES PAID FOR LOBBYING FOR HOSPITAL-RELATED ISSUES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	5,562,297	4,994,969	4,843,994	3,382,526	3,394,479
b	Contributions					
c	Net investment earnings, gains, and losses	497,592	584,096	182,201	1,478,171	40,071
d	Grants or scholarships					
e	Other expenditures for facilities and programs	14,398	16,115	30,735	16,017	55,654
f	Administrative expenses	747	653	491	686	-3,630
g	End of year balance	6,044,744	5,562,297	4,994,969	4,843,994	3,382,526

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

- a Board designated or quasi-endowment ▶ 92 530 %
- b Permanent endowment ▶ 1 230 %
- c Temporarily restricted endowment ▶ 6 240 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		17,957,673		17,957,673
b Buildings		125,893,015	62,825,663	63,067,352
c Leasehold improvements				
d Equipment		166,521,050	97,791,737	68,729,313
e Other		2,200,207	1,532,134	668,073
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				150,422,411

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

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

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
See Additional Data Table		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶	44,964,638	

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
DUE TO AFFILIATES	8,977,255
ASBESTOS REMOVAL LIABILITY	1,015,119
LONG-TERM RETENTION INCENTIVES	3,221,666
IOWA HEALTH SYSTEM NOTE PAYABLE	75,922,368
SELF-INSURANCE RESERVE	8,094,300
HEALTH AND WELFARE BENEFITS RESERVE	1,495,000
DEFINED BENEFIT RETIREMENT PLAN LIA	11,880,849
MISCELLANEOUS LIABILITY	417,380
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	111,023,937

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

1	Total revenue, gains, and other support per audited financial statements			1	360,785,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	7,051,869		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	2,243,813		
e	Add lines **2a** through **2d**			2e	9,295,682
3	Subtract line **2e** from line **1**			3	351,489,318
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	358,118		
b	Other (Describe in Part XIII)	4b	31,795,551		
c	Add lines **4a** and **4b**			4c	32,153,669
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	383,642,987

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	333,396,000
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	685,890		
e	Add lines **2a** through **2d**			2e	685,890
3	Subtract line **2e** from line **1**			3	332,710,110
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	358,118		
b	Other (Describe in Part XIII)	4b	27,021,973		
c	Add lines **4a** and **4b**			4c	27,380,091
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	360,090,201

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	THE ORGANIZATION RETAINS FUNDS FOR INTENDED FUTURE USES, INCLUDING PURCHASE OF EQUIPMENT, INDIGENT CARE, FUNDING OF MISSION RELATED OPERATIONS, AND HEALTH EDUCATION IN ADDITION, SOME FUNDS ARE HELD FOR INVESTMENT IN PERPETUITY
PART X, LINE 2	UNITYPOINT HEALTH AND MOST OF ITS SUBSIDIARIES ARE CLASSIFIED AS TAX-EXEMPT ORGANIZATIONS AS DESCRIBED IN SECTIONS 501(C)(3) AND 501(C)(2) OF THE INTERNAL REVENUE CODE (THE CODE) TAX-EXEMPT ORGANIZATIONS ARE NOT SUBJECT TO FEDERAL AND STATE INCOME TAXES ON RELATED INCOME, PURSUANT TO SECTION 501(A) OF THE CODE THESE ORGANIZATIONS ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES TO THE EXTENT THEY HAVE UNRELATED BUSINESS INCOME AS DESCRIBED UNDER PROVISIONS OF SECTION 511 OF THE CODE THE SYSTEM FILES FORM 990 FOR SUBSTANTIALLY ALL OF ITS OPERATING ENTITIES IN THE U S FEDERAL JURISDICTION AND IS NO LONGER SUBJECT TO EXAMINATION BY TAX AUTHORITIES FOR THE YEARS BEFORE 2010 THE SYSTEM HAS NO MATERIAL UNCERTAIN TAX POSITIONS CERTAIN SUBSIDIARIES ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES SOME OF THESE CORPORATIONS HAVE ACCUMULATED NET OPERATING LOSS CARRYFORWARDS THAT ARE AVAILABLE TO OFFSET FUTURE TAXABLE INCOME DURING THE CARRYFORWARD PERIOD NO INCOME TAX BENEFIT HAS BEEN RECOGNIZED FOR THE NET OPERATING LOSS CARRYFORWARDS OR OTHER POTENTIAL DEFERRED TAX ASSETS IN THE CONSOLIDATED FINANCIAL STATEMENTS BECAUSE THE SYSTEM BELIEVES REALIZATION OF THESE BENEFITS IS UNLIKELY
PART XI, LINE 2D - OTHER ADJUSTMENTS	COST OF GOODS SOLD 685,578 REVENUES IN TEMPORARILY RESTRICTED FUND BALANCE 1,555,085 ROUNDING 3,150
PART XI, LINE 4B - OTHER ADJUSTMENTS	REVENUES IN UNRESTRICTED FUND BALANCE 14,281,836 IOWA HEALTH SYSTEM CONTRACTING SERVICES, LC PURCHASE REBATES 1,121,325 PHARMACY RECLASSIFICATION 16,392,390
PART XII, LINE 2D - OTHER ADJUSTMENTS	COST OF GOODS SOLD 685,578 ROUNDING 312
PART XII, LINE 4B - OTHER ADJUSTMENTS	EXPENSES IN UNRESTRICTED FUND BALANCE 9,311,258 IOWA HEALTH SYSTEM CONTRACTING SERVICES, LC PURCHASE REBATES 1,121,325 PHARMACY RECLASSIFICATION 16,392,390 EXPENSES IN TEMPORARILY RESTRICTED FUND BALANCE 197,000

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

Form 990, Schedule D, Part VIII - Investments Program Related

(a) Description of investment type	**(b)** Book value	**(c)** Method of valuation Cost or end-of-year market value
(1) AFFORDABLE HOUSE NETWORK-BOND ENDENTURE	100,000	C
(2) BENEFICIAL INTEREST IN COMMUNITY CANCER CENTER	795,643	C
(3) BENEFICIAL INTEREST IN ST LUKE'S HEALTH CARE FOUNDATION	31,939,212	F
(4) BONE DENSITOMETRY & BREAST BIOPSY SERVICES	42,940	C
(5) EASTERN IOWA SLEEP CENTER, LLC	313,087	C
(6) HEALTH ENTERPRISES-MEDICAL LAB	-2,300	C
(7) HEALTH ENTERPRISES PHARMACY SERVICES	61	C
(8) HEALTH ENTERPRISES VENTURES & HEALTH ENTERPRISES OF IOWA	286,218	C
(9) HEALTHNET CONNECT, LC	100	C
(10) HELLEN G NASSIF COMMUNITY CANCER CENTER	481,000	C
(11) HONEYMAN DIALYSIS, LLC	91,653	C
(12) IOWA ECHO ULTRASOUND SERVICES	76,440	C
(13) IOWA HEALTH SYSTEM CONTRACTING SERVICES, LC	5,000	C
(14) MEDICAL LABORATORIES OF EASTERN IOWA, LC	889,092	C
(15) MR ASSOCIATES, LLP	525,014	C
(16) PCI LENDER, LLC	267,469	C
(17) PCI REGIONAL MEDICAL MALL, LLC	272,912	C
(18) ST LUKE'S-COE STEAM, INC	333,135	C
(19) STL HEALTH RESOURCES CO	5,073,109	C
(20) THE OUTPATIENT SURGERY CENTER OF CEDAR RAPIDS, LLC	3,474,853	C

Form 990, Schedule D, Part X, - Other Liabilities

1 **(a)** Description of Liability	**(b)** Book Value
DUE TO AFFILIATES	8,977,255
ASBESTOS REMOVAL LIABILITY	1,015,119
LONG-TERM RETENTION INCENTIVES	3,221,666
IOWA HEALTH SYSTEM NOTE PAYABLE	75,922,368
SELF-INSURANCE RESERVE	8,094,300
HEALTH AND WELFARE BENEFITS RESERVE	1,495,000
DEFINED BENEFIT RETIREMENT PLAN LIA	11,880,849
MISCELLANEOUS LIABILITY	417,380

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

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

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and email solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

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

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

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

		(a) Event #1 BOOK SALE (event type)	(b) Event #2 JEWELRY SALE (event type)	(c) Other events 3 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	55,720	18,715	46,065	120,500
	2 Less Contributions				
	3 Gross income (line 1 minus line 2)	55,720	18,715	46,065	120,500
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	48,586	13,704	7,867	70,157
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(70,157)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				50,343

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11

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

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

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

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

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			5,477,151		5,477,151	1 520 %
b Medicaid (from Worksheet 3, column a)		12,815	43,125,621	31,339,484	11,786,137	3 270 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		12,815	48,602,772	31,339,484	17,263,288	4 790 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		30,413	1,050,115	12,177	1,037,938	0 290 %
f Health professions education (from Worksheet 5)		1,086	2,613,111	285,783	2,327,328	0 650 %
g Subsidized health services (from Worksheet 6)		2,215	14,342,319	11,201,003	3,141,316	0 870 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		12,760	8,569,716	5,010,860	3,558,856	0 990 %
j **Total.** Other Benefits		46,474	26,575,261	16,509,823	10,065,438	2 800 %
k **Total.** Add lines 7d and 7j		59,289	75,178,033	47,849,307	27,328,726	7 590 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development			33,050		33,050	0 010 %
3	Community support	1	276	490		490	0 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1	183	416	75	341	0 %
7	Community health improvement advocacy						
8	Workforce development			14,768		14,768	0 %
9	Other						
10	**Total**	2	459	48,724	75	48,649	0 010 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	4,529,699		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	73,960,215
6	Enter Medicare allowable costs of care relating to payments on line 5	6	84,239,314
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-10,279,099
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes		
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes		

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 MEDLABS OF EASTERN IOWA LC	LABORATORY SERVICES	50 000 %		50 000 %
2	2 THE OUTPATIENT SURGERY CENTER OF CEDAR RAPIDS LLC	AMBULATORY SURGERY CENTER	50 000 %		50 000 %
3	3 MR ASSOCIATES LLP	PURCHASE, OWN & OPERATE MOBILE & FIXED-BASED MRI UNITS	33 330 %		33 330 %
4	4 EASTERN IOWA SLEEP CENTER LLC	PROVIDE SLEEP STUDIES	33 330 %		33 330 %
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group ST LUKE'S METHODIST HOSPITAL

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.UNITYPOINT.ORG/CEDARRAPIDS			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
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)*

			Yes	No
Financial Assistance Policy				
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	**12**	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☑ Income level			
b	☑ Asset level			
c	☑ Medical indigency			
d	☐ Insurance status			
e	☑ Uninsured discount			
f	☑ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Residency			
i	☐ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	**13**	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The policy was posted on the hospital facility's website			
b	☑ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available upon request			
g	☐ Other (describe in Part VI)			
Billing and Collections				
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
ST LUKE'S METHODIST HOSPITAL	PART V, SECTION B, LINE 3 THE TARGET AREA FOR THE ASSESSMENT INCLUDED AN EIGHT COUNTY REGION OF LINN COUNTY AND SEVEN OF ITS CONTIGUOUS COUNTIES (BUCHANAN, DELAWARE, BENTON, JONES, IOWA, JOHNSON AND CEDAR) PUBLIC HEALTH AND HOSPITAL REPRESENTATIVES FROM EACH COUNTY WERE INVITED TO SERVE ON A STEERING COMMITTEE TO HELP GUIDE THE CHNA PROCESS FROM START TO FINISH SPECIAL ATTENTION WAS PAID TO RECRUITING DIVERSE SUBSETS OF THE POPULATION TO HELP ACCURATELY IDENTIFY THE MOST CRITICAL ISSUES IN THE AREA A LIST OF ALL THE CONTRIBUTORS FOR EACH STEP IN THE PROCESS IS AVAILABLE BY REQUEST

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? **14**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 6A	ST LUKE'S METHODIST HOSPITAL'S COMMUNITY BENEFIT REPORT IS CONTAINED WITHIN THE IOWA HEALTH SYSTEM COMMUNITY BENEFIT REPORT WHICH CAN BE LOCATED AT WWW UNITYPOINT ORG THIS SYSTEM-WIDE REPORT IS COMPLETED IN ADDITION TO THE COMMUNITY BENEFIT REPORT FOR THE HOSPITAL AND ITS REGIONAL AFFILIATES
PART I, LINE 7	A COST-TO-CHARGE RATIO (FROM WORKSHEET 2) IS USED TO CALCULATE THE AMOUNTS ON LINE 7A THE AMOUNTS ON LINES 7B-7C (UNREIMBURSED MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS) ARE OBTAINED FROM A COST ACCOUNTING SYSTEM OF APPLICABLE PATIENT SEGMENTS SEGMENTS NOT PASSED TO COST ACCOUNTING SYSTEM USE SEGMENT SPECIFIC COST-TO-CHARGE RATIO THE AMOUNTS FOR LINES 7E, F, H, AND I WOULD COME FROM THE BOOKS AND RECORDS OF SPECIFIC SEGMENTS OF THE ORGANIZATION AND ARE BASED ON COST THE AMOUNTS ON 7G ARE DERIVED FROM A COST ACCOUNTING SYSTEM OF APPLICABLE PATIENT SEGMENTS SEGMENTS NOT PASSED TO A COST ACCOUNTING SYSTEM USE THE COST-TO-CHARGE RATIO

Form and Line Reference	Explanation
PART I, LINE 7G	THE NET COMMUNITY BENEFIT COST OF SUBSIDIZED HEALTH SERVICES OF $5,512,736 IS ATTRIBUTED TO A PHYSICIAN CLINIC
PART I, LINE 7, COLUMN (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 $ 128,539

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	COMMUNITY BUILDING ACTIVITIES ARE ESSENTIAL ROLES FOR HEALTH-CARE ORGANIZATIONS IN THAT THEY ADDRESS MANY OF THE UNDERLYING DETERMINANTS OF HEALTH RESEARCH HAS CONTINUALLY SHOWN THAT WHEN THE FACTORS INFLUENCING HEALTH ARE EXPLORED, HEALTH CARE ACTUALLY PLAYS THE SMALLEST ROLE PROPORTIONATELY A REPORT IN THE JOURNAL OF AMERICAN MEDICAL ASSOCIATION AND THE CENTER FOR DISEASE CONTROL (MCGINNIS, 1996) SUGGESTS THAT THE FACTORS IMPACTING HEALTH ARE AS FOLLOWS LIFESTYLE AND BEHAVIORS, 50%, ENVIRONMENT (HUMAN AND NATURAL), 20%, GENETICS AND HUMAN BIOLOGY, 20%, AND HEALTH CARE, 10% COMMUNITY BUILDING ACTIVITIES HELP TO ADDRESS THE OTHER INDICATORS OUTSIDE OF THE ROLE TRADITIONALLY PLAYED BY HEALTH-CARE ORGANIZATIONS THESE ACTIVITIES ARE ALMOST EXCLUSIVELY DONE IN SOME FORM OF PARTNERSHIP IN WHICH THE COMMUNITY OR OTHER ORGANIZATIONS ARE BETTER SUITED TO ADDRESS HEALTH-CARE ORGANIZATIONS GENERALLY PROVIDE TIMELY AND SPECIFIC RESOURCES TO HELP THESE ISSUES HEALTH-CARE ORGANIZATIONS CAN BE A RICH AND VALUABLE COMMUNITY RESOURCE IN WAYS NOT TYPICALLY CONSIDERED OFTEN THE MOST EFFECTIVE WAY TO HELP IMPACT AND IMPROVE THE COMMUNITY HEALTH STATUS IS TO SUPPORT OTHER AGENCIES AND ORGANIZATIONS IN A VARIETY OF WAYS OUTSIDE OF HEALTH SERVICES THIS IS OFTEN DONE THROUGH CASH OR IN-KIND SERVICES TO SUPPORT OTHER NON-PROFITS, DONATIONS OF DURABLE MEDICAL EQUIPMENT AND SUPPLIES TO CERTAIN AGENCIES, OR THROUGH LEADERSHIP AND EDUCATIONAL EXPERTISE THE HOSPITAL CONTRIBUTES FINANCIALLY TO A WIDE VARIETY OF COMMUNITY ORGANIZATIONS THAT ADDRESS THE BROADER NEEDS OF THE COMMUNITY THESE DONATIONS ALLOW OTHER NON-PROFIT ORGANIZATIONS TO FULFILL THEIR MISSIONS TO IMPROVE THE WELL BEING OF THE COMMUNITY AND CONTRIBUTE TO ITS OVERALL HEALTH STATUS IN WAYS THAT MAY DIFFER FROM THE DIRECT SERVICES OF THE HOSPITAL ORGANIZATION AND MAXIMIZE THE RESOURCES THEY HAVE TO WORK WITH THE HOSPITAL EMPLOYEES ARE ACTIVE IN EDUCATING PARTNERS ON A WIDE VARIETY OF HEALTH SUBJECTS THAT ADVANCE THEIR WORK FURTHER, THE HOSPITAL EMPLOYEES ARE MEMBERS OF MANY NON-PROFIT BOARDS TO PROVIDE LEADERSHIP OR COLLABORATE TO ADDRESS COMPLEX HEALTH ISSUES THESE TYPES OF ACTIVITIES SPEAK TO THE BREADTH AND CAPACITY THAT THE HOSPITAL HAS IN IMPACTING THE HEALTH STATUS OF THE COMMUNITY IN A COMPREHENSIVE AND INTENTIONAL APPROACH
PART III, LINE 4	THE HEALTH SYSTEM PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THE HEALTH SYSTEM BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT THE AMOUNT REPORTED ON LINE 2 WAS CALCULATED USING IRS WORKSHEET 2 'RATIO OF PATIENT CARE COST TO CHARGES' TO CALCULATE THE COST TO CHARGE RATIO FOR ST LUKE'S HOSPITAL THIS RATIO WAS THEN APPLIED AGAINST THE BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS USING IRS WORKSHEET A TO ARRIVE AT THE BAD DEBT EXPENSE AT COST REPORTED ON LINE 2

Form and Line Reference	Explanation
PART III, LINE 8	AMOUNTS ON LINE 6 WERE CALCULATED USING IRS WORKSHEET B 'TOTAL MEDICARE ALLOWABLE COSTS ' THE MEDICARE ALLOWABLE COSTS WERE OBTAINED FROM THE MEDICARE COST REPORTS AND THEN REDUCED BY ANY AMOUNTS ALREADY CAPTURED IN COMMUNITY BENEFIT EXPENSE IN PART I ABOVE THE METHODOLOGY DESCRIBED IN THE INSTRUCTIONS TO SCHEDULE H, PART III, SECTION B, LINE 6 DOES NOT TAKE INTO ACCOUNT ALL COSTS INCURRED BY THE HOSPITAL AND DOES NOT REPRESENT THE TOTAL COMMUNITY BENEFIT CONFERRED IN THIS AREA THE MEDICARE SHORTFALL REFLECTED ON SCHEDULE H, PART III, SECTION B WAS DETERMINED USING INFORMATION FROM THE ORGANIZATION'S MEDICARE COST REPORT HOWEVER THE MEDICARE COST REPORT DISALLOWS CERTAIN ITEMS THAT WE BELIEVE ARE LEGITIMATE EXPENSES INCURRED IN THE PROCESS OF CARING FOR OUR MEDICARE PATIENTS EXAMPLES OF THESE ITEMS INCLUDE PROVIDER BASED PHYSICIAN EXPENSE, SELF INSURANCE EXPENSE, HOME OFFICE EXPENSE AND THE SHORTFALL FROM FEE SCHEDULE PAYMENTS THE ORGANIZATIONS COST ACCOUNTING SYSTEM CALCULATES A MEDICARE SHORTFALL OF $13,791,862 IN ADDITION TO THESE ITEMS THE MEDICARE COST REPORT AND THE COST ACCOUNTING SYSTEM DO NOT INCLUDE MEDICARE PHYSICIAN FEE SCHEDULE EXPENSE OF $14,334,908 AND REVENUE OF $7,388,816 AFTER TAKING THESE ITEMS INTO ACCOUNT WE CALCULATE AN ACTUAL MEDICARE SHORTFALL OF $20,737,954 THE HOSPITAL BELIEVES THE ENTIRE AMOUNT OF THE MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT, MORE SPECIFICALLY, AS CHARITY CARE THE ELDERLY CONSTITUTE A CLEARLY-RECOGNIZED CHARITABLE CLASS, AND MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR AND THUS WOULD HAVE QUALIFIED FOR THE HOSPITAL'S CHARITY CARE PROGRAM, MEDICAID OR OTHER NEEDS-BASED GOVERNMENT PROGRAMS ABSENT THE MEDICARE PROGRAM BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF GOVERNMENT ARE RELIEVED WITH RESPECT TO THESE INDIVIDUALS ADDITIONALLY, THERE IS A SIGNIFICANT POSSIBILITY THAT CONTINUED REDUCTION IN REIMBURSEMENT MAY ACTUALLY CREATE DIFFICULTIES IN ACCESS FOR THESE INDIVIDUALS FINALLY, THE AMOUNT SPENT TO COVER THE MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER CHARITY CARE AND OTHER COMMUNITY BENEFIT NEEDS
PART III, LINE 9B	AFTER THE PATIENT MEETS THE QUALIFICATIONS FOR FINANCIAL ASSISTANCE, THE ACCOUNT BALANCE IS PARTIALLY OR ENTIRELY WRITTEN OFF, AS APPROPRIATE ANY REMAINING BALANCE, IF ANY, WOULD BE COLLECTED UNDER THE NORMAL DEBT COLLECTION POLICY

Form and Line Reference	Explanation
PART VI, LINE 2	ST LUKE'S METHODIST HOSPITAL CONTINUALLY WORKS WITH COMMUNITY PARTNERS IN LINN COUNTY IOWA TO ASSESS THE HEALTH NEEDS OF THE COMMUNITY SPECIFICALLY, ST LUKE'S IS A SPONSORING PARTNER OF THE LINN COUNTY COMMUNITY HEALTH NEEDS ASSESSMENT & HEALTH IMPROVEMENT PLAN (CHNA-HIP) STEERING COMMITTEE WHICH IS A COMMUNITY COLLABORATIVE CONVENED BY ST LUKE'S, MERCY MEDICAL CENTER AND THE LINN COUNTY BOARD OF HEALTH TO ASSESS, ADDRESS AND MONITOR THE HEALTH NEEDS OF LINN COUNTY THROUGH A PLANNED AND ORGANIZED EFFORT, CHNA-HIP DEVELOPS A HEALTH AGENDA BY IDENTIFYING SPECIFIC HEALTH PRIORITIES THAT ARE RELEVANT TO THE COMMUNITY CHNA-HIP WORKS COLLECTIVELY TO ADDRESS THE PRIORITIES THROUGH LEVERAGING THE RESOURCES OF THE COMMUNITY ST LUKE'S METHODIST HOSPITAL, AS A SPONSORING AGENCY, ACTIVELY CONTRIBUTES TO THIS PROCESS AND ENGAGES IN THE IDENTIFIED PRIORITIES THAT MATCH ITS MISSION AND CAPACITY EFFORTS ARE MONITORED IN PART BY OTHER PARTNER AGENCIES SUCH AS THE AREA SUBSTANCE ABUSE COUNCIL AND CEDAR RAPIDS COMMUNTY SCHOOL DISTRICT, WHICH MONITOR AND REPORT SPECIFIC INDICATORS TO ASSESS EFFECTIVENESS AND AID IN THE DEVELOPMENT OF NEW PLANS OR REFINING EXISTING ONES FURTHER, CHNA-HIP HAS DEVELOPED A MEASUREMENT PROCESS TO EVALUATE EFFECTIVENESS AS WELL AS NEED CHNA-HIP CONVENES 4 MEETINGS ANNUALLY TO SEEK PUBLIC INPUT ON HEALTH INITIATIVES ST LUKE'S METHODIST HOSPITAL IS ALSO A SPONSORING PARTNER IN CHNA-HIP THIS COLLABORATIVE ALSO COMPLETES A COMMUNITY HEALTH ASSESSMENT FROM THIS, PRIORITIES AND STRATEGIES HAVE BEEN IDENTIFIED ST LUKE'S METHODIST HOSPTIAL HAS ACTIVELY ENGAGED IN ADDRESSING AND MONITORING HEALTH ISSUES AND NEEDS AS A RESULT OF THIS PROCESS ST LUKE'S METHODIST HOSPITAL ALSO PARTICIPATES AS PART OF THE UNITED WAY COMMUNITY IMPACT COMMITTEE THIS GROUP ACTIVELY ADDRESSES NEED AND STRATEGIES ASSOCIATED WITH HEALTH MORE SPECIFICALLY, THIS GROUP OFTEN FOCUSES ON THE SOCIAL DETERMINANTS OF HEALTH AND HOW TO IMPACT THEM IN THE EFFORT TO RAISE THE COMMUNITY HEALTH STATUS THIS WIDE BASED COLLABORATIVE PROVIDES OPPORTUNITIES FOR ST LUKE'S TO ENGAGE IN VARIOUS AREAS OF SERVICE TO THE COMMUNITY THAT MAY BE OUTSIDE OF ITS TYPICAL EXPERTISE BUT WITHIN ITS EXISTING RESOURCES IN ADDITION TO THESE ORGANIZED COMMUNITY EFFORTS ST LUKE'S METHODIST HOSPITAL CONTINUALLY MONITORS COMMUNITY NEEDS SPECIFIC TO ITS SERVICE LINES AND THE RESOURCES IT CAN LEVERAGE TO ADDRESS THEM INDIVIDUAL DEPARTMENTS OFTEN WORK TO IDENTIFY SPECIFIC NEEDS RELATED TO THEIR SERVICES AND THE POPULATION THEY IMPACT
PART VI, LINE 3	ST LUKE'S METHODIST HOSPITAL PERFORMS THE FOLLOWING ACTIVITIES TO COMMUNICATE THE AVAILABILITY OF CHARITY CARE AND FINANCIAL ASSISTANCE TO ALL PATIENTS 1) PLACES SIGNAGE, INFORMATION, AND/OR BROCHURES IN APPROPRIATE AREAS OF THE HOSPITAL (E G , THE EMERGENCY DEPARTMENT, AND REGISTRATION AND CHECK-OUT/CASHIER AREAS) STATING THE HOSPITAL OFFERS CHARITY CARE AND DESCRIBES HOW TO OBTAIN MORE INFORMATION ABOUT FINANCIAL ASSISTANCE, 2) PLACES A NOTE ON THE HEALTH-CARE BILL AND STATEMENTS REGARDING HOW TO REQUEST INFORMATION ABOUT FINANCIAL ASSISTANCE, 3) DESIGNATES INDIVIDUALS WHO CAN EXPLAIN THE PROVIDER'S CHARITY CARE POLICY, AND 4) INSTRUCTS STAFF WHO INTERACT WITH PATIENTS TO DIRECT QUESTIONS REGARDING THE CHARITY CARE POLICY TO THE PROPER PROVIDER REPRESENTATIVE

Form and Line Reference	Explanation
PART VI, LINE 4	ST LUKE'S METHODIST HOSPITAL IS A 532-BED COMMUNITY HOSPITAL SERVING AN 8 COUNTY AREA ST LUKE'S METHODIST HOSPITAL IS NONDENOMINATIONAL AND SERVES ALL WHO COME HERE, REGARDLESS OF REASON OR CIRCUMSTANCE 80% OF ST LUKE'S METHODIST HOSPITAL MARKET RESIDENTS LIVE WITHIN THE IOWA COUNTIES OF BENTON, BUCHANAN, CEDAR, DELAWARE, IOWA, JOHNSON, JONES AND LINN ST LUKE'S METHODIST HOSPITAL ADMITS APPROXIMATELY 17,869 INPATIENTS AND CARES FOR 53,284 EMERGENCY PATIENTS PER YEAR ST LUKE'S METHODIST HOSPITAL CARES FOR MORE INPATIENTS, OUTPATIENTS, EMERGENCY PATIENTS AND CARDIAC PATIENTS THAN ANY OTHER HOSPITAL IN CEDAR RAPIDS, IOWA THERE ARE 9 OTHER HOSPITALS WITHIN THE 8-COUNTY SERVICE AREA MEDIAN HOUSEHOLD INCOMES RANGE FROM $51,663-58,433 AND THE AVERAGE POVERTY RATE IS 10% 54 1% OF ST LUKE'S METHODIST HOSPITAL INPATIENTS ARE ELIGIBLE FOR MEDICARE OR MEDICAID LINN COUNTY, THE ONLY COUNTY IN THE SERVICE AREA WITH SIGNIFICANT MINORITY POPULATION, IS 89% CAUCASIAN, 4% AFRICAN-AMERICAN, 3% HISPANIC AND 2% ASIAN AND 2% AMERICAN INDIAN
PART VI, LINE 5	THE HOSPITAL IS ORGANIZED AND OPERATED EXCLUSIVELY FOR CHARITABLE PURPOSES WITH THE GOAL OF PROMOTING THE HEALTH OF THE COMMUNITIES IT SERVES THE HOSPITAL SUPPORTS THIS MISSION WITH A COMMUNITY BOARD, OPEN MEDICAL STAFF, AND AN EMERGENCY ROOM AVAILABLE TO PATIENTS REGARDLESS OF ABILITY TO PAY THE BOARD OF DIRECTORS OF THE HOSPITAL IS COMPOSED OF CIVIC LEADERS WHO RESIDE IN THE SERVICE AREA OF THE HOSPITAL THE BOARD ACTIVELY DEBATES AND SETS POLICY AND STRATEGIC DIRECTION FOR THE HOSPITAL BUT DOES NOT GET INVOLVED IN ISSUES RELATED TO THE DIRECT OPERATIONS OF THE HOSPITAL THE BOARD TAKES A BALANCED APPROACH WHEN ADDRESSING COMMUNITY AND BUSINESS/FINANCIAL CONCERNS THE BOARD IS ALSO THE PRIMARY GROUP FOR DETERMINING THE USE OF HOSPITAL SURPLUS FUNDS, WHICH ARE ALL USED TO FURTHER OUR CHARITABLE PURPOSE

Form and Line Reference	Explanation
PART VI, LINE 6	THE HOSPITAL IS PART OF IOWA HEALTH SYSTEM (D/B/A UNITYPOINT HEALTH) INITIALLY FORMED IN 1994, UNITYPOINT HEALTH IS THE STATE'S FIRST AND LARGEST INTEGRATED HEALTH SYSTEM, SERVING NEARLY ONE OF EVERY THREE PATIENTS IN IOWA THROUGH RELATIONSHIPS WITH 31 HOSPITALS IN METROPOLITAN AND RURAL COMMUNITIES AND MORE THAN 280 PHYSICIAN CLINICS, UNITYPOINT HEALTH PROVIDES CARE THROUGHOUT IOWA AND ILLINOIS UNITYPOINT HEALTH ENTITIES EMPLOY THE STATE'S LARGEST NONPROFIT WORKFORCE, WITH MORE THAN 25,000 EMPLOYEES WORKING TOWARD INNOVATIVE ADVANCEMENTS TO DELIVER THE BEST OUTCOME FOR EVERY PATIENT EVERY TIME EACH YEAR, THROUGH MORE THAN 4 MILLION PATIENT VISITS, UNITYPOINT HEALTH HOSPITALS AND CLINICS PROVIDE A FULL RANGE OF CARE TO PATIENTS AND FAMILIES WITH ANNUAL REVENUES OF $2 8 BILLION, UNITYPOINT HEALTH IS THE FOURTH LARGEST NONDENOMINATIONAL HEALTH SYSTEM IN AMERICA AND PROVIDES COMMUNITY BENEFIT PROGRAMS AND SERVICES TO IMPROVE THE HEALTH OF PEOPLE IN ITS COMMUNITIES UNITYPOINT HEALTH AND ITS AFFILIATES ENGAGE IN COMMUNITY HEALTH PROGRAMS AND SERVICES THROUGHOUT IOWA, AND WORK WITH VOLUNTEER AND CIVIC ORGANIZATIONS, SCHOOLS, BUSINESSES, INSURERS AND INDIVIDUALS TO SUPPORT ACTIVITIES THAT BENEFIT PEOPLE THROUGHOUT THE STATE IN 2013, UNITYPOINT HEALTH AND ITS AFFILIATES PROVIDED MORE THAN $373 MILLION OF COMMUNITY BENEFIT THE CONTRIBUTIONS TO THEIR COMMUNITIES BY UNITYPOINT HEALTH AND ITS AFFILIATES ARE REPORTED IN DETAIL IN STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (PART III) OF THE IRS FORM 990 OF THOSE AFFILIATES
PART VI, LINE 7, REPORTS FILED WITH STATES	IA

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

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

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

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

	Name and address	Type of Facility (describe)
1	WOMEN'S & CHILDREN'S CENTER 1100 FIRST AVENUE NE CEDAR RAPIDS,IA 52404	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
2	WORK WELL SOLUTIONSTHERAPY PLUS 830 FIRST AVENUE NE CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
3	WITWER CHILDREN'S THERAPYTHERAPY PLUS 3245 WILLIAMS PARKWAY SW SUITE 9 CEDAR RAPIDS,IA 52404	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
4	CHEMICAL DEPENDENCY 1030 5TH AVENUE SUITE 110 CEDAR RAPIDS,IA 52403	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
5	FAMILY COUNSELING CENTER 225 12TH STREET NE SUITES 201 AND 203 CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
6	BREAST & BONE HEALTH 855 A AVENUE NE SUITE 400 CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
7	WOUND HEALING CENTER 4251 RIVERCENTER COURT NE CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
8	ST LUKE'S CHILDREN'S CAMPUS 1075 NORTH CENTER POINT ROAD HIAWATHA,IA 52233	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
9	CHILD PROTECTION CENTER 1095 NORTH CENTER POINT ROAD HIAWATHA,IA 52233	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
10	DIABETES EDUCATION CENTER 810 FIRST AVENUE NE SUITE 103 CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
11	ST LUKE'S IMAGING SERVCIES 2996 7TH AVENUE SUITE A MARION,IA 52302	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
12	ST LUKE'S THERAPY PLUS 2996 7TH AVENUE SUITE C MARION,IA 52302	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
13	THERAPY PLUS 5313 NORTH PARK PLACE NE CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A
14	CHILDREN'S BEHAVIOR HEALTH SERVICES 4050 RIVER RIDGE DRIVE NE CEDAR RAPIDS,IA 52402	INPATIENT & OUTPATIENT - OB, LABOR & DELIVERY, NURSERY, PRE AND POSTPARTUM A

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

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) CEDAR RAPIDS MEDICAL EDUCATION FOUNDATION 1026 A AVENUE NE CEDAR RAPIDS,IA 52402	39-1894395	501(C)(3)	1,745,809				PROGRAM SUPPORT
(2) HIS HANDS FREE MEDICAL CLINIC 400 12TH STREET CEDAR RAPIDS,IA 52403	39-1878606	501(C)(3)	8,000				PROGRAM SUPPORT
(3) IOWA HEALTH SYSTEM 1776 WEST LAKES PARKWAY SUITE 400 WEST DES MOINES,IA 502668239	42-1435199	501(C)(3)	2,502,947				PROGRAM SUPPORT
(4) LINN COUNTY HISTORICAL SOCIETY 615 1ST AVE SE CEDAR RAPIDS,IA 52403	23-7311415	501(C)(3)	5,000				PROGRAM SUPPORT
(5) LINN COUNTY MEDICAL SOCIETY 813 FIRST AVE SE CEDAR RAPIDS,IA 52402	23-7410746	501(C)(6)	5,000				PROGRAM SUPPORT
(6) MOUNT MERCY COLLEGE 1330 ELMHURST DRIVE NE CEDAR RAPIDS,IA 52402	42-0681046	501(C)(3)	30,000				PROGRAM SUPPORT
(7) PROSPECT MEADOWS 600 BOYSON ROD NE CEDAR RAPIDS,IA 52402	45-1186453	501(C)(3)	5,000				PROGRAM SUPPORT
(8) WAYPOINT 318 FIFTH STREET SE CEDAR RAPIDS,IA 52401	42-0680307	501(C)(3)	5,000				PROGRAM SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 7

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

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
(1) SCHOLARSHIPS	5	12,500			
(2) OTHER	2	4,250			

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	ST LUKE'S METHODIST HOSPITAL REQUIRES EACH RECIPIENT OF THE GRANTS MENTIONED IN PARTS II & III (OTHER THAN ASSISTANCE TO RELATED ORGANIZATIONS IN THE FORM OF WORKING CAPITAL) TO APPLY FOR THE GRANT AND OUTLINES A SERIES OF ELIGIBILITY STANDARDS THAT ARE REQUIRED TO BE MET ST LUKE'S METHODIST HOSPITAL THEN REVIEWS THESE APPLICATIONS AND, BASED ON NEED AND ELIGIBILITY, A COMMITTEE MAKES THE FINAL DECISION ON ALL GRANT RECIPIENTS

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CEDAR RAPIDS MEDICAL EDUCATION FOUNDATION 1026 A AVENUE NE CEDAR RAPIDS,IA 52402	39-1894395	501(C)(3)	1,745,809				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HIS HANDS FREE MEDICAL CLINIC 400 12TH STREET CEDAR RAPIDS,IA 52403	39-1878606	501(C)(3)	8,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
IOWA HEALTH SYSTEM 1776 WEST LAKES PARKWAY SUITE 400 WEST DES MOINES,IA 502668239	42-1435199	501(C)(3)	2,502,947				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
LINN COUNTY HISTORICAL SOCIETY 615 1ST AVE SE CEDAR RAPIDS,IA 52403	23-7311415	501(C)(3)	5,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
LINN COUNTY MEDICAL SOCIETY 813 FIRST AVE SE CEDAR RAPIDS,IA 52402	23-7410746	501(C)(6)	5,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MOUNT MERCY COLLEGE 1330 ELMHURST DRIVE NE CEDAR RAPIDS,IA 52402	42-0681046	501(C)(3)	30,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
PROSPECT MEADOWS 600 BOYSON ROD NE CEDAR RAPIDS,IA 52402	45-1186453	501(C)(3)	5,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
WAYPOINT 318 FIFTH STREET SE CEDAR RAPIDS,IA 52401	42-0680307	501(C)(3)	5,000				PROGRAM SUPPORT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A NON-QUALIFIED RETIREMENT PLAN WITH THE FOLLOWING CHANGES TO THEIR ACCOUNTS MILTON AUNAN II $10,481, MICHELLE NIERMANN $21,922, MARY ANN OSBORN $153,624, AND THEODORE TOWNSEND, JR $276,421

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
THEODORE TOWNSEND JR BOARD MEMBER & PRESIDENT/CEO	(I) (II)	438,640 0	27,663 0	69,339 0	323,469 0	18,644 0	877,755 0	0 0
MILTON AUNAN II SENIOR VP/CFO	(I) (II)	272,261 0	16,498 0	34,649 0	32,140 0	10,837 0	366,385 0	0 0
MICHELLE NIERMANN SENIOR VP/COO	(I) (II)	240,149 0	13,312 0	31,809 0	34,629 0	16,475 0	336,374 0	0 0
JOHN SHEEHAN TO 713 EXEC VP/COO	(I) (II)	211,698 0	21,043 0	56,544 0	12,514 0	11,271 0	313,070 0	0 0
MARGARET M BRADKE VP POST-ACUTE SVCS	(I) (II)	143,224 0	9,377 0	1,018 0	14,005 0	10,507 0	178,131 0	0 0
MICHAEL EASLEY ADM DIR, FAC, PLNG & OPER	(I) (II)	146,724 0	11,364 0	1,057 0	14,509 0	17,640 0	191,294 0	0 0
TODD LANGAGER MD PRESIDENT (CLC)	(I) (II)	514,154 0	0 0	45,893 0	12,750 0	21,027 0	593,824 0	0 0
MARY ANN OSBORN SENIOR VP/CCO	(I) (II)	261,329 0	15,864 0	38,020 0	176,574 0	10,429 0	502,216 0	0 0
SUBHI ABU-HALAWA MD VICE PRESIDENT (CLC)	(I) (II)	505,460 0	0 0	81,104 0	20,664 0	23,536 0	630,764 0	0 0
MARY HLAVIN PHYSICIAN-NEUROSURGERY	(I) (II)	823,236 0	0 0	1,104 0	34,726 0	14,193 0	873,259 0	0 0
RICHARD KETTELKAMP MD VICE PRESIDENT (CLC)	(I) (II)	560,672 0	0 0	64,695 0	31,966 0	16,681 0	674,014 0	0 0
TAUSEEF KHAN PHYSICIAN	(I) (II)	719,052 0	0 0	172,480 0	12,750 0	17,389 0	921,671 0	0 0
HISHAM WAGDY MD PHYSICIAN	(I) (II)	613,432 0	0 0	72,750 0	13,276 0	690 0	700,148 0	0 0
KATHERINE OBERBROECKLING FORMER INTERIM CFO (TO 12/08)	(I) (II)	133,336 0	8,759 0	419 0	7,280 0	20,685 0	170,479 0	0 0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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) CEDAR VALLEY PATHOLOGISTS PC	COMMON BOARD MEMBER/OFFICER	599,754	PATHOLOGY MEDICAL DIRECTOR		No
(2) COVIDEN	COMMON BOARD MEMBER/OFFICER	351,265	MEDICAL SUPPLIES		No
(3) CPC PROPERTIES LC	COMMON KEY EMPLOYEE/OWNER	403,056	RENT		No
(4) DENISE EASLEY	FAMILY MEMBER OF KEY EMPLOYEE MIKE EASLEY	73,690	EMPLOYMENT		No
(5) EASTERN IOWA SLEEP CENTER LLC	COMMON BOARD MEMBER/OFFICER	313,000	INVESTMENT		No
(6) HONEYMAN DIALYSIS LLC	COMMON BOARD MEMBER/OFFICER	77,929	INVESTMENT		No
(7) IOWA HEALTH SYSTEM CONTRACTING SERVICES LC	COMMON BOARD MEMBER/KEY EMPLOYEE	546,968	PERFORMANCE OF SERVICES		No
(8) KIRKWOOD COMMUNITY COLLEGE	COMMON BOARD MEMBER/OFFICER	169,000	RENT, CONTINUING EDUCATION, TRAINING ROOMS/PROGRAMS		No
(9) LINN COUNTY ANESTHESIOLOGISTS	COMMON BOARD MEMBER/OFFICER	657,085	CONTRACT PHYSICIANS		No
(10) LYDIA CHRISTOFFERSEN	FAMILY MEMBER OF BOARD MEMBER TERI CHRISTOOFFERSEN	48,932	EMPLOYMENT		No
(11) MEDICAL LABORATORIES OF EASTERN IOWA LC	COMMON BOARD MEMBER/OFFICER/KEY EMPLOYEE	3,567,000	INVESTMENT, PURCHASED SERVICES		No
(12) MR ASSOCIATES LLP	COMMON BOARD MEMBER/OFFICER/KEY EMPLOYEE	5,757,000	IMAGING SERVICES, RENT, PAYROLL SERVICES, SUPPLIES, OTHER		No
(13) PCI LENDER LLC	COMMON BOARD MEMBER/OFFICER	297,469	INVESTMENT		No
(14) PCI REGIONAL MEDICAL MALL LLC	COMMON BOARD MEMBER/OFFICER	644,865	INVESTMENT AND RENT		No
(15) PHYSICIANS CLINIC OF IOWA PC	COMMON BOARD MEMBER/OFFICER	1,312,000	MEDICAL DIRECTOR AND OTHER		No
(16) SHUTTLEWORTH & INGERSOLL PLC	COMMON BOARD MEMBER/OFFICER	202,427	PERFORMANCE OF SERVICE		No
(17) ST LUKE'S DEVELOPMENT COMPANY	COMMON BOARD MEMBER/OFFICER	816,000	RENT, MANAGEMENT FEES, LEASED EMPLOYEES, SUPPLIES, ETC		No
(18) ST LUKE'S - COE STEAM INC	COMMON BOARD MEMBER/OFFICER	1,076,459	PERFORMANCE OF SERVICES		No
(19) THE OUTPATIENT SURGERY CENTER OF CEDAR RAPIDS LLC	COMMON BOARD MEMBER/OFFICER/KEY EMPLOYEE	7,275,000	INVESTMENT, RENT, FINANCIAL/PAYROLL SERVICES, SUPPLIES, ETC		No

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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
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	JAMES HOFFMAN, THEODORE TOWNSEND, BUSINESS RELATIONSHIP JAMES HOFFMAN, MARCIA ROGERS, BUSINESS RELATIONSHIP CHRIS LINDELL, DOUG OLSON, AMY REASNER, BUSINESS RELATIONSHIP

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	ST LUKE'S HEALTHCARE, A TAX-EXEMPT IOWA NONPROFIT CORPORATION, IS SOLE MEMBER

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	IOWA HEALTH SYSTEM, AS SOLE MEMBER OF ST LUKE'S HEALTHCARE, APPROVES APPOINTMENT OF BOARD OF DIRECTORS, APPROVES AMENDMENTS TO ARTICLES AND BYLAWS, APPROVES STRATEGIC AND BUSINESS PLAN, SELECTION AND REMOVAL OF CEO, APPROVES INCURRED INDEBTEDNESS, APPROVES MANAGED CARE STRATEGY, APPROVES TRANSFER OF ASSETS, MERGER, ACQUISITION AND DISSOLUTIONS, BUDGETS, AND SIGNIFICANT CORPORATE TRANSACTIONS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PREPARED INTERNALLY BY THE IOWA HEALTH SYSTEM TAX DEPARTMENT USING INFORMATION GATHERED FROM VARIOUS FUNCTIONAL AREAS OF THE ORGANIZATION EACH SECTION OF THE RETURN IS REVIEWED BY THE RESPONSIBLE FUNCTIONAL AREA ALONG WITH THE TAX DEPARTMENT A DRAFT COPY OF THE RETURN IS PROVIDED TO THE CFO FOR REVIEW A SUBCOMMITTEE OF THE BOARD REVIEWS THE FORM 990 AND REPORTS BACK TO THE FULL BOARD A FULL COPY OF THE FORM 990 IS PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO FILING WITH THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION HAS A CONFLICT OF INTEREST POLICY ANNUALLY ALL OFFICERS, DIRECTORS, KEY EMPLOYEES AND REPORTING PHYSICIANS ARE REQUESTED TO COMPLETE A QUESTIONNAIRE TO REPORT POTENTIAL CONFLICTS OF INTEREST PERSONS WHO HAVE NOT RETURNED QUESTIONNAIRES ARE CONTACTED ADDITIONAL TIMES IN AN EFFORT TO RECEIVE COMPLETE AND ACCURATE RESPONSES FROM ALL PERSONS THE ANNUAL QUESTIONNAIRES INCLUDE AN ACKNOWLEDGEMENT THAT THE OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN 1) HAS ACCESS TO A COPY OF THE CONFLICT OF INTEREST POLICY, 2) HAS READ AND UNDERSTANDS THE POLICY, 3) AGREES TO COMPLY WITH THE POLICY, 4) UNDERSTANDS THAT THE POLICY APPLIES TO ALL COMMITTEES AND SUBCOMMITTEES HAVING BOARD-DELEGATED POWERS, AND 5) UNDERSTANDS THAT THE ORGANIZATION IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS TAX-EXEMPT STATUS, IT MUST CONTINUOUSLY ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES SENIOR ADMINISTRATIVE STAFF AT ALL RELATED ORGANIZATIONS PROVIDE INFORMATION TO A CENTRAL COORDINATOR RELATED TO THE IDENTIFICATION OF WHICH INDIVIDUALS SHOULD RECEIVE THE QUESTIONNAIRE FOR COMPLETION THE RESULTS ARE COMPILED CENTRALLY AND REVIEWED BY THE IOWA HEALTH SYSTEM COMPLIANCE OFFICER AND DIRECTOR OF INTERNAL AUDIT THE DETAIL RESULTS ARE REPORTED TO A COMMITTEE OF THE SYSTEM BOARD THE RESULTS RELATED TO SPECIFIC REGIONAL PARENT COMPANIES, THEIR HOSPITALS AND RELATED ORGANIZATIONS, ARE DISTRIBUTED IN DETAIL TO THE CHAIRPERSON OF THE REGIONAL PARENT ORGANIZATION, THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPLIANCE MANAGER THESE INDIVIDUALS ARE ALSO REMINDED OF THE APPROPRIATE PROCESS TO BE FOLLOWED DURING THE YEAR TO ADDRESS POTENTIAL CONFLICTS OF INTEREST THAT RELATE TO MATTERS THAT ARE BROUGHT TO THE BOARD OF DIRECTORS FOR ACTION THE INFORMATION DISCLOSED IS USED TO IDENTIFY POTENTIAL CONFLICTS OF INTEREST AND TO ASSIST IN COMPLETING IRS AND MEDICAID QUESTIONNAIRES ANY DUALITY OF INTEREST OR POSSIBLE CONFLICT OF INTEREST ON THE PART OF ANY ORGANIZATIONAL OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN TOGETHER WITH ALL MATERIAL FACTS, SHOULD BE DISCLOSED TO THE BOARD OF DIRECTORS AND MADE A MATTER OF RECORD, EITHER THROUGH AN ANNUAL PROCEDURE OR WHEN THE INTEREST OCCURS OR BECOMES A MATTER OF BOARD ACTION ANY ORGANIZATIONAL OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN HAVING A CONFLICT OF INTEREST IN ANY MATTER SHOULD NOT BE PRESENT DURING GENERAL DISCUSSION NOR VOTE OR USE HIS OR HER PERSONAL INFLUENCE ON THE MATTER, AND HE OR SHE SHOULD NOT BE COUNTED IN DETERMINING THE EXISTENCE OF A QUORUM FOR PURPOSES OF THE MATTER OR ITEM AS TO WHICH A CONFLICT EXISTS THE BOARD SHOULD EXCLUDE THE INDIVIDUAL FROM ANY DISCUSSION OR VOTE IN WHICH THE BOARD DECIDES WHETHER OR NOT A CONFLICT OF INTEREST EXISTS IN CASES IN WHICH AN OFFICER, DIRECTOR, KEY EMPLOYEE, REPORTING PHYSICIAN OR THE INDIVIDUAL'S HOUSEHOLD MEMBER HAS A CONFLICT OF INTEREST IN AN ARRANGEMENT OR TRANSACTION, THE FOLLOWING ADDITIONAL STEPS MAY BE TAKEN AT THE DIRECTION OF THE BOARD OF DIRECTORS 1) AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE OR SHE SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL 1) DECIDE IF A CONFLICT OF INTEREST EXISTS, 2) A DISINTERESTED PERSON OR COMMITTEE MAY BE APPOINTED TO INVESTIGATE ALTERNATIVES TO THE PROPOSED ARRANGEMENT OR TRANSACTION, 3) IN ORDER TO APPROVE THE ARRANGEMENT OR TRANSACTION, THE BOARD MUST FIRST FIND, BY MAJORITY VOTE OF DISINTERESTED MEMBERS, THAT THE ARRANGEMENT OR TRANSACTION IS IN THE ORGANIZATION'S BEST INTEREST, IS FAIR AND REASONABLE TO THE ORGANIZATION, AND, AFTER REASONABLE INVESTIGATION, THE DISINTERESTED MEMBERS HAVE DETERMINED THAT A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT CANNOT BE OBTAINED WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES, THE MINUTES OF THE BOARD AND ALL COMMITTEES WITH BOARD-DELEGATED POWERS SHALL CONTAIN 1) THE NAMES OF THE PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO HAVE A FINANCIAL INTEREST IN CONNECTION WITH AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, THE NATURE OF THE FINANCIAL INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND THE BOARD'S OR COMMITTEE'S DECISION AS TO WHETHER A CONFLICT OF INTEREST IN FACT EXISTED, 2) THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSIONS AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSION, INCLUDING ANY ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION THEREWITH, IN ORDER TO PROTECT THE ORGANIZATION'S BEST INTERESTS, APPROPRIATE DISCIPLINARY ACTION MAY BE TAKEN WITH RESPECT TO AN OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN WHO VIOLATES THE CONFLICT OF INTEREST POLICY

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE OF THE IOWA HEALTH SYSTEM BOARD OF DIRECTORS (''COMMITTEE'') CONDUCTS A COMPREHENSIVE ANNUAL REVIEW OF ALL COMPENSATION AND BENEFITS PROVIDED TO THE ORGANIZATION'S OFFICERS AND KEY EMPLOYEES, INCLUDING THE IHS CHIEF EXECUTIVE OFFICER (THE ''CEO'') THIS ANNUAL REVIEW COMPARES THE TOTAL COMPENSATION AND VALUE OF BENEFITS PROVIDED TO EACH EXECUTIVE, ON A POSITION BY POSITION BASIS, TO THAT PROVIDED TO FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED ORGANIZATIONS THIS REVIEW IS CONDUCTED BY THE COMMITTEE WITH THE ASSISTANCE OF A NATIONAL, INDEPENDENT COMPENSATION CONSULTANT REPORTING DIRECTLY TO THE COMMITTEE. THE COMMITTEE HAS BEEN DELEGATED THE RESPONSIBILITY FOR OVERSIGHT OF EXECUTIVE COMPENSATION AND IS MADE UP ENTIRELY OF INDEPENDENT DIRECTORS WITHIN THE MEANING OF THE ''REBUTTABLE PRESUMPTION OF REASONABLENESS'' UNDER THE FEDERAL INCOME TAX INTERMEDIATE SANCTIONS RULES THE COMPENSATION CONSULTANT HOLDS ITSELF OUT TO THE PUBLIC AS A COMPENSATION CONSULTANT, PERFORMS THESE VALUATIONS ON A REGULAR BASIS, IS QUALIFIED TO MAKE THE VALUATIONS OF THE SERVICES INVOLVED, AND HAS SO INDICATED IN A WRITTEN CERTIFICATION TO THE COMMITTEE. BASED UPON THE ADVICE OF THE COMPENSATION CONSULTANT, AND APPLYING THE BOARD'S COMPENSATION PHILOSOPHY, THE COMMITTEE ESTABLISHES THE OVERALL ADJUSTMENT IN COMPENSATION AND BENEFITS FOR APPROXIMATELY THE TOP FIFTY EXECUTIVES IN THE ENTIRE HEALTH SYSTEM (SEVERAL OF WHICH ARE EMPLOYEES OF THE FILING ORGANIZATION) AND DELEGATES TO THE CEO THE AUTHORITY TO MAKE ADJUSTMENTS, CONSISTENT WITH THE COMMITTEE'S DIRECTION, FOR THE OTHER EXECUTIVES THE COMMITTEE DETERMINES ALL ASPECTS OF THE COMPENSATION AND BENEFITS OF THE CEO THE COMMITTEE INTENTIONALLY TAKES ALL THE STEPS NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES, INCLUDING CONTEMPORANEOUS SUBSTANTIATION OF ALL COMMITTEE MEETINGS AND ACTIONS THE ORGANIZATION BELIEVES IT IS IN FULL COMPLIANCE WITH SECTION 4958 OF THE IRC, PROVIDES NO MORE THAN REASONABLE AND FAIR MARKET VALUE COMPENSATION AND BENEFITS FOR ITS EMPLOYEES AND DOES NOT PROVIDE ANY EXCESS COMPENSATION OR BENEFITS AS PROHIBITED BY SECTION 4958 THE ANNUAL REVIEW OF COMPENSATION AND BENEFITS WAS LAST PERFORMED IN DECEMBER 2013 FOR THE FOLLOWING INDIVIDUALS MILTON AUNAN II, MICHELLE NIERMANN, MARY ANN OSBORN, AND THEODORE TOWNSEND, JR THE COMPENSATION AND BENEFITS OF THE OTHER PERSONS LISTED ON FORM 990, PART VII WAS ESTABLISHED BY AN INDEPENDENT PERSON/COMMITTEE USING AN INDEPENDENT COMPENSATION CONSULTANT AND/OR COMPENSATION SURVEY OR STUDY FOR SIMILARLY QUALIFED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS COMPENSATION AND BENEFITS ARE BASED ON THE FAIR MARKET VALUE OF THE SERVICES PROVIDED TO THE ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS ARE AVAILABLE UPON REQUEST THROUGH THE IOWA HEALTH SYSTEM, OUR PARENT ORGANIZATION, LEGAL DEPARTMENT THE ORGANIZATION'S CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE ON THE IOWA HEALTH SYSTEM WEBSITE, WWW UNITYPOINT ORG

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN BENEFICIAL INTEREST OF ST LUKE'S HEALTH CARE FOUNDATION 1,075,515 CHANGES IN PENSION LIABILITY 13,067,716 FORGIVENESS OF AMOUNT OWED FROM STL CARE COMPANY -4,863,984

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ST LUKE'S METHODIST HOSPITAL

Employer identification number
42-0504780

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) CARDIOLOGISTS LC 1026 A AVE NE CEDAR RAPIDS, IA 52402 27-1095420	CARDIOLOGY SERVICES	IA	12,312,626	5,320,920	ST LUKE'S METHODIST HOSPITAL

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												

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

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) STL HEALTH RESOURCES	E	71,000	BASED ON GAAP, CASH, AND/OR FMV

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation
SCHEDULE R, PARTS I - IV	IOWA HEALTH SYSTEM AND SUBSIDIARIES (D/B/A UNITYPOINT HEALTH) IOWA HEALTH SYSTEM IS AN IOWA NONPROFIT CORPORATION FORMED IN DECEMBER 1994 IOWA HEALTH SYSTEM AND ITS SUBSIDIARIES PROVIDE INPATIENT AND OUTPATIENT CARE AND PHYSICIAN SERVICES FROM SIXTEEN HOSPITAL FACILITIES AND VARIOUS AMBULATORY SERVICE AND CLINIC LOCATIONS IN IOWA AND ILLINOIS PRIMARY, SECONDARY AND TERTIARY CARE SERVICES ARE PROVIDED TO RESIDENTS OF IOWA, ILLINOIS AND ADJACENT STATES ON APRIL 16, 2013, IOWA HEALTH SYSTEM BEGAN BEING PUBLICLY KNOWN AS UNITYPOINT HEALTH (THE SYSTEM) THIS NAME CHANGE REFLECTS THE TRANSFORMATION OF CLINICAL PROCESSES UNDERWAY WITHIN THE SYSTEM AND THE ADAPTATION TO BETTER ADDRESS THE HEALTH CARE NEEDS OF COMMUNITIES, INCLUDING BUILDING A MODEL OF DELIVERING HEALTH CARE THAT COORDINATES CARE AROUND THE PATIENT WHILE FOCUSING ON IMPROVING THE QUALITY OF CARE AND REDUCING COSTS THE LEGAL NAME OF THE PARENT REMAINS IOWA HEALTH SYSTEM, WITH THE UNITYPOINT HEALTH NAME REFLECTING A DOING BUSINESS AS (D/B/A)

Additional Data

Software ID:
Software Version:
EIN: 42-0504780
Name: ST LUKE'S METHODIST HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) ALLEN COLLEGE 1825 LOGAN AVENUE WATERLOO, IA 50703 42-1351526	EDUCATE AND DEVELOP HEALTHCARE PROFESSIONALS	IA	501(C)(3)	170(B)(1)(A)(II)	ALLEN HEALTH SYSTEMS INC		No
(1) ALLEN HEALTH SYSTEMS INC 1825 LOGAN AVENUE WATERLOO, IA 50703 42-1201924	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM		No
(2) ALLEN MEMORIAL HOSPITAL CORPORATION 1825 LOGAN AVENUE WATERLOO, IA 50703 42-0698265	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	ALLEN HEALTH SYSTEMS INC		No
(3) ANAMOSA AREA AMBULANCE SERVICE 101 GRANT WOOD DRIVE ANAMOSA, IA 52205 42-1466284	PROVIDE AMBULANCE SERVICES	IA	501(C)(3)	509(A)(2)	ST LUKE'SJONES REGIONAL MEDICAL CENTER		No
(4) CENTRAL IOWA HEALTH PROPERTIES CORPORATION 1200 PLEASANT STREET DES MOINES, IA 50309 42-1233759	PROPERTY HOLDING COMPANY	IA	501(C)(2)		CENTRAL IOWA HEALTH SYSTEM		No
(5) CENTRAL IOWA HEALTH SYSTEM 1200 PLEASANT STREET DES MOINES, IA 50309 42-1189791	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM		No
(6) CENTRAL IOWA HOSPITAL CORPORATION 1200 PLEASANT STREET DES MOINES, IA 50309 42-0680452	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	CENTRAL IOWA HEALTH SYSTEM		No
(7) FINLEY TRI-STATES HEALTH GROUP INC 350 NORTH GRANDVIEW AVENUE DUBUQUE, IA 52001 42-1307495	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM		No
(8) HULT CENTER FOR HEALTHY LIVING INC 5409 N KNOXVILLE AVE PEORIA, IL 61614 36-3510390	HEALTH EDUCATION TO THE COMMUNITY	IL	501(C)(3)	170(B)(1)(A)(VI)	PROCTOR HOSPITAL		No
(9) IOWA HEALTH FOUNDATION 1415 WOODLAND AVE SUITE E-200 DES MOINES, IA 50309 42-1467682	CHARITABLE FUNDRAISING	IA	501(C)(3)	170(B)(1)(A)(VI)	CENTRAL IOWA HEALTH SYSTEM		No
(10) IOWA HEALTH SYSTEM 1776 WEST LAKES PKWY 400 WEST DES MOINES, IA 50266 42-1435199	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE III			No
(11) IOWA PHYSICIANS CLINIC MEDICAL FOUNDATION 8101 BIRCHWOOD COURT JOHNSTON, IA 50131 42-1411630	PRIMARY HEALTH CARE SERVICES	IA	501(C)(3)	170(B)(1)(A)(III)	IOWA HEALTH SYSTEM		No
(12) MEMORIAL FOUNDATION OF ALLEN HOSPITAL 1825 LOGAN AVENUE WATERLOO, IA 50703 42-1201138	CHARITABLE FUNDRAISING	IA	501(C)(3)	170(B)(1)(A)(VI)	ALLEN HEALTH SYSTEMS INC		No
(13) METHODIST HEALTH SERVICES CORPORATION 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-1111135	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IL	501(C)(3)	509(A)(3), TYPE III	IOWA HEALTH SYSTEM		No
(14) METHODIST MEDICAL CENTER FOUNDATION 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 51-0186460	CHARITABLE FUNDRAISING	IL	501(C)(3)	170(B)(1)(A)(VI)	METHODIST HEALTH SERVICES CORPORATION		No
(15) METHODIST MEDICAL CENTER OF ILLINOIS 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-0661223	HOSPITAL	IL	501(C)(3)	170(B)(1)(A)(III)	METHODIST HEALTH SERVICES CORPORATION		No
(16) METHODIST SERVICES INC 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-1111134	OFFICE RENTAL	IL	501(C)(3)	509(A)(2)	METHODIST HEALTH SERVICES CORPORATION		No
(17) NELLIE R SHERWOOD TRUST 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-6061621	PAY MEDICAL BILLS OF RETIRED TEACHERS UNABLE TO PAY	IA	501(C)(3)	509(A)(3), TYPE I	ST LUKE'S METHODIST HOSPITAL	Yes	
(18) NORTH CENTRAL IOWA MENTAL HEALTH CENTER INCORPORATED 720 KENYON DRIVE FORT DODGE, IA 50501 42-0937390	MENTAL HEALTH CARE	IA	501(C)(3)	170(B)(1)(A)(III)	TRINITY HEALTH SYSTEMS INC		No
(19) NORTHWEST IOWA HOSPITAL CORPORATION 2720 STONE PARK BLVD SIOUX CITY, IA 51104 42-1019872	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	IOWA HEALTH SYSTEM		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity? Yes	(g) Section 512 (b)(13) controlled entity? No
(21) PROCTOR HEALTH CARE INCORPORATED 5409 N KNOXVILLE AVE PEORIA, IL 61614 37-1133412	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IL	501(C)(3)	170(B)(1)(A)(III)	METHODIST HEALTH SERVICES CORPORATION		No
(1) PROCTOR HEALTH SYSTEMS 5409 N KNOXVILLE AVE PEORIA, IL 61614 36-4147437	PRIMARY HEALTH CARE SERVICES	IL	501(C)(3)	170(B)(1)(A)(III)	PROCTOR HEALTH CARE INCORPORATED		No
(2) PROCTOR HOSPITAL 5409 N KNOXVILLE AVE PEORIA, IL 61614 37-0681540	HOSPITAL	IL	501(C)(3)	170(B)(1)(A)(III)	PROCTOR HEALTH CARE INCORPORATED		No
(3) SELF INSURANCE TRUST AGREEMENT EST BY METHODIST MEDICAL CENTER OF ILLINOIS 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-6181831	FUND SELF-INSURANCE PLAN	IL	501(C)(3)	509(A)(3), TYPE I	METHODIST MEDICAL CENER OF ILLINOIS		No
(4) SIOUXLAND PACE INC 313 COOK STREET SIOUX CITY, IA 51103 26-1120134	ALL-INCLUSIVE CARE FOR THE ELDERLY	IA	501(C)(3)	170(B)(1)(A)(III)	ST LUKE'S HEALTH SYSTEM INC		No
(5) ST LUKE'S HEALTH RESOURCES 2720 STONE PARK BLVD SIOUX CITY, IA 51104 42-1059182	OUTPATIENT CLINICS AND HEALTHCARE SERVICES	IA	501(C)(3)	509(A)(2)	ST LUKE'S HEALTH SYSTEM INC		No
(6) ST LUKE'S HEALTH SYSTEM INC 2720 STONE PARK BLVD SIOUX CITY, IA 51104 42-1294091	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE III	IOWA HEALTH SYSTEM		No
(7) ST LUKE'S HEALTHCARE 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-1487968	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM		No
(8) ST LUKE'S METHODIST HOSPITAL 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-0504780	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	ST LUKE'S HEALTHCARE		No
(9) ST LUKE'SJONES REGIONAL MEDICAL CENTER 1795 HIGHWAY 64 EAST ANAMOSA, IA 52205 42-1487967	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	ST LUKE'S HEALTHCARE		No
(10) STL CARE COMPANY 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-1276632	IMPROVE PUBLIC HEALTH SERVICES	IA	501(C)(3)	509(A)(2)	ST LUKE'S HEALTHCARE		No
(11) THE DUBUQUE VISITING NURSE ASSOCIATION 350 NORTH GRANDVIEW AVENUE DUBUQUE, IA 52001 42-0680410	PUBLIC HEALTH SERVICES/HOME CARE	IA	501(C)(3)	509(A)(2)	FINLEY TRI-STATES HEALTH GROUP INC		No
(12) THE FINLEY HOSPITAL 350 NORTH GRANDVIEW AVENUE DUBUQUE, IA 52001 42-0680354	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	FINLEY TRI-STATES HEALTH GROUP INC		No
(13) THE ROBERT YOUNG CENTER FOR COMMUNITY MENTAL HEALTH 2701 17TH STREET ROCK ISLAND, IL 61201 36-3678909	MENTAL HEALTH CARE	IL	501(C)(3)	170(B)(1)(A)(VI)	TRINITY REGIONAL HEALTH SYSTEM		No
(14) TRIMARK PHYSICIANS GROUP 802 KENYON ROAD FORT DODGE, IA 50501 45-3791448	SUPPORT SERVICES FOR MEDICAL CARE AND HEALTH SERVICES	IA	501(C)(3)	170(B)(1)(A)(III)	TRINITY HEALTH SYSTEMS INC		No
(15) TRINITY BUILDING CORPORATION 802 KENYON ROAD FORT DODGE, IA 50501 42-1376187	PROPERTY HOLDING COMPANY	IA	501(C)(2)		TRINITY HEALTH SYSTEMS INC		No
(16) TRINITY HEALTH FOUNDATION 802 KENYON ROAD FORT DODGE, IA 50501 42-1222381	CHARITABLE FUNDRAISING	IA	501(C)(3)	170(B)(1)(A)(VI)	TRINITY HEALTH SYSTEMS INC		No
(17) TRINITY HEALTH FOUNDATION 2701 17TH STREET ROCK ISLAND, IL 61201 36-3321751	CHARITABLE FUNDRAISING	IL	501(C)(3)	170(B)(1)(A)(VI)	TRINITY REGIONAL HEALTH SYSTEM		No
(18) TRINITY HEALTH SYSTEMS INC 802 KENYON ROAD FORT DODGE, IA 50501 42-1222877	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM		No
(19) TRINITY MEDICAL CENTER 2701 17TH STREET ROCK ISLAND, IL 61201 36-2739299	HOSPITAL	IL	501(C)(3)	170(B)(1)(A)(III)	TRINITY REGIONAL HEALTH SYSTEM		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(41) TRINITY REGIONAL HEALTH SYSTEM 2701 17TH STREET ROCK ISLAND, IL 61201 36-3351952	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IL	501(C)(3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM		No
(1) TRINITY REGIONAL HOSPITAL AUXILIARY 802 KENYON ROAD FORT DODGE, IA 50501 42-6081474	CHARITABLE FUNDRAISING AND VOLUNTEER SERVICES	IA	501(C)(3)	509(A)(2)	TRINITY REGIONAL MEDICAL CENTER		No
(2) TRINITY REGIONAL MEDICAL CENTER 802 KENYON ROAD FORT DODGE, IA 50501 42-1009175	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	TRINITY HEALTH SYSTEMS INC		No
(3) UNITY HEALTHCARE 1518 MULBERRY AVENUE MUSCATINE, IA 52761 42-0680337	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	TRINITY REGIONAL HEALTH SYSTEM		No
(4) UNITY HEALTHCARE FOUNDATION 1518 MULBERRY AVENUE MUSCATINE, IA 52761 42-1525031	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C)(3)	509(A)(3), TYPE I	TRINITY REGIONAL HEALTH SYSTEM		No
(5) UNITYPOINT AT HOME 11333 AURORA AVENUE URBANDALE, IA 50322 42-1477471	HOME HEALTH CARE	IA	501(C)(3)	509(A)(2)	IOWA HEALTH SYSTEM		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
ALLEN MEMORIAL HOSPITAL ORTHOPEDIC CO-MANAGEMENT CO LLC 1825 LOGAN AVE WATERLOO, IA 50703 45-3237125	ORTHOPEDIC MANAGEMENT & ADMINISTRATIVE SERVICES	IA	N/A									
CENTRAL IOWA CARDIOVASCULAR CO-MANAGEMENT CO LLC 1200 PLEASANT ST DES MOINES, IA 50309 27-3625869	CARDIOVASCULAR MANAGEMENT & ADMINISTRATIVE SERVICES	IA	N/A									
CENTRAL IOWA ONCOLOGY CO-MANAGEMENT COMPANY 1200 PLEASANT STREET DES MOINES, IA 50309 45-3017991	ONCOLOGY MANAGEMENT & ADMINISTRATIVE SERVICES	IA	N/A									
DUBUQUE ENDOSCOPY CENTER LC 1515 DELHI STREET SUITE 500 DUBUQUE, IA 52001 20-1597161	AMBULATORY SURGERY CENTER	IA	N/A									
ENSEVA - HIAWATHA LLC 755 METZGER DRIVE HIAWATHA, IA 52233 45-3437363	COLLOCATION FACILITY	IA	N/A									
FINLEY DEPT OF SURGERY CO-MGMT CO LLC 350 N GRANDVIEW AVE DUBUQUE, IA 52001 42-2808785	SURGERY DEPARTMENT MANAGEMENT SERVICES	IA	N/A									
HEALTH CARE AFFILIATES OF THE TRI-STATES LLC 350 N GRANDVIEW AVE DUBUQUE, IA 52001 42-1428503	PROVIDE ACCESS TO LICENSED SOFTWARE	IA	N/A									
HEALTH ENTERPRISES VENTURES LC 4250 GLASS ROAD NE CEDAR RAPIDS, IA 52402 39-1894290	INVESTMENT VEHICLE OWNING CLINICAL JVS	IA	N/A	UNRELATED	-62,413	777,447		No	30,937		No	55 670 %
HY-VEEIOWA HEALTH LC 5820 WESTOWN PARKWAY WEST DES MOINES, IA 50266 26-3293530	PRIMARY CARE CLINIC	IA	N/A									
IOWA HEALTH SYSTEM CONTRACTING SERVICES LC 1776 WEST LAKES PKWY 400 WEST DES MOINES, IA 50266 42-1511142	GROUP PURCHASING	IA	N/A									
MEDICAL LABORATORIES OF EASTERN IOWA LC 1026 A AVE NE CEDAR RAPIDS, IA 52402 42-1359640	MEDICAL LABORATORY SERVICES	IA	ST LUKE'S METHODIST HOSPITAL	RELATED	193,463	1,149,486		No		Yes		50 000 %
MMCI ORTHOPEDIC CO-MANAGEMENT COMPANY LLC 221 NE GLEN OAK AVE PEORIA, IL 61636 46-1219459	ORTHOPEDIC MANAGEMENT & ADMINISTRATIVE SERVICES	IL	N/A									
MR ASSOCIATES LLP 1455 SHERMAN ROAD HIAWATHA, IA 52233 42-1260463	OWN AND OPERATE MR UNIT	IA	ST LUKE'S METHODIST HOSPITAL	RELATED	2,541,600	964,012		No		Yes		33 330 %
REHABILITATION THERAPY SERVICES LLC 416 ST MARKS CT 110 PEORIA, IL 61603 81-0584193	REHABILATION THERAPY	IL	N/A									
SLRMC CARDIOVASCULAR CO-MANAGEMENT COMPANY LLC 2720 STONE PARK BLVD SIOUX CITY, IA 51104 45-5322324	CARDIOVASCULAR MANAGEMENT & ADMINISTRATIVE SERVICES	IA	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
THE OUTPATIENT SURGERY CENTER OF CEDAR RAPIDS LLC 1075 FIRST AVENUE SE CEDAR RAPIDS, IA 52403 72-1550812	AMBULATORY SURGERY CENTER	IA	ST LUKE'S METHODIST HOSPITAL	RELATED	3,463,974	5,005,270		No		Yes		50 000 %
TRINITY BETTENDORF ORTHOPEDIC CO-MANAGEMENT COMPANY LLC 4500 UTICA RIDGE RD BETTENDORF, IA 52722 27-2562753	ORTHOPEDIC SERVICE LINES ADMINISTRATIVE SERVICES	IA	N/A									
WEST HOSPITAL ORTHOPEDIC CO-MANAGEMENT COMPANY LLC 1660 60TH STREET WEST DES MOINES, IA 50266 27-1414600	ORTHOPEDIC SERVICE LINES MANAGEMENT	IA	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
ASSOCIATED CHIROPRACTIC PROVIDERS INC 5409 N KNOXVILLE AVE PEORIA, IL 61614 37-1304745	CHIROPRACTIC SERVICES	IL	N/A	C					No
BELCREST SERVICES LTD 5409 N KNOXVILLE AVE PEORIA, IL 61614 37-1196307	MEDICAL SERVICES	IL	N/A	C					No
BROADBAND INC 1776 WEST LAKES PKWY 400 WEST DES MOINES, IA 50266 27-3819741	INFORMATION TECHNOLOGY MGMT	IA	N/A	C					No
DELHI POINT CONDO ASSOCIATION 350 N GRANDVIEW DUBUQUE, IA 52001 42-1467002	REAL ESTATE MANAGEMENT	IA	N/A	C					No
HEALTH PLUS INC 5409 N KNOXVILLE AVE PEORIA, IL 61614 37-1295532	MANAGED CARE ADMINISTRATION	IL	N/A	C					No
HNC SERVICES 1776 WEST LAKES PKWY 400 WEST DES MOINES, IA 50266 27-0987243	FIBER OPTIC NETWORK SERVICES	IA	N/A	C					No
MEDIMORE INC 1776 WEST LAKES PKWY 400 WEST DES MOINES, IA 50266 42-1414390	MANAGED CARE	IA	N/A	C					No
METHODIST HEALTH VENTURES INC PO BOX 87 PEORIA, IL 61650 37-1140939	PHARMACY/OFFICE STAFFING	IL	N/A	C					No
METHODIST PHYSICIAN SERVICES INC PO BOX 87 PEORIA, IL 61650 36-3858550	MEDICAL SERVICES	IL	N/A	C					No
PRECEDENCE INC 4622 PROGRESS DRIVE STE A DAVENPORT, IA 52807 37-1288604	MANAGED MENTAL CARE	IA	N/A	C					No
PROVIDER RESOURCE MANAGEMENT INC PO BOX 87 PEORIA, IL 61650 37-1223550	RESOURCE MANAGEMENT	IL	N/A	C					No
RURAL IOWA SPECIALTY PHYSICIAN CONSORTIUM INC 700 E UNIVERSITY AVE DES MOINES, IA 50316 26-1271143	SPECIALTY PHYSICIANS MEDICAL CARE	IA	N/A	C					No
STL HEALTH RESOURCES CO 1026 A AVE NE CEDAR RAPIDS, IA 52402 42-1193499	PHYSICIAN OFFICE RENTAL	IA	ST LUKE'S METHODIST HOSPITAL	C	619,119	5,755,870	100 000 %	Yes	
TRINITY HEALTH ENTERPRISES INC 2701 17TH ST ROCK ISLAND, IL 61201 36-3320141	RETAIL DURABLE MEDICAL EQUIPMENT & PHARMACY	IL	N/A	C					No
TRINITY PHYSICIAN HOSPITAL ORGANIZATION LTD 4622 PROGRESS DRIVE STE A DAVENPORT, IA 52807 36-3924720	MANAGED HEALTH CARE	IA	N/A	C					No

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health

Auditor's Report and Consolidated Financial Statements

December 31, 2013 and 2012

BKD LLP
CPAs & Advisors

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
December 31, 2013 and 2012

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Independent Auditor's Report

Board of Directors
Iowa Health System and Subsidiaries
d/b/a UnityPoint Health

We have audited the accompanying consolidated financial statements of Iowa Health System and Subsidiaries d/b/a UnityPoint Health (the System), which comprise the consolidated balance sheets 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 audit 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

Opinion

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating schedules of the System and the balance sheets and statements of operations for the Colleges of Nursing within the System listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements The consolidating information is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, changes in net assets and cash flows of the individual entities 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 audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

BKD, LLP

Kansas City, Missouri
April 22, 2014

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidated Balance Sheets
December 31, 2013 and 2012

Assets

	2013	2012
	(in thousands)	
Current Assets		
Cash and cash equivalents	$ 197,498	$ 140,990
Short-term investments	56,066	64,408
Assets limited as to use – required for current liabilities	14,618	14,405
Patient accounts receivable, less estimated uncollectibles, 2013 – $64,844, 2012 – $54,909	378,085	378,555
Other receivables	64,726	43,318
Inventories	56,168	50,910
Prepaid expenses	29,232	26,111
Total current assets	796,393	718,697
Assets Limited As to Use, Noncurrent		
Held by trustee under bond indenture agreements	40,577	2,925
Internally designated	1,006,149	882,472
Total assets limited as to use, noncurrent	1,046,726	885,397
Property, Plant and Equipment, Net	1,404,467	1,324,488
Other Long-term Investments	502,023	413,049
Investments in Joint Ventures and Other Investments	71,694	74,608
Contributions Receivable, Net	83,264	65,179
Other	47,404	23,941
Total assets	$ 3,951,971	$ 3,505,359

Liabilities and Net Assets

	2013	2012
	(in thousands)	
Current Liabilities		
Current maturities of long-term debt	$ 47,562	$ 73,022
Accounts payable	136,498	122,637
Accrued payroll	169,501	144,046
Accrued interest	10,148	8,209
Estimated settlements due to third-party payers	57,513	58,006
Other current liabilities	70,874	60,297
Total current liabilities	492,096	466,217
Long-term Debt, Net	857,485	727,585
Other Long-term Liabilities	280,328	358,835
Total liabilities	1,629,909	1,552,637
Net Assets		
Unrestricted	2,182,155	1,838,514
Temporarily restricted	85,090	64,935
Permanently restricted	54,817	49,273
Total net assets	2,322,062	1,952,722
Total liabilities and net assets	$ 3,951,971	$ 3,505,359

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidated Statements of Operations
Years Ended December 31, 2013 and 2012

	2013	2012
	(in thousands)	
Unrestricted Revenues		
Patient service revenue (net of contractual allowances)	$ 2,794,974	$ 2,686,008
Provision for patient uncollectible accounts	(151,387)	(131,413)
Net patient service revenue	2,643,587	2,554,595
Other operating revenue	191,323	171,263
Net assets released from restrictions used for operations	6,560	6,686
Total unrestricted revenues	2,841,470	2,732,544
Expenses		
Salaries and wages	1,037,737	1,004,380
Physician compensation and services	347,230	324,361
Employee benefits	235,185	240,868
Supplies	457,852	445,913
Other expenses	480,492	458,941
Depreciation and amortization	171,099	163,895
Interest	28,387	31,734
Provision for uncollectible accounts	877	1,054
Total expenses	2,758,859	2,671,146
Operating Income	82,611	61,398
Nonoperating Gains		
Investment income	159,341	134,815
Contribution received in affiliation with Proctor Peoria	1,012	-
Other, net	19,363	1,382
Total nonoperating gains, net	179,716	136,197
Excess of Revenues Over Expenses	262,327	197,595
Change in the fair value of interest rate swaps	17,613	1,065
Net assets released from restrictions used for capital expenditures	8,877	7,140
Change in defined benefit pension plan gains and prior costs	56,994	2,805
Contributions of or for acquisition of property and equipment	120	962
Other, net	(2,290)	1,736
Increase in Unrestricted Net Assets	$ 343,641	$ 211,303

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013	2012
	(in thousands)	
Unrestricted Net Assets		
Excess of revenues over expenses	$ 262,327	$ 197,595
Change in the fair value of interest rate swaps	17,613	1,065
Net assets released from restrictions used for capital expenditures	8,877	7,140
Change in defined benefit pension plan gains and prior costs	56,994	2,805
Contributions of or for acquisition of property and equipment	120	962
Other, net	(2,290)	1,736
Increase in unrestricted net assets	343,641	211,303
Temporarily Restricted Net Assets		
Contribution received in affiliation with Proctor Peoria	12,394	-
Contributions	11,879	15,309
Investment income	3,676	2,350
Government grants	75	871
Net assets released from restrictions used for operations	(6,560)	(6,686)
Net assets released from restrictions used for capital expenditures	(8,877)	(7,140)
Change in net unrealized gains on investments	1,893	429
Change in beneficial interest in net assets of affiliates	5,741	3,932
Other, net	(66)	(1,954)
Increase in temporarily restricted net assets	20,155	7,111
Permanently Restricted Net Assets		
Contributions	2,827	510
Contribution received in affiliation with Proctor Peoria	948	-
Investment income	901	1,032
Change in net unrealized gains on investments	359	169
Change in beneficial interest in net assets of affiliates	509	493
Increase in permanently restricted net assets	5,544	2,204
Increase in Net Assets	369,340	220,618
Net Assets, Beginning of Year	1,952,722	1,732,104
Net Assets, End of Year	$ 2,322,062	$ 1,952,722

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidated Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
	(in thousands)	
Operating Activities		
Increase in net assets	$ 369,340	$ 220,618
Items not requiring (providing) operating cash		
Net gains on investments	(114,608)	(113,539)
Net unrealized gains on swaps	(42,600)	(5,469)
Restricted contributions, investment income and government grants received	(15,050)	(13,984)
Contributions of or for acquisition of property and equipment	(120)	(962)
Depreciation and amortization	171,099	163,895
Change in defined pension plans' liability	(56,994)	(2,805)
Contribution received in affiliation with Proctor Peoria	(14,354)	-
Amortization of debt issuance costs	579	773
Loss on disposition of assets	276	1,127
(Gain) loss on bond extinguishment	243	(1,856)
Equity in earnings of joint ventures	(20,178)	(23,468)
Change in beneficial interest in net assets of affiliates	(6,250)	(4,425)
Provision for uncollectible accounts	152,264	132,467
Changes in		
Receivables	(159,411)	(166,183)
Inventories, prepaid expenses and other assets	(12,601)	5,903
Accounts payable, accrued liabilities and other liabilities	29,781	(7,194)
Due to third-party payers	(5,845)	(9,342)
Net cash provided by operating activities	275,571	175,556
Investing Activities		
Capital expenditures	(206,382)	(227,323)
Proceeds from sale of assets	4,969	2,328
Increase in assets limited as to use, net	(79,119)	(25,937)
Cash acquired in affiliation with Proctor Peoria	1,787	-
Decrease in short-term investments	8,030	122,329
Increase in other long-term investments	(53,697)	(29,002)
Investments in joint ventures	(483)	(19,011)
Distributions received from joint ventures	21,783	25,135
Net cash used in investing activities	(303,112)	(151,481)
Financing Activities		
Proceeds from issuance of long-term debt and lines of credit	196,834	81,993
Payments of debt	(97,818)	(22,032)
Payments of financing costs	(1,517)	-
Payments on early extinguishment of debt	(28,620)	(54,528)
Proceeds from restricted contributions, investment income and government grants	15,050	13,984
Proceeds from contributions for acquisition of property and equipment	120	962
Net cash provided by financing activities	84,049	20,379
Increase in Cash and Cash Equivalents	56,508	44,454
Cash and Cash Equivalents, Beginning of Year	140,990	96,536
Cash and Cash Equivalents, End of Year	$ 197,498	$ 140,990

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2013 and 2012

	2013	2012
	(in thousands)	
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	$ 26,831	$ 33,210
Capital lease obligations incurred for property and equipment	3,897	3,869
Property and equipment purchases in accounts payable	22,800	28,854
Affiliation with Proctor Peoria		
Assets acquired	91,495	-
Liabilities assumed	77,141	-

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Notes to Consolidated Financial Statements
(Dollars in Thousands)
December 31, 2013 and 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization

Iowa Health System is an Iowa nonprofit corporation formed in December 1994 Iowa Health System and its subsidiaries provide inpatient and outpatient care and physician services from sixteen hospital facilities and various ambulatory service and clinic locations in Iowa and Illinois Primary, secondary and tertiary care services are provided to residents of Iowa, Illinois and adjacent states

On April 16, 2013, Iowa Health System began being publicly known as UnityPoint Health (the System) This name change reflects the transformation of clinical processes underway within the System and the adaptation to better address the health care needs of communities, including building a model of delivering health care that coordinates care around the patient while focusing on improving the quality of care and reducing costs The legal name of the parent remains Iowa Health System, with the UnityPoint Health name reflecting a doing business as (d/b/a)

Basis of Presentation

The consolidated financial statements include the accounts of UnityPoint Health and its subsidiaries listed below

- Central Iowa Health System and Subsidiaries (d/b/a UnityPoint Health - Des Moines) (Des Moines)
- Methodist Health Services Corporation and Subsidiaries (Peoria)
- Trinity Regional Health System and Subsidiaries (Rock Island)
- St Luke's Healthcare and Subsidiaries (Cedar Rapids)
- Allen Health Systems, Inc and Subsidiaries (Waterloo)
- St Luke's Health System, Inc (Sioux City)
- Trinity Health Systems, Inc and Subsidiaries (Fort Dodge)
- Finley Tri-States Health Group, Inc and Subsidiaries (Dubuque)
- Iowa Physicians Clinic Medical Foundation (d/b/a UnityPoint Clinic)
- UnityPoint at Home (formerly known as Intrust and formerly d/b/a Iowa Health Home Care)

Effective November 7, 2013, Methodist Health Services Corporation (MHSC) entered into an Affiliation agreement with Proctor Health Care Incorporated (PHCI or Proctor Peoria) under which PHCI became an affiliate of MHSC For the period ended December 31, 2013, net revenues related to PHCI of $18,449 were recorded in the consolidated financial statements

All significant intercompany balances and transactions have been eliminated in consolidation

Use of Estimates

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

Cash, Cash Equivalents and Short-term Investments

Cash equivalents consist of demand deposits, money market funds and other debt securities with original maturities of three months or less at the date of purchase, other than those included in assets limited as to use Short-term investments consist of debt securities with maturities between 91 and 365 days of the balance sheet date and other investments held as part of deferred compensation arrangements whose distributions will occur within one year

At times, the System's cash accounts exceeded federally insured limits Management believes that the institutions where cash accounts are maintained are financially stable and that the credit risk related to deposits is minimal

Assets Limited as to Use

Assets limited as to use include amounts held by trustees under bond indenture agreements and related documents and assets internally designated by the Board of Directors for identified purposes and over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes Amounts required to meet current liabilities are classified as current assets

Inventories

Inventories consist of supplies and are stated at the lower of cost or market

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in fixed income securities are measured at fair value in the consolidated balance sheets The fair values are based on quoted market prices or dealer quotes

Investments in joint ventures and other affiliates, which are more than 20% and not more than 50% owned, are recorded using the equity method Other investments are reported at cost, as adjusted for permanent impairment in value, if any

Realized gains and losses from the sale of investments, interest and dividends, except those earned as a function of operations, and unrealized gains and losses on investments classified as trading securities and those carried at fair value pursuant to ASC Topic 825, are reported as non-operating gains (losses) unless restricted by a donor Unrealized and realized gains and losses and investment income on investments restricted by donors are included as a component of the change in net assets based upon the nature of the restriction

The System elected the fair value option for its alternative investments (including hedge funds and private equity funds) that are primarily limited liability corporations and partnerships Management has elected the fair value option for the alternative investments because it more accurately reflects the portfolio returns and financial position of the System Gains and losses on investments subject to the fair value option are reported in investment income in nonoperating gains (losses) in the accompanying consolidated statements of operations

Refer to Notes 5 and 13 for additional disclosures regarding balance sheet line items and fair value of those investments carried under Topic 825

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs), and Level 3 (significant unobservable inputs) are recognized on the actual transfer date

Property, Plant and Equipment

Property, plant and equipment acquisitions are recorded at cost less accumulated depreciation Depreciation is provided primarily using the straight-line method over the estimated useful lives of the assets Depreciation of assets under capital lease is provided using the straight-line method over the shorter of the lease term or the estimated useful life of the assets Donated property, plant and equipment are recorded at fair market value at the date of donation

The System capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for a project, net of interest earned on investments acquired with the proceeds of the borrowing During 2013 and 2012, the System capitalized $2,324 and $950 of interest expense, respectively

Long-lived Asset Impairment

The System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value

No asset impairment was recognized during the years ended December 31, 2013 and 2012

Other Assets

Other assets include certain patient records and other intangible assets that are stated at cost less accumulated amortization In addition, other assets include goodwill Annually, the System performs an impairment test of all goodwill and any identified impairment loss is recognized as expense Other assets also include deferred financing costs, which are amortized over the period the obligation is expected to be outstanding The System has $6,029 and $3,509 of goodwill at December 31, 2013 and 2012, respectively Other intangible assets at December 31, 2013 and 2012 were $9,366 and $9,075, respectively, which are subject to amortization

Net Assets

Net assets are classified into three mutually exclusive classes unrestricted, temporarily restricted and permanently restricted The three classes are based on the presence or absence of donor-imposed restrictions Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors in perpetuity The expiration of donor restrictions is recorded in the period in which the restrictions expire

Temporarily restricted net assets are generally restricted for capital expenditures, passage of time or other donor specified restrictions

Excess of Revenues Over Expenses

Excess of revenues over expense transactions affecting unrestricted net assets are reflected in the consolidated statements of operations Consistent with industry practice, the effective portion of derivative instruments qualifying for hedge accounting carried at fair value, change in defined benefit plans, and contributions of long-lived assets (including assets acquired with donor-restricted cash contributions) are excluded from determination of the excess of revenues over expenses Transactions related to temporarily or permanently restricted net assets are recorded as additions or deductions to net assets and reflected in the consolidated statements of changes in net assets Non-controlling interest included as part of excess of revenues over expenses was $1,160 and $768 as of December 31, 2013 and 2012, respectively

Net Patient Service Revenue and Accounts Receivable

Net patient service revenue is reported at the estimated net realizable amount, primarily from patients and third-party payers, for services provided, including retroactive adjustments under reimbursement agreements with third-party payers Retroactive adjustments are accrued on an estimated basis in the period in which the related services are provided, and adjusted in future periods as final settlements are determined

The System recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided Thus, the System records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided This provision for uncollectible accounts is presented on the accompanying consolidated statements of operations as a component of net patient service revenue

(Dollars in Thousands)

As a service to the patient, the System bills third-party payers directly and bills the patient when the patient's liability is determined Patient accounts receivable are due in full when billed Accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of accounts receivable, the System analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts

For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides contractual allowances based on these amounts Additionally, an allowance for uncollectible accounts is provided for expected uncollectible deductibles and copayments on accounts for which the patient is responsible For receivables associated with self-pay patients, the System records a significant provision for uncollectible accounts 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 or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts

The System's allowance for uncollectible accounts at December 31, 2013 and 2012 was $64,844 and $54,909, respectively The allowance for uncollectible accounts (including a portion allowed for financial assistance) for self-pay patients was approximately 88% and 93% of self-pay accounts receivable at December 31, 2013 and 2012, respectively The provision for patient uncollectible accounts for the year ended December 31, 2013 was $151,387 compared to $131,413 for the year ended December 31, 2012 The increase in expense was a result of negative trends experienced in the collection of long aged account balances and thus minor modifications made to current allowance estimates

Patient service revenues at established rates less third-party payer contractual adjustments (but before the provision for uncollectible accounts), recognized in the years ended December 31 were approximately

	2013	2012
Medicare	$ 978,591	$ 936,419
Medicaid	309,544	266,881
Wellmark	676,252	660,354
Commercial and other	686,750	692,515
Self-pay	143,837	129,839
	$ 2,794,974	$ 2,686,008

(Dollars in Thousands)

Patient accounts receivable at established rates, less contractual allowances and the allowance for uncollectible accounts, by payer class at December 31 were as follows

	2013	2012
Medicare	$ 95,363	$ 101,560
Medicaid	34,362	45,366
Wellmark	66,769	64,972
Commercial and other	141,466	124,416
Self-pay	40,125	42,241
	$ 378,085	$ 378,555

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates Amounts determined to be charity care are not reported as revenue

Functional Expenses

The System provides general health care services, including acute inpatient, outpatient, physician, ambulatory, long-term and home health care, and incurs related general and administrative expenses Expenses related to providing these services for the years ended December 31 were as follows

	2013	2012
General health care services	$ 2,231,543	$ 2,176,883
Management, general and administrative	522,628	491,349
Research	4,688	2,914
	$ 2,758,859	$ 2,671,146

Contributions and Beneficial Interest in Net Assets

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received All contributions are considered to be available for unrestricted use unless specifically restricted by the donor Donor-imposed restrictions are considered fulfilled as soon as the stipulated time has expired or the qualifying expenditure has been made Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions

Contributions not expected to be collected within a year are recorded at the present value of expected future cash flows using a risk-free interest rate over the term of the contribution Contributions of property are recorded at fair value when received

Interests in charitable trusts and perpetual trusts are carried at the present value of expected future cash flows, which approximates fair value The System's interest in the net assets (the Interest) of certain foundations that raise and hold assets on behalf of the System is accounted for in a manner similar to the equity method The Interest is stated at fair value, and changes in the Interest are included in the change in net assets Transfers of assets between these foundations and the System are recognized as increases or decreases in the Interest

Estimated Malpractice Costs, Health Insurance and Workers' Compensation

An annual estimated provision is accrued for the self-insured portion of medical malpractice, health insurance, and workers' compensation claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported

Claims liabilities are recorded at the gross amount, without consideration of insurance recoveries Expected recoveries are presented separately as receivables in the consolidated balance sheets

Interest Rate Swap Agreements

The System has entered into various interest rate-swap agreements (the Swaps) to reduce the effect of changes in cash flows primarily related to interest rate fluctuations on the System's various variable rate demand bond issues The Swaps were entered into for the risk management purpose of reducing the variability in cash flows related to the System's variable rate debt

As described in Note 8, the System has designated certain swaps as hedges, while other swaps have not been designated as hedging instruments The effective portion of changes in the fair value of swaps designated as hedges is recognized as a component of other changes in net assets, while the ineffective portion of these swaps changes in fair value, and all changes in fair value of swaps not designated as hedges, is recorded as a component of nonoperating gains (losses) in excess of revenues over expenses

The Swaps are recognized on the consolidated balance sheets at fair value The net cash payments or receipts under the Swaps designated as hedging instruments are recorded as an increase or decrease to interest expense The net cash payments or receipts under the Swaps not designated as hedges are recorded as an increase or decrease to other nonoperating income (loss)

Income Taxes

UnityPoint Health and most of its subsidiaries are classified as tax-exempt organizations as described in Sections 501(c)(3) and 501(c)(2) of the Internal Revenue Code (the Code) Tax-exempt organizations are not subject to federal and state income taxes on related income, pursuant to Section 501(a) of the Code These organizations are subject to federal and state income taxes to the extent they have unrelated business income as described under provisions of Section 511 of the Code

The System files Form 990 for substantially all of its operating entities in the U S federal jurisdiction and is no longer subject to examination by tax authorities for the years before 2010 The System has no material uncertain tax positions

Certain subsidiaries are subject to federal and state income taxes Some of these corporations have accumulated net operating loss carryforwards that are available to offset future taxable income during the carryforward period No income tax benefit has been recognized for the net operating loss carryforwards or other potential deferred tax assets in the consolidated financial statements because the System believes realization of these benefits is unlikely

Retirement Plans

Substantially all employees meeting age and length of service requirements participate in defined contribution plans Certain subsidiaries also have defined benefit plans, most of which have been substantially frozen Pension costs for the defined benefit plans, which are composed of normal costs and amortization of prior service costs related to defined benefit plans, are funded currently

Note 2: Affiliation with Proctor Peoria

On November 7, 2013, MHSC executed an affiliation agreement with PHCI, an independent integrated healthcare provider operating in Peoria, Illinois PHCI operates Proctor Hospital, a nonprofit 220 bed facility, and Proctor Medical Group, which offers primary and urgent care The results of PHCI's operations have been included in the consolidated financial statements since that date Integrating into MHSC is expected to allow for an improved patient experience by coordinating care and providing high quality services using both PHCI's north Peoria campus and MHSC's downtown Peoria campus The affiliation was accomplished by MHSC becoming the sole member of PHCI and having the ability to appoint the board members of PHCI No consideration was transferred for the net assets of PHCI, thus the fair value of unrestricted net assets received by the System is shown as contribution revenue in the consolidated statement of operations for the year ended December 31, 2013

(Dollars in Thousands)

The following table summarizes the fair value of the assets acquired and liabilities assumed recognized at the affiliation date

Recognized Fair Value of Identifiable Assets Acquired and Liabilities Assumed

Current assets	$	28,656
Property, plant and equipment		49,562
Noncurrent assets		13,277
Total assets		91,495
Current liabilities		35,408
Long-term debt		26,966
Long-term liabilities		14,767
Total liabilities		77,141
Total contribution received	$	14,354

Summary of Contribution Received by Net Asset Classification

Unrestricted contribution received	$	1,012
Temporarily restricted contribution received		12,394
Permanently restricted contribution received		948
Total contribution received	$	14,354

The affiliation resulted in an inherent contribution received of $14,354, which represents the net recognized amount of the identifiable assets acquired over the liabilities assumed Acquisition of the unrestricted net assets is included in contribution revenue in the consolidated statement of operations for the year ended December 31, 2013 The temporarily and permanently restricted net assets are included as increases to those classes of net assets in the amounts of $12,394 and $948, respectively, for the year ended December 31, 2013

PHCI contributed revenues of $18,449, deficiency in revenues over expenses of $1,748, a reduction in unrestricted net assets of $516, and increases in temporarily restricted and permanently restricted net assets of $115 and $10, respectively, to the System for the period from the affiliation date through December 31, 2013

Note 3: Charity Care

The System provides charity care and financial assistance discounts for medically necessary health care services provided to persons who meet the System's policy. The policy provides a percentage discount to the patient that decreases at gradually higher income levels or higher levels of household net assets. The benchmark upon which the income level is compared to is the Federal Poverty Income Guideline and is updated annually. Patients who are already receiving benefits from certain identified government programs qualify for presumptive eligibility.

The availability of charity care is widely communicated to all patients and patients are notified prior to receiving services if their treatment does not fall within the guidelines of the policy. Amounts charged for care that is provided to individuals eligible for charity may not be more than the amounts generally billed to individuals who have insurance covering such care. Amounts billed are based on either the best, or an average of the three best, negotiated commercial rates, or Medicare rates.

Accounts that are classified by the System as charity care are not reported as net patient service revenue. In some cases, the charity care is subsidized by contributions from volunteer organizations or other donors. Charity care subsidies are not material to the consolidated financial statements.

Cost of charity care is calculated by applying hospital specific cost-to-charge ratios to the total amount of charity care deductions from gross revenue. The cost-to-charge ratio is calculated by taking the hospital total expenses and gross charges and applying adjustments to remove the cost of non-patient care activity, Medicaid provider taxes paid, identifiable community benefit expenses, as well as gross patient charges that are generated for identifiable community benefit services. The amount of charity care provided at cost was $48,416 and $49,752 for the years ended December 31, 2013 and 2012, respectively.

Community benefit is also provided through reduced price services and free programs offered throughout the year. The System provides an array of uncompensated activities and services intended to meet the community health needs. These activities include wellness programs, community education programs, and various health screening programs. The cost of providing these community benefit services is reported on Schedule H of the System's IRS Form 990.

Note 4: Third-Party Reimbursement

As a provider of health care services, the System generally grants credit to patients without requiring collateral or other security. The System routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies. These health insurance programs or providers are commonly referred to as third-party payers and include the Medicare and Medicaid programs, Wellmark and various health maintenance and preferred provider organizations.

A major portion of the System's revenue is derived from these third-party payers Significant changes have been made, and may be made, in certain of these programs, which could have a material, adverse impact on the financial condition of the System These changes include federal and state laws and regulations, particularly those pertaining to Medicare and Medicaid

The System has agreements with certain third-party payers that provide for payment of services at amounts that differ from established rates Third-party payer payment rates vary by payer and include established charges, contracted rates less than established charges, prospectively determined rates per discharge, per procedure, or per diem, retroactively determined cost-based rates

The impact of current economic conditions on government budgets may have an adverse effect on the cash flow from government-sponsored Medicare or Medicaid programs The State of Illinois has experienced financial difficulties as a result of the downturn in the economy, which caused payment delays for much of the last two years related to services that have been rendered under the Medicaid program An increase to the state income tax has provided Illinois with the means to reduce a significant portion of the delayed payment As of December 31, 2013 and 2012, the System has net accounts receivable of $10,867 and $21,205, respectively, which are owed from the State of Illinois Management believes that these receivables are fully collectible for historical services rendered, however, the State of Illinois continues to evaluate the need to reduce Medicaid expenditures going forward Any changes to reimbursement rates in the future could have a negative impact on cash flow for services rendered in the future

Certain provisions of the Federal Government's *Budget Control Act of 2011* went into effect on January 1, 2013 Among these are mandatory payment reductions under the Medicare Fee-for-Service program, known as sequestration The *American Taxpayer Relief Act of 2012* postponed sequestration for two months, but the order was issued by President Obama on March 1, 2013 Under these provisions, Medicare reimbursement was reduced by two percent on all claims with dates-of-service or dates-of-discharge on or after April 1, 2013 Under current law, sequestration is scheduled to last through 2023 The continuation of these payment cuts for an extended period of time will impact the operating results of the System and may have an adverse effect on long-term cash flows

Value Based Contracting

Trimark Physicians Group, a 47 member multi-specialty physician group employed by Trimark, a wholly owned subsidiary of the System's Trinity Health Systems, Inc subsidiary, and Trinity Regional Medical Center of Fort Dodge were selected to participate in the Pioneer Accountable Care Organization (ACO) Model, a transformative new initiative sponsored by the Centers for Medicare and Medicaid Services Innovation Center (CMMI) The Pioneer ACO (Trinity Pioneer ACO, L C) began operations on January 1, 2012 as the only physician group and hospital in Iowa participating in the model program This agreement covers approximately 10,000 lives Through the Pioneer ACO Model, Trimark and Trinity will work with CMMI to provide Medicare beneficiaries with higher quality care, while reducing growth in Medicare expenditures through enhanced care coordination

Effective April 1, 2012, the System's wholly owned subsidiary, Iowa Health Accountable Care, L C , which is included in the consolidated financial statements, and Wellmark, Inc , doing business as Wellmark Blue Cross and Blue Shield, entered into an agreement to create Iowa's first commercial health plan ACO The new ACO focuses on coordinating care to improve quality, provide greater value, and slow increases in health care costs This agreement covers approximately 55,000 lives, whereby the System's providers will be rewarded for lowering cost per attributed member below a target level, and covers approximately 140,000 lives, whereby the System's providers will be rewarded for their ability to meet measures regarding patient experience, chronic and follow-up care, and primary prevention

Effective July 1, 2012, the System, again through its wholly owned subsidiary Iowa Health Accountable Care, L C , was accepted by the Centers for Medicare and Medicaid Services (CMS) as a Medicare Shared Savings Program ACO This ACO covers approximately 75,000 lives and will allow the System to work with CMS to provide Medicare fee-for-service beneficiaries with high quality service and care, while reducing the growth in Medicare expenditures through enhanced care coordination

Incentives earned under these ACO contracts will be recorded as additional reimbursement and included in net patient service revenue in the consolidated statements of operations During the years ended December 31, 2013 and 2012, $7,812 and $2,293, respectively, was recognized related to these contracts

Iowa Medicaid State Plan

In 2011, the State of Iowa enacted a Medicaid State Plan in which an annual tax assessment is levied on certain hospital providers in order to provide funding for Medicaid to obtain federal matching funds A portion of these additional federal funds are then redistributed to participating Iowa hospitals through increased Medicaid payments in order to help bring Medicaid reimbursement closer to the cost of providing care The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients

The System's tax assessment during 2013 and 2012 was $10,726 and $12,157, respectively, and is included in operating expenses in the consolidated statements of operations Additional Medicaid reimbursement in the same periods was approximately $19,947 and $19,304, respectively, and is included in net patient service revenue in the consolidated statements of operations, resulting in a net increase in operating income of $9,221 and $7,147, respectively

Illinois Medicaid State Plan

The Illinois Medicaid State Plan serves a similar purpose as the Iowa plan but has been in place since 2006 Under the amended Illinois Medicaid State Plan, proceeds from the tax assessment are used to obtain federal matching funds, all of which must be distributed to Illinois hospitals and physicians to help bring Medicaid reimbursement closer to the cost of providing care The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients The System's tax assessment relates to Trinity Regional Health System and MHSC

In 2013 and 2012, the System's tax assessment was $28,518 and $17,483, respectively, and is included in operating expenses in the consolidated statements of operations. Additional Medicaid reimbursement in the same periods was approximately $63,012 and $34,316, respectively, and is included in net patient service revenue in the consolidated statements of operations, resulting in a net increase in operating income of $34,494 and $16,833 in 2013 and 2012, respectively.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible health systems that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under both the Medicare and Medicaid programs are generally made for up to four years based on a statutory formula. The Medicaid programs are determined on a state by state basis, which are approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the System initially attesting to being a meaningful user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable, for consecutive reporting periods. The final amount for any payment year is determined based upon an audit by the administrative contractor. Events could occur that would cause final amounts to differ materially from initial payments under the program.

The System recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period.

All of the System's affiliates have completed the first-year requirements under the Medicare program and many have also qualified for the second-year requirements. The System recorded revenue of $25,055 and $17,452 during 2013 and 2012, respectively, related to the program, which is included in other operating revenue in the consolidated statements of operations. This revenue also includes portions accrued related to the second-year and third-year, where applicable, of the program to the extent management is reasonably assured the applicable objectives are being met during the reporting period.

For the Medicaid program, the majority of the System's affiliates completed the first-year requirements during 2011. The second-year of the Medicaid program coincides with the requirements of the first-year of the Medicare program, and all of the System's affiliates successfully completed these requirements during 2013. Total revenue recognized during 2013 and 2012 was $6,933 and $7,235, respectively, which is included in other operating revenue in the consolidated statements of operations. This revenue includes amounts related to second year and third year, where applicable, of the program.

Revenue recorded for both the Medicare and Medicaid program EHR funds relate to the implementation of EHR technology within the System's hospitals as well as affiliated physician group practices.

(Dollars in Thousands)

Note 5: Investments

Investment Summary

A summary of short-term investments at December 31 is as follows

	2013	2012
Cash equivalents	$ -	$ 1,151
Commercial paper	791	795
U S Treasury obligations	21,156	18,060
U S Government agency obligations	4,055	6,741
Asset-backed securities		
Home equity	-	48
Other	3,613	4,825
Mortgage-backed securities		
Government	5,139	6,091
Non-government	-	4,687
Certificates of deposit	549	440
Corporate bonds	19,164	13,392
Mutual funds		
Domestic	141	51
International	156	1,090
Emerging markets	-	149
Index	109	99
Equity	707	2,950
Fixed income	384	3,521
Other	102	49
Real estate	-	269
Total other short-term investments	$ 56,066	$ 64,408

(Dollars in Thousands)

A summary of investments reported as assets limited as to use at December 31 is as follows

	2013	2012
Held by trustees under bond indenture agreements		
Cash equivalents	$ 40,558	$ 2,897
Mortgage-backed securities	19	28
	40,577	2,925
Internally designated		
Cash equivalents	4,506	134,714
U S Treasury obligations	3,347	5,071
U S Government agency obligations	367	2,515
Asset-backed securities		
Home equity	-	590
Other	-	57
Mortgage-backed securities		
Government	-	1,708
Non-government	-	546
Certificates of deposit	1,372	379
Corporate bonds	6,560	5,351
Equity securities		
Domestic	12,043	8,613
International	280	147
Mutual funds		
Domestic	1,343	1,050
International	243,237	112,669
Emerging markets	290	17,417
Index	848	470
Equity	324,697	268,496
Fixed income	261,493	316,490
Other	404	143
Alternative investments	119,070	-
Hedge funds	38,148	19,465
Private equity funds	2,723	871
Interest receivable	39	115
	1,020,767	896,877
Total assets limited as to use	1,061,344	899,802
Less amount required to meet current obligations	14,618	14,405
Noncurrent portion of assets limited as to use	$ 1,046,726	$ 885,397

(Dollars in Thousands)

Assets held by trustee under bond indenture agreements are required to be held in separate trust accounts A summary of these trust accounts aggregated by their required use at December 31 is as follows

	2013	2012
Construction accounts	$ 37,652	$ -
Collateral and other accounts	2,925	2,925
	$ 40,577	$ 2,925

Internally designated assets are summarized below based on the designation at December 31

	2013	2012
Capital improvements	$ 985,922	$ 861,101
Self-insured reserves	33,017	35,383
Bond interest account	1,828	393
	$ 1,020,767	$ 896,877

(Dollars in Thousands)

Investments presented as other long-term investments at December 31 are summarized as follows

	2013	2012
Cash equivalents	$ 2,274	$ 33,822
U S Treasury obligations	875	1,203
U S Government agency obligations	98	661
Asset-backed securities		
Home equity	-	155
Other	-	14
Mortgage-backed securities		
Government	-	434
Non-government	-	132
Corporate bonds	1,228	861
Equity securities		
Domestic	6,386	5,805
International	486	407
Mutual funds		
Domestic	3,352	1,273
International	90,733	48,722
Emerging markets	7,575	5,438
Index	5,619	3,936
Equity	144,737	111,008
Fixed income	148,752	152,030
Other	21,117	14,732
Alternative investments	39,166	6,447
Hedge funds	23,047	16,675
Private equity funds	726	210
Notes receivable	15	15
Interest receivable	134	159
Insurance policies	4,247	4,419
Real estate	-	1,255
Interest rate swaps *(see Note 8)*	1,456	3,236
Total other long-term investments	$ 502,023	$ 413,049

(Dollars in Thousands)

The following schedule summarizes the investment return and its classification in the consolidated statements of operations and changes in net assets for the years ended December 31

	2013	2012
Investment return		
Interest and dividends	$ 54,403	$ 28,415
Realized gains on sales of investments	52,067	143,430
Unrealized gains (losses) on trading investments	43,298	(82,144)
Unrealized gains on other-than-trading investments	2,252	598
Equity in earnings of joint ventures	20,178	23,468
Change in fair value of investments accounted for under the fair value option of FASB ASC Topic 825	16,991	51,655
	$ 189,189	$ 165,422
Investment return classification		
Unrestricted net assets		
Other operating revenue	$ 23,019	$ 26,627
Nonoperating gains – investment income	159,341	134,815
Temporarily restricted net assets	5,569	2,779
Permanently restricted net assets	1,260	1,201
	$ 189,189	$ 165,422

Alternative Investments

At December 31, 2013 and 2012, 14% and 3%, respectively, of the System's investments were invested in alternative investment vehicles These investments are included in either internally designated or other long-term investments in the investment summary tables (previously presented) based on the underlying investments Due to the nature of the alternative investments and the need for the fund managers to execute on long-term strategies, many of the vehicles contain specific lock-up periods, restricted redemption timing, as well as advanced notice of redemption requests

(Dollars in Thousands)

A summary of these details for each of the alternative investments held at December 31 is as follows

	As of December 31, 2013			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified property alternative fund	$ 59,795	$ -	Quarterly	65 days
Structured credit alternative fund	49,271	-	Quarterly, 2 year lock-up	65 days
Special situations alternative fund	49,170	-	Semi-annual, 2 year lock-up	95 days
Multi-strategy offshore hedge fund	60,640	-	Quarterly, 1 year lock-up	65 days
Multi-strategy hedge fund	555	-	Semi-annual	95 days
Healthcare private equity fund	3,449	7,554	10 year lock-up	N/A
	$ 222,880	$ 7,554		

	As of December 31, 2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified property alternative fund	$ 6,447	$ -	Quarterly	65 days
Multi-strategy offshore hedge fund	11,969	-	Quarterly, 1 year lock-up	65 days
Multi-strategy hedge fund	24,171	-	Semi-annual	95 days
Healthcare private equity fund	1,081	8,495	10 year lock-up	N/A
	$ 43,668	$ 8,495		

As of December 31, 2013, the alternative investment vehicles consist of three alternative funds, two hedge funds, and one private equity fund The investment strategy of the diversified property alternative fund is to invest in income producing real estate properties utilizing a low level of leverage The structured credit alternative fund is a fixed income fund with an objective of generating high total returns using a strategy of investing in domestic credit markets, primarily through collateralized debt obligations and other structured credit instruments, such as loan participations and derivative instruments The special situations alternative fund is a multi-strategy hedge fund-of-funds with the objective of achieving high returns balanced against an appropriate level of volatility and market exposure over a full market cycle The hedge funds utilize strategies aiming to provide low return volatility through tactical investment strategies while earning a total rate of return in excess of rates achieved from a standard index The private equity fund has a strategy of investing in early-stage companies and entrepreneurs within the health care industry There is no public market for shares in these alternative investment vehicles The value of the investments in the funds is determined based on the fair values of the underlying securities

(Dollars in Thousands)

In situations when investments do not have readily determinable fair values, the fund managers provide the net asset value (NAV) per share, or its equivalent, to the System. The NAV provided by the fund managers is supported by underlying audit reports of the private investment funds. The System previously adopted ASU 2009-12, which provided a practical expedient for certain investments to use net asset value per share to measure fair value. Accordingly, the System uses the NAV as a practical expedient for fair value for each of its alternative investments.

During 2011, the System committed to investing $10,000 in the private equity fund with a lock-up period of ten years. The System's interest is nonredeemable and the System has contributed $2,446 to this investment as of December 31, 2013.

Investments in Joint Ventures

At December 31, 2013 and 2012, investments in joint ventures amounted to $58,932 and $60,054, respectively. Other investments also included in this line in the consolidated balance sheets consist primarily of investments reported at cost and real estate held for investment.

On June 22, 2012, the System purchased, through a designated physician licensed in Illinois, a 45% interest in Quincy Physicians & Surgeons Clinic, S.C., doing business as Quincy Medical Group (QMG), of Quincy, Illinois for $18,743. QMG is a multi-specialty physician practice group with over 120 physicians practicing 27 specialties. The physician relationships gained through this investment allow for strong collaboration and clinical innovation between QMG and the System's affiliated physicians. As of December 31, 2013 and 2012, the carrying value of the System's investment in QMG was $18,390 and $18,972, respectively, and is included in investment in joint ventures on the consolidated balance sheets.

The joint ventures consist of 46 privately held health care organizations in which the System's ownership interest ranges from 20% to 50%. The joint ventures collectively had the following financial information as of and for the years ended December 31:

	2013	2012
Total assets	$ 224,393	$ 247,699
Net revenues	339,471	354,057
Net income	45,022	58,992

The System's share of earnings on the investments in joint ventures is included in other operating revenue in the consolidated statements of operations. The System recorded activity related to joint ventures for the years ended December 31 as follows:

	2013	2012
Earnings on investments in joint ventures	$ 20,178	$ 23,468
New investments in joint ventures	483	19,011
Distributions received from joint ventures	21,783	25,135

(Dollars in Thousands)

The System both purchases services and sells services and supplies to several joint ventures In 2013 and 2012, services purchased from joint ventures totaled $18,107 and $15,540, respectively Services and supplies sold to joint ventures in 2013 and 2012 were $9,325 and $7,438, respectively The System has loaned $1,500 to a joint venture as of December 31, 2013, with an additional commitment of up to $3,200 This loan is interest bearing and carries a rate of interest commensurate with prevailing market rates

Note 6: Property, Plant and Equipment

Property, plant and equipment are stated at cost and are summarized at December 31 as follows

	2013	2012
Land	$ 107,169	$ 97,434
Land improvements	53,968	52,868
Buildings, improvements and fixed equipment	1,707,240	1,606,253
Moveable equipment	1,072,883	1,147,808
	2,941,260	2,904,363
Less accumulated depreciation and amortization	1,608,855	1,644,431
	1,332,405	1,259,932
Construction/information systems installation in progress	72,062	64,556
Net property, plant and equipment	$ 1,404,467	$ 1,324,488

As of December 31, 2013 and 2012, the System has committed approximately $224,193 and $133,904, respectively, for costs related to various hospital construction and information systems projects The System plans to fund the majority of these projects through internal funds, with supplemental debt financing for certain projects

(Dollars in Thousands)

Note 7: Long-term Debt

Long-term debt at December 31, 2013 and 2012 is summarized as follows

	Payable Through	Issuance Type (1)	Interest Rate (2)	2013	2012
Hospital Facility Revenue Bonds					
Series 2013A	2044	Fixed	5.25%	$ 103,175	$ -
Series 2013B	2039	VRDB	0.05%, N/A	79,120	-
Series 2011A	2021	Fixed	3.29%	47,790	52,960
Series 2011B	2041	VRDB	0.14%, 0.14%	51,220	51,220
Series 2010A	2016	VRDB	0.96%, N/A	6,986	-
Series 2009A	2035	VRDB	0.03%, 0.13%	49,810	51,255
Series 2009B	2035	VRDB	0.03%, 0.13%	49,810	51,255
Series 2009C	2035	Variable	N/A, 1.11%	-	29,450
Series 2009D	2035	Variable	0.78%, 0.78%	53,185	54,730
Series 2009E	2039	Variable	0.90%, 0.95%	41,500	43,000
Series 2008A	2037	Fixed	2.50% - 5.625%	141,720	143,910
Series 2006	2031	VRDB	0.05%, 0.25%	12,305	12,715
Series 2006A	2025	Fixed	5.12%	22,525	-
Series 2005	2031	Fixed	1.45% - 1.98%	3,402	3,517
Series 2005A	2035	Fixed	2.50% - 5.625%	181,425	186,690
Series 1985B	2015	VRDB	0.05%, 0.15%	23,000	23,000
Total hospital facility revenue bonds				866,973	703,702
Capital lease obligations	2026	Fixed	0% - 5.92%	17,563	16,117
Revolving lines of credit	2014	Variable	Various	18,743	81,993
Other notes and mortgages	2021	Fixed	2.70% - 8.00%	4,849	493
				908,128	802,305
Current maturities				(47,562)	(73,022)
Unamortized bond premium (discount)				(3,081)	(1,698)
Long-term portion				$ 857,485	$ 727,585

(1) Fixed rate, variable rate, or variable rate demand bonds (VRDB)
(2) Variable rates shown as of December 31, 2013 and 2012, respectively

On September 19, 2013, the System issued $103,175 of Iowa Finance Authority Health Facilities Revenue Bonds, Series 2013A to finance or refinance a portion of the costs of certain capital projects On October 3, 2013, $79,120 of Iowa Finance Authority Health Facilities Revenue Bonds, Series 2013B-1 and Series 2013B-2 were issued The purpose of these funds was to refund the Series 2009C bonds, which carried a mandatory tender date of December 1, 2013, and refinance a line of credit which was used to cover the $50,000 mandatory tender of the Series 2009F bonds on August 14, 2012

The Series 2011 Bonds are obligations of MHSC that were issued prior to their affiliation with the System, and thus they were the sole obligor under the bond indenture. In November 2013, MHSC and The Methodist Medical Center of Illinois, a subsidiary of MHSC, became members of the System's obligated group of joint and severally liable parties to the System's master trust indenture. As a result of this transaction, the System and the obligated group became additional obligors to the Series 2011 Bonds.

The Series 2010 and Series 2006A Bonds are obligations of PHCI that were issued prior to their affiliation with the System. Shortly after the affiliation transaction, in conjunction with MHSC becoming part of the obligated group, PHCI and Proctor Hospital, a subsidiary of PHCI, also became members of the System's obligated group. As a result of this transaction, the System and the obligated group became additional obligors to the Series 2010 and Series 2006A Bonds.

The Series 2009, 2008 and 2005 Bonds (collectively "the Bonds") are general obligations of the System and its affiliates. The System is required to meet certain operating and financial ratios contained in the master bond trust indenture, bond insurance agreements and bank letter of credit agreements (related to the variable rate demand bonds). The Bonds are subject to the provisions of amended and restated master trust indentures, which generally require monthly or quarterly deposits for principal and interest payments be made, and certain funds be maintained by the trustee for interest payment and bond retirement purposes.

The variable interest rates on substantially all of the bonds are adjusted daily or weekly by remarketing agents. The bonds may be tendered by the bond holders each interest rate period. The System maintains letters of credit that can be drawn on should the bonds not be remarketed. These letters of credit expire beginning in 2014 through 2020 and are renewable, subject to trustee approval and at the option of the providers, throughout the term of the bonds. Outstanding amounts under the letters of credit are due at the earlier of expiration of the agreement or over a period of three years, commencing after an initial outstanding period of 366 days or more.

In September 2012, the System completed an interest rate mode conversion for the 2009D and 2009E bonds converting the interest rate from a daily rate to an index rate. The interest rate modification was not considered a significant modification of terms, thus, all costs incurred from the mode conversion were expensed during the year. As part of this conversion, a Direct Note Obligation for the 2009D and 2009E bonds was issued to a financial institution, eliminating the supporting letter of credit requirement.

On January 6, 2012 and August 1, 2012, the System entered into two separate revolving line of credit facilities that provide for revolving credit in an aggregate principal amount of up to $50,000 each. The interest rates applicable to loans under the credit agreements are based on LIBOR plus certain margins, as defined in the agreements. Additionally, the facilities carry a commitment fee, which is charged on the average daily undrawn portion of the facilities. These credit facilities mature on December 31, 2014 and January 5, 2016. These agreements contain various financial covenants that mirror those in the System's master bond trust indenture.

(Dollars in Thousands)

Aggregate annual maturities of long-term debt during the years ending December 31 are as follows

	Accelerated Maturities with Letter of Credit Expirations	Scheduled Maturities Based on Loan Agreements
2014	$ 47,562	$ 47,562
2015	199,668	47,661
2016	98,596	26,044
2017	26,019	27,442
2018	22,235	27,795
Thereafter	514,048	731,624
	$ 908,128	$ 908,128

Note 8: Interest Rate Swaps

Swaps Designated as Hedging Instruments

As a risk management strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the System has entered into the following interest rate swap agreements

Trade Date	Maturity Date	Current Notional Amount	Health System Pays	Health System Receives	Accounting Treatment	Fair Value 2013	Fair Value 2012
2005	2035	$ 181,425	3.5%	62.4% of LIBOR + 29 bps	Cash Flow Hedge	$ (18,472)	$ (36,024)

In 2005, the System entered into three interest rate swap agreements, which effectively converted the Series 2005B variable rate bonds into fixed rate debt at a rate of 3.5% (4.1% including transaction costs) During 2009, these swaps were redesignated to hedge the Series 2009 A-D Bonds During 2013, a portion of the proceeds from the issuance of the Series 2013B Bonds were used to repay the Series 2009C Bonds As a result, the System redesignated a portion of the swaps that were hedging these Bonds to hedge the new Series 2013B Bonds The swap agreements have an aggregate notional amount of $181,425 at December 31, 2013

(Dollars in Thousands)

Management has designated the above interest rate swap agreements as cash flow hedging instruments, and has determined that these agreements are highly effective. The aggregate fair value of the swap agreements is recorded as a long-term liability of $(18,472) at December 31, 2013 and $(36,024) at December 31, 2012. The change in fair value of $17,552 and $1,004 for the years ended December 31, 2013 and 2012, respectively, is reported as part of the change in unrealized gains and losses on swaps. Interest, the net of what the System pays and receives under the two legs of the swaps, is settled monthly on each swap agreement and is reported as interest expense.

The System has provisions within certain interest rate swap agreements that would require it to post collateral should the negative fair value of the agreements exceed certain thresholds, which are between $25,000 and $55,000 depending on the agreement, or the System's credit rating fall below Aa3 by Moody's or AA- by S&P. As of December 31, 2013, the System has not been requested to post collateral under these agreements.

The table below presents certain information regarding the System's interest rate swap agreements designated as a cash flow hedge. The System has additional derivative instruments at December 31, 2013 and 2012 that are no longer designated as hedging instruments under ASC 815 *(Derivatives and Hedging)*, which are shown in the section below the table.

	2013	2012
Long-term Liability		
Fair value of interest rate swap agreement	$ (18,472)	$ (36,024)
Unrestricted Net Assets		
Gain recognized in changes in unrealized gains and losses on investments (effective portion)	17,552	1,004

Other Swap Agreements

The System has also entered into the following interest rate swap agreements which are no longer designated as hedging instruments. The System has elected to carry these swaps as an investing activity, until such time that satisfactory termination values can be obtained, or their respective maturity date.

Trade Date	Maturity Date	Notional Amount	System Pays	System Receives	Fair Value 2013	Fair Value 2012
2006	2030	$ 60,000	100% of SIFMA[a]	68.0% of 10Y LIBOR + 14.3 bps[a]	$ 1,456	$ 3,236
2006	2037	139,350	3.8%	61.9% of LIBOR + 31 bps	(22,399)	(40,491)
2006	2023	41,200	3.5%	61.9% of LIBOR + 31 bps	(4,593)	(7,689)
2005	2035	60,475	3.3%	62.4% of LIBOR + 29 bps	(5,447)	(11,087)
					$ (30,983)	$ (56,031)

[a] Through February 18, 2014, MHSC will receive payment of 1.255% of the notional amount. After that date, MHSC receives payment in accordance with contracted terms, which are stated in the table above as of December 31, 2013. A trade executed on November 1, 2013 modifies the amount received to 1.935% of notional, effective February 18, 2014. From that date through February 15, 2017, MHSC will pay 68% of 10Y LIBOR + 14.3 bps. After February 15, 2017, MHSC makes payments in accordance with contracted terms, which are stated in the table above.

(Dollars in Thousands)

The aggregate fair value of the unhedged swap agreements are recorded as long-term investments of $1,456 and $3,236 and long-term liabilities of $(32,439) and $(59,267), as of December 31, 2013 and 2012, respectively. The change in fair value of $25,048 and $4,465 is included as a component of other income as of December 31, 2013 and 2012, respectively. Interest, the net of what the System pays and receives, is settled monthly or quarterly on each swap agreement and is reported as other income (loss).

In prior years, certain swap agreements previously designated as hedges by the System were deemed to be ineffective. The effective portion of these changes in fair value, previously deemed effective, is being amortized into other income (loss) over the remaining life of the swap. As of December 31, 2013 and 2012, $(577) and $(638) of net unrealized losses remain in net assets to be amortized and $(61) was amortized into other loss in both 2013 and 2012.

Other Swaps

	2013	2012
Other Long-term Investments		
Fair value of interest rate swap agreement	$ 1,456	$ 3,236
Other Long-term Liabilities		
Fair value of interest rate swap agreements	(32,439)	(59,267)
Unrestricted Net Assets		
Change in unrestricted net assets amortizing into Other, net	61	61
Nonoperating Other, net		
Gain recognized in income from changes in fair value of interest rate swaps	25,048	4,465
Loss recognized in income from amortization of unrecognized losses in unrestricted net assets	(61)	(61)

During 2012, the System novated several interest rate swap agreements, which were not designated as hedges, to new counterparties to alleviate the underlying insurance and collateral exposure. This novation did not modify any of the terms of the original swap agreements. Management determined that these did not constitute new hedging instruments, and therefore there was no change in the accounting for the agreements.

Note 9: Related-Party Transactions

The System leases real estate from certain companies controlled by members of the Board of Directors of the System or its subsidiaries Minimum payments under these operating leases are $4,595 per year The leases expire in various periods through 2022 Rent expense under these leases, including a pro rata portion of certain operating expenses of the facilities, was $4,595 and $5,567 for 2013 and 2012, respectively At December 31, 2013 and 2012, the System also had outstanding debt with such parties related to real estate capital lease obligations of $9,983 and $10,486, respectively, and an outstanding note payable in the amount of $2,184 and $0 The System also leases real estate to physicians who may serve the System through board of director or medical director roles

The System purchases a variety of services and products from companies affiliated with members of the Boards of Directors of the System and/or its subsidiaries Services and products purchased from these affiliated companies during 2013 and 2012 totaled $15,781 and $16,187, respectively, of which $4,369 and $8,131, respectively, were related to construction project costs In addition, the System purchases services from several joint ventures and sells services and supplies to several joint ventures in which the System is also an investor

The System has recorded receivables for amounts held by nonconsolidated foundations on behalf of the System of $46,427 and $44,142 as of December 31, 2013 and 2012, respectively Contributions received from nonconsolidated foundations and other related parties were $6,051 and $2,925 in 2013 and 2012, respectively

The System believes these transactions are consummated under commercially reasonable business arrangements

Note 10: Retirement Benefit Plans

Defined Contribution Retirement Plans

The System has several defined contribution benefit plans, which are available to substantially all employees meeting age and length of service requirements Participating employers annually determine the amount, if any, of the System's contributions to the plans Total benefit expenses under the defined contribution plans were approximately $57,352 and $53,790 for 2013 and 2012, respectively The System also has deferred compensation plans for certain employees Total expenses under the deferred compensation plans were $3,025 and $1,521 for 2013 and 2012, respectively

Defined Benefit Plans

Prior to 2001, substantially all employees of four of the System's subsidiaries were covered by noncontributory defined benefit pension plans, all of which have subsequently been frozen to new participants or terminated. The System's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the System may determine to be appropriate from time to time.

Upon the affiliation with MHSC (Methodist Peoria) during 2011, the System inherited their noncontributory defined benefit pension plan, which has been frozen to new participants since 2007. Pension benefits are based on compensation of employees and years of service and are actuarially determined. As part of the accounting for the affiliation transaction, unrecognized pension benefit costs in unrestricted net assets were eliminated as they will not be recognized through earnings on the System's consolidated financial statements.

As of December 31, 2012, MHSC froze its defined benefit pension plan. Subsequent to this date, no additional benefits will be accrued by participants in the plan. There is currently no arrangement to terminate the plan and contributions will continue to the extent the plan remains underfunded. As a result of this plan freeze, a curtailment gain of $8,914 was recognized in the consolidated statements of operations for the year ended December 31, 2012.

Upon the affiliation with PHCI (Proctor Peoria) during the current year, the System also inherited their noncontributory defined benefit pension plan. This plan covers substantially all employees of PHCI and has been frozen with regard to the accrual of additional benefits since 2008. It has also been frozen to new participants since that same year. Similar to the MHSC plan, the unrecognized pension benefit costs in unrestricted net assets were eliminated as part of the accounting for the affiliation.

The System expects to contribute $19,522 to the plans in 2014. The System uses a December 31 measurement date for the plans.

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Notes to Consolidated Financial Statements
(Dollars in Thousands)
December 31, 2013 and 2012

The following tables set forth information about each defined benefit plan

	As of December 31, 2013				
	Des Moines	Methodist Peoria	Proctor Peoria	Cedar Rapids	Waterloo
Change in benefit obligation					
Benefit obligation, beginning of year	$ 213,558	$ 231,268	$ 62,595 *	$ 133,693	$ 67,239
Service cost	-	-	-	87	485
Interest cost	9,548	10,300	540	5,972	3,007
Actuarial gain	(17,267)	(26,077)	(624)	(13,857)	(6,101)
Benefits paid	(9,962)	(7,343)	(504)	(4,727)	(2,319)
Benefit obligation, end of year	195,877	208,148	62,007	121,168	62,311
Change in fair value of plan assets					
Fair value of plan assets, beginning of year	209,622	143,843	49,837 *	105,150	61,558
Actual return on plan assets	1,485	19,730	1,220	3,864	328
Employer contributions	7,175	7,033	-	5,000	3,300
Benefits paid	(9,962)	(7,343)	(504)	(4,727)	(2,319)
Fair value of plan assets, end of year	208,320	163,263	50,553	109,287	62,867
Funded status, end of year	$ 12,443	$ (44,885)	$ (11,454)	$ (11,881)	$ 556
Accumulated benefit obligation	$ 195,877	$ 208,148	$ 62,007	$ 121,131	$ 62,311

*As of November 7, 2013

	As of December 31, 2013				
	Des Moines	Methodist Peoria	Proctor Peoria	Cedar Rapids	Waterloo
Assets and Liabilities recognized in the consolidated balance sheets					
Noncurrent assets	$ 12,443	$ -	$ -	$ -	$ 556
Current liabilities	-	(325)	-	-	-
Noncurrent liabilities	-	(44,560)	(11,454)	(11,881)	-
	$ 12,443	$ (44,885)	$ (11,454)	$ (11,881)	$ 556
Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost					
Net (gain) loss	$ 27,169	$ (33,725)	$ (1,231)	$ 35,217	$ 17,772
Net prior service credit	-	-	-	-	(3,111)
	$ 27,169	$ (33,725)	$ (1,231)	$ 35,217	$ 14,661
Amounts expected to be recognized within one year					
Net (gain) loss	$ 845	$ (1,326)	$ (253)	$ 2,686	$ 1,434
Net prior service credit	-	-	-	-	(649)
	$ 845	$ (1,326)	$ (253)	$ 2,686	$ 785
Other changes in plan assets recognized in changes in net assets					
Net gain	$ (4,181)	$ (34,308)	$ (1,231)	$ (9,145)	$ (2,011)
Amortization of					
Net loss	(1,514)	-	-	(3,923)	(1,825)
Prior service (cost) credit	-	-	-	-	649
Total recognized in changes in net assets	$ (5,695)	$ (34,308)	$ (1,231)	$ (13,068)	$ (3,187)

Iowa Health System and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)
December 31, 2013 and 2012

	As of December 31, 2013				
	Des Moines	Methodist Peoria	Proctor Peoria	Cedar Rapids	Waterloo
Weighted-average assumptions used to determine benefit obligations for the year ended December 31, 2013					
Discount rate	5.40%	5.40%	5.40%	5.40%	5.40%
Rate of compensation increase	N/A	N/A	N/A	5.00%	N/A
Weighted-average assumptions used to determine benefit costs for the year ended December 31, 2013					
Discount rate	4.55%	4.55%	5.31%	4.55%	4.55%
Expected return on plan assets	7.00%	8.50%	8.00%	8.25%	7.24%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A
Components of net periodic benefit cost					
Service cost	$ -	$ -	$ -	$ 87	$ 485
Interest cost	9,548	10,300	540	5,972	3,007
Expected return on plan assets	(14,571)	(12,158)	(611)	(8,576)	(4,418)
Amortization of prior service credit	-	-	-	-	(649)
Recognized net actuarial loss	1,514	-	-	3,923	1,825
Net periodic benefit cost (benefit)	$ (3,509)	$ (1,858)	$ (71)	$ 1,406	$ 250

	As of December 31, 2012			
	Des Moines	Peoria	Cedar Rapids	Waterloo
Change in benefit obligation				
Benefit obligation, beginning of year	$ 201,605	$ 231,059	$ 124,563	$ 61,016
Service cost	-	5,046	105	459
Interest cost	9,878	11,251	6,115	3,052
Amendments	-	-	-	65
Actuarial loss	9,826	14,298	6,835	5,205
Benefits paid	(7,751)	(6,049)	(3,925)	(2,558)
Curtailment gain from freezing benefits	-	(24,337)	-	-
Benefit obligation, end of year	213,558	231,268	133,693	67,239
Change in fair value of plan assets				
Fair value of plan assets, beginning of year	189,326	124,395	94,318	55,465
Actual return on plan assets	22,897	15,342	9,863	4,351
Employer contributions	5,150	10,155	4,894	4,300
Benefits paid	(7,751)	(6,049)	(3,925)	(2,558)
Fair value of plan assets, end of year	209,622	143,843	105,150	61,558
Funded status, end of year	$ (3,936)	$ (87,425)	$ (28,543)	$ (5,681)
Accumulated benefit obligation	$ 213,558	$ 231,268	$ 133,599	$ 67,239

(Dollars in Thousands)

	As of December 31, 2012			
	Des Moines	Peoria	Cedar Rapids	Waterloo
Liabilities recognized in the consolidated balance sheets				
Current liabilities	$ -	$ (568)	$ -	$ -
Noncurrent liabilities	(3,936)	(86,857)	(28,543)	(5,681)
	$ (3,936)	$ (87,425)	$ (28,543)	$ (5,681)
Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost				
Net loss	$ 32,864	$ 583	$ 48,285	$ 21,608
Net prior service credit	-	-	-	(3,760)
	$ 32,864	$ 583	$ 48,285	$ 17,848
Amounts expected to be recognized within one year				
Net loss	$ 1,514	$ -	$ 3,923	$ 1,825
Net prior service credit	-	-	-	(278)
	$ 1,514	$ -	$ 3,923	$ 1,547
Other changes in plan assets recognized in changes in net assets				
Net (gain) loss	$ (1,257)	$ 9,687	$ 4,773	$ 4,970
Prior service cost	-	-	-	65
Curtailment gain from freezing benefits	-	(15,423)	-	-
Amortization of				
Net loss	(1,994)	-	(3,882)	(1,567)
Prior service (cost) credit	(42)	26	-	651
Total recognized in changes in net assets	$ (3,293)	$ (5,710)	$ 891	$ 4,119

(Dollars in Thousands)

	As of December 31, 2012			
	Des Moines	Peoria	Cedar Rapids	Waterloo
Weighted-average assumptions used to determine benefit obligations for the year ended December 31, 2012				
Discount rate	4.55%	4.55%	4.55%	4.55%
Rate of compensation increase	N/A	N/A	5.00%	N/A
Weighted-average assumptions used to determine benefit costs for the year ended December 31, 2012				
Discount rate	5.00%	5.00%	5.00%	5.00%
Expected return on plan assets	6.30%	8.50%	8.25%	7.50%
Rate of compensation increase	N/A	3.25%	N/A	N/A
Components of net periodic benefit cost				
Service cost	$ -	$ 5,046	$ 105	$ 459
Interest cost	9,878	11,251	6,115	3,052
Expected return on plan assets	(11,814)	(10,730)	(7,801)	(4,115)
Amortization of prior service cost (credit)	42	(26)	-	(651)
Recognized net actuarial loss	1,994	-	3,882	1,567
Curtailment gain from freezing benefits	-	(8,914)	-	-
Net periodic benefit cost (benefit)	$ 100	$ (3,373)	$ 2,301	$ 312

The System has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement The plan agreements permit investment in common stocks, corporate bonds and debentures, U S Government securities, and other specified investments, based on certain target allocation percentages

(Dollars in Thousands)

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plans to recognize potentially higher returns through investment in equity securities and limited exposure to alternative investments Target asset allocation percentages for 2013 and 2012 were as follows

	2013				
	Des Moines	Methodist Peoria	Proctor Peoria	Cedar Rapids	Waterloo
Equity securities	17%	56%	70%	30%	22%
Fixed income	73	29	30	65	72
Alternative investments	10	15	-	5	6

	2012			
	Des Moines	Methodist Peoria	Cedar Rapids	Waterloo
Equity securities	20%	50%	45%	25%
Fixed income	80	30	55	75
Alternative investments	-	20	-	-

Plan assets are re-balanced quarterly At December 31, 2013 and 2012, plan asset allocations are as follows

	2013					2012			
	Des Moines	Methodist Peoria	Proctor Peoria	Cedar Rapids	Waterloo	Des Moines	Methodist Peoria	Cedar Rapids	Waterloo
Cash equivalents	-	-	1%	-	-	7%	-	1%	5%
U S Government agency obligations	18%	-	-	17%	19%	-	-	-	-
Corporate bonds	8	-	-	-	-	9	-	-	-
Equity securities									
Domestic	-	-	23	-	-	-	-	-	-
International	-	-	4	-	-	-	-	-	-
Mutual funds									
International	-	19%	31	-	-	8	17%	18	10
Emerging markets	1	5	-	2	-	7	-	-	1
Index	10	-	-	21	3	-	-	-	-
Equity	6	34	31	11	23	13	33	27	15
Fixed income	47	27	10	44	48	56	30	54	69
Other	-	-	-	-	-	-	4	-	-
Alternative investments	10	5	-	5	7	-	5	-	-
Hedge funds	-	10	-	-	-	-	11	-	-
	100%	100%	100%	100%	100%	100%	100%	100%	100%

Defined Benefit Plan Assets

The valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy, are described below There have been no significant changes in the valuation techniques during the year ended December 31, 2013

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy Level 1 plan assets include exchange traded equities and mutual funds as well as cash equivalents held in money market accounts If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows Such securities are classified within Level 2 of the valuation hierarchy Level 2 plan assets include U S Government obligations, corporate debt and alternative investments In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy Level 3 plan assets include alternative investments

The value of certain plan assets classified as alternative investments is determined using net asset value (or its equivalent) as a practical expedient Plan assets for which the System expects to have the ability to redeem with the investee within 12 months after the reporting date are categorized as Level 2 and those requiring a restriction on redemptions in excess of 12 months are categorized as Level 3

(Dollars in Thousands)

The following tables present the fair value measurements of the System's pension plans' assets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013 and 2012

	2013 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 1,301	$ 1,301	$ -	$ -
U.S. Government agency obligations	68,692	-	68,692	-
Corporate bonds	16,234	-	16,234	-
Equity securities				
Domestic	11,854	11,854	-	-
International	1,946	1,946	-	-
Mutual funds				
International	46,130	46,130	-	-
Emerging markets	12,530	12,530	-	-
Index	45,456	45,456	-	-
Equity	110,716	110,716	-	-
Fixed income	225,175	225,175	-	-
Alternative investments	37,197	-	26,783	10,414
Hedge funds	16,326	-	16,326	-
Interest receivable	733	-	733	-
	$ 594,290	$ 455,108	$ 128,768	$ 10,414

	2012 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 18,891	$ 18,891	$ -	$ -
Corporate bonds	18,273	-	18,273	-
Mutual funds				
International	66,021	66,021	-	-
Emerging markets	15,533	15,533	-	-
Equity	112,235	112,235	-	-
Fixed income	259,698	259,698	-	-
Other	6,016	6,016	-	-
Alternative investments	8,017	-	8,017	-
Hedge funds	15,489	-	15,489	-
	$ 520,173	$ 478,394	$ 41,779	$ -

(Dollars in Thousands)

Level 3 Reconciliation

The following is a reconciliation of beginning and ending plan assets of fair value measurements using significant unobservable (Level 3) inputs

Balance, December 31, 2012	$	-
Purchases		9,695
Gain on plan assets held at reporting date		719
Balance, December 31, 2013	$	10,414

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2013

2014	$	29,520
2015		31,425
2016		34,829
2017		35,577
2018		38,980
2019 - 2023		213,050

Note 11: Risk Management

The System's hospitals are primarily self-insured for professional and general liability for amounts of $5,000 per claim ($3,000 per claim for MHSC) and $30,000 in the aggregate annually Professional and general liability insurance coverage is maintained on a claims-made basis, with a liability limit of $35,000 Other entities of the System maintain their professional and general liability coverage on a claims-made basis with no significant deductibles

The System is primarily self-insured for workers' compensation and employee health care claims Workers' compensation claims individually and in the aggregate that exceed certain amounts are covered by insurance

Property insurance is maintained with at least 90% replacement value coverage and minimal deductibles Business interruption insurance coverage is also maintained by the System

(Dollars in Thousands)

The System has accrued as other liabilities of $91,306 and $71,118 for self-insured losses at December 31, 2013 and 2012, respectively These liabilities are presented on a gross basis and the expected offsetting insurance recoveries are reported as a receivable The accrued liabilities are based on management's evaluation of the merits of various claims, historical experience and consultation with external insurance consultants and actuaries, and include estimates for incurred but not reported claims There can be no assurance that the accrued liabilities will be sufficient for the ultimate amounts that will be paid for claims and settlements Also, in the ordinary course of business, the System is involved in other litigation and claims, none of which management believes will ultimately result in losses that will adversely affect the System's consolidated net assets or results of operations to a material degree

Cash and investments have been internally designated to be held for payments of claims, if any, which may result from the self-insured or uninsured portion of liability insurance and workers' compensation claims At December 31, 2013 and 2012, the cash and investments amounted to $33,017 and $35,383, respectively

Note 12: Lease Commitments

Certain property and equipment is being leased under long-term noncancelable operating leases In most cases, management expects that, in the normal course of operations, the leases will be renewed or replaced by other leases The total rent expense under operating leases for 2013 and 2012 was $50,556 and $50,919, respectively

The following is a schedule by year of future minimum rental payments required under noncancelable operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2013

2014	$	38,757
2015		31,187
2016		24,623
2017		18,784
2018		15,268
Thereafter		63,157
Total minimum payments required	$	191,776

Note 13: Disclosures About Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date An entity must maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value There is a hierarchy of three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Financial Instruments Measured at Fair Value on a Recurring Basis

The valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy, are described below There have been no significant changes in the valuation techniques during the years ended December 31, 2013 or 2012 For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include exchange traded equities and mutual funds, certificates of deposit and cash equivalents held in money market accounts If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows Such securities are classified within Level 2 of the valuation hierarchy Level 2 securities include U S Treasury obligations, U S Government agency obligations, collateralized mortgage and other collateralized asset obligations, corporate debt, alternative investments and certain beneficial interest in perpetual trusts In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy Level 3 financial instruments include certain alternative investments and beneficial interest in perpetual trusts, which are discussed below Inputs and valuation techniques used for these Level 3 interests are described below

The value of certain investments classified as alternative investments are determined using net asset value (or its equivalent) as a practical expedient Investments for which the System expects to have the ability to redeem with the investee within 12 months after the reporting date are categorized as Level 2 and those requiring a restriction on redemption in excess of 12 months are categorized as Level 3

Fair value determinations for Level 3 measurements of securities are the responsibility of management Management contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis Management challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States

Interest Rate Swap Agreements

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy

Beneficial Interest in Perpetual Trusts

The fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement Trusts that have a definite duration based on the terms of the trust document, and where the System has the ability to redeem the investment for the underlying assets at some future point, are classified within Level 2 of the valuation hierarchy due to the nature of the valuation inputs For trusts that are perpetual in nature, in which the underlying assets will never be available to the System, the interest is classified within Level 3 of the hierarchy

(Dollars in Thousands)

Fair Value Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013 and 2012

	2013 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Cash equivalents	$ 47,338	$ 47,338	$ -	$ -
Commercial paper	791	-	791	-
U S Treasury obligations	25,378	-	25,378	-
U S Government agency obligations	4,520	-	4,520	-
Asset-backed securities				
Other	3,613	-	3,613	-
Mortgage-backed securities				
Government	5,158	-	5,158	-
Certificates of deposit	1,921	1,921	-	-
Corporate bonds	26,952	-	26,952	-
Equity securities				
Domestic	18,429	18,429	-	-
International	766	766	-	-
Mutual funds				
Domestic	4,836	4,836	-	-
International	334,126	334,126	-	-
Emerging markets	7,865	7,865	-	-
Index	6,576	6,576	-	-
Equity	470,141	470,141	-	-
Fixed income	410,629	410,629	-	-
Other	21,623	21,623	-	-
Alternative investments	158,236	-	59,795	98,441
Hedge funds	61,195	-	61,195	-
Private equity funds	3,449	-	3,449	-
Insurance policies	4,247	-	4,247	-
Beneficial interest in perpetual trusts	20,048	-	13,134	6,914
Financial Liabilities				
Interest rate swap agreements (net)	(49,455)	-	(49,455)	-
	$ 1,588,382	$ 1,324,250	$ 158,777	$ 105,355

(Dollars in Thousands)

	2012 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Cash equivalents	$ 10,122	$ 10,122	$ -	$ -
Commercial paper	795	-	795	-
U S Treasury obligations	24,334	-	24,334	-
U S Government agency obligations	9,864	-	9,864	-
Asset-backed securities				
Home equity	793	-	793	-
Other	4,896	-	4,896	-
Mortgage-backed securities				
Government	8,240	-	8,240	-
Non-government	5,365	-	5,365	-
Certificates of deposit	819	819	-	-
Corporate bonds	19,325	-	19,325	-
Equity securities				
Domestic	14,201	14,201	-	-
International	501	501	-	-
Mutual funds				
Domestic	2,144	2,144	-	-
International	162,381	162,381	-	-
Emerging markets	22,991	22,991	-	-
Index	4,339	4,339	-	-
Equity	382,454	382,454	-	-
Fixed income	472,015	472,015	-	-
Other	14,760	14,760	-	-
Alternative investments	6,447	-	6,447	-
Hedge funds	36,140	-	36,140	-
Private investments funds	1,081	-	1,081	-
Insurance policies	4,419	-	4,419	-
Real estate	269	-	269	-
Beneficial interest in perpetual trusts	12,390	-	5,787	6,603
Financial Liabilities				
Interest rate swap agreements (net)	(92,055)	-	(92,055)	-
	$ 1,129,030	$ 1,086,727	$ 35,700	$ 6,603

(Dollars in Thousands)

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs

	Structured Credit Alternative Fund	Special Situations Alternative Fund	Beneficial Interest in Perpetual Trusts
Balance, December 31, 2011	$ -	$ -	$ 5,487
Gain on beneficial interest in perpetual trusts	-	-	1,116
Balance, December 31, 2012	-	-	6,603
Purchases	46,440	46,440	-
Unrealized gains (losses)	2,831	2,730	-
Gain on beneficial interest in perpetual trusts	-	-	311
Balance, December 31, 2013	$ 49,271	$ 49,170	$ 6,914

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements

	Fair Value	Valuation Technique	Adjustment to NAV
Structured credit alternative fund	$ 49,271	NAV as practical expedient*	None
Special situations alternative fund	49,170	NAV as practical expedient*	None
Beneficial interest in perpetual trusts	6,914	Present value of future distributions expected to be received over term of agreement	N/A

* Unobservable valuation input

Financial Instruments Not Measured at Fair Value

The fair value for certain financial instruments approximates the carrying value because of the short-term maturity of these instruments, which include cash and cash equivalents, short-term investments, receivables, accounts payable, accrued liabilities, estimated settlements due to third-party payers and other current liabilities

(Dollars in Thousands)

The carrying amount of the variable rate bonds and notes is assumed to approximate fair value For the fixed-rate bonds, the estimated fair value is based on quoted prices for similar liabilities and is obtained from a financial institution that deals in these types of instruments Other debt obligations are insignificant, and the carrying amounts are assumed to approximate fair value

Estimates of fair values are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision Changes in assumptions could affect the estimates The fair market value of the System's financial instruments at December 31 approximates the carrying value except as follows

		Fair Value Measurements Using		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Financial Liabilities				
Long-term debt, excluding capital leases and interest rate swaps	$ 887,484	$ -	$ 900,885	$ -
December 31, 2012				
Financial Liabilities				
Long-term debt, excluding capital leases and interest rate swaps	$ 784,490	$ -	$ 825,639	$ -

Note 14: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of December 31

	2013	2012
Purchase of equipment	$ 27,832	$ 18,235
Indigent care/operations	30,699	27,139
Health education	10,619	8,182
For use in future periods	15,940	10,220
Other	-	1,159
Total temporarily restricted net assets	$ 85,090	$ 64,935

(Dollars in Thousands)

Permanently restricted net assets are restricted to the following as of December 31

	2013	2012
Investments (generally including net investment appreciation and depreciation) to be held in perpetuity (income is restricted)	$ 24,042	$ 25,150
Investments (generally including net investment appreciation and depreciation) to be held in perpetuity (income is restricted for various purposes as directed by the donors)	30,775	24,123
Total permanently restricted net assets	$ 54,817	$ 49,273

Note 15: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event The System's conditional asset retirement obligations primarily relate to asbestos contained in various buildings Environmental regulations in the states where the System operates require the System to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished

A summary of changes in asset retirement obligations, which are included on the accompanying consolidated balance sheets in other long-term liabilities, during 2013 and 2012 is included in the table below

	2013	2012
Liability, beginning of year	$ 13,798	$ 12,798
Liabilities incurred	-	14
Liabilities assumed in affiliation with Proctor Peoria	347	-
Liabilities settled	(505)	(494)
Accretion expense	569	1,066
Changes in estimates, including timing	80	414
Liability, end of year	$ 14,289	$ 13,798

(Dollars in Thousands)

Note 16: Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time Government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues for patient services The System has a corporate compliance plan intended to meet federal guidelines As a part of this plan, the System performs periodic internal reviews of its compliance with laws and regulations As part of the System's compliance efforts, the System investigates and attempts to resolve and remedy all reported or suspected incidents of material noncompliance with applicable laws, regulations or policies on a timely basis The System believes that these compliance programs and procedures lead to substantial compliance with current laws and regulations

The System is in various stages of responding to inquiries and investigations These various inquiries and investigations could result in fines and/or financial penalties, which could be material At this time, the System is unable to estimate the possible liability, if any, that may be incurred as a result of these inquiries and investigations, but the System does not believe it would materially affect the financial position of the System

Guarantees

The System has guaranteed approximately $26,082 and $23,040, which is outstanding at December 31, 2013 and 2012, respectively, relating to long-term debt for the construction of a family practice residency program education facility, a managed facility's building project and debt related to joint ventures

Employment Contracts

The System is committed for noncancelable physician employment contracts in the following amounts, prior to inflationary adjustments and bonuses based on future events

2014	$ 2,329
2015	1,315
2016	857
2017	814
2018	389
Thereafter	14

Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act (PPACA) will substantially reform the United States health care system. The legislation impacts multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid, and insurance companies. Starting in 2014, the legislation requires the establishment of health insurance exchanges, which will provide individuals without employer-provided health care coverage the opportunity to purchase insurance. It is anticipated that some employers currently offering insurance to employees will opt to have employees seek insurance coverage through the insurance exchanges. It is possible that the reimbursement rates paid by insurers participating in the insurance exchanges may be substantially different than rates paid under current health insurance products. Another significant component of the PPACA is the expansion of the Medicaid program to a wide range of newly eligible individuals. In anticipation of this expansion, payments under certain existing programs, such as Medicare disproportionate share, will be substantially decreased. Each state's participation in an expanded Medicaid program is optional.

Both the states of Iowa and Illinois will be participating in the expansion of the Medicaid program. It is expected that this will lead to increased reimbursement to the System related to patients eligible under the expanded scope of the program that were previously uninsured.

The PPACA is extremely complex and may be difficult for the federal government and each state to implement. While the overall impact of the PPACA cannot currently be estimated, it is possible that it will have a negative impact on the System's net patient service revenue. Additionally, it is possible the System will experience payment delays and other operational challenges during PPACA's implementation.

Note 17: Subsequent Events

Subsequent events have been evaluated through April 22, 2014, which is the date the financial statements were issued.

Effective January 1, 2014, the System entered into an Affiliation agreement with Meriter Health Services, Inc. (MHS), of Madison, Wisconsin, under which MHS became a consolidated subsidiary of the System. MHS is a nationally recognized health system comprised of Meriter Hospital, a nonprofit 448 bed community hospital, Meriter Medical Group, offering primary and specialty care, and Physicians Plus Insurance Corporation (PPIC). MHS will complement the System's current provider group and expand its service area into the South Central Wisconsin region.

The affiliation provides both the System and MHS the ability to continue to develop their population health and care coordination capabilities, while providing MHS with greater efficiencies available through the System. PPIC was subsequently transferred out of MHS and directly to the System, which is discussed further below. Excluding PPIC, at December 31, 2013, total assets of MHS were $727,375 and total liabilities were $323,813. Also excluding PPIC, for the year ended December 31, 2013, net revenues of MHS were $456,648. The affiliation was accomplished by the System becoming the sole member of MHS, and having the ability to approve and thereby elect the board members of MHS.

On February 1, 2014, PPIC was transferred from MHS to the System and became a direct subsidiary of the System. This was accomplished via an acquisition transaction occurring for fair market value consideration between the entities. PPIC is a Wisconsin based for-profit corporation that contracts with business organizations and individuals, primarily in the Madison, Wisconsin area, to provide comprehensive medical care benefits. PPIC is organized as a managed care plan under Wisconsin statutes. At December 31, 2013, total assets of PPIC were $96,079 and total liabilities were $88,713. For the year ended December 31, 2013, total revenues of PPIC were $346,500.

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	UPHDM	MHSC	TRHS	SLHC	AHS	SLHS	THS	TRI-ST	UPC	UPAH	UPH Corp	Eliminations	Consolidated
Current Assets													
Cash and cash equivalents	$ 13 747	$ 52 133	$ 26 006	$ 20 430	$ 1 748	$ 4 609	$ 8 202	$ 7 574	$ 3 623	$ 8 412	$ 51 014	$	$ 197 498
Short-term investments	4 702		8 095	6 923	616	(185)	586	1 496	1 318	4 466	28 049		56 066
Assets limited as to use - required for current liabilities	6 086	1 866	1 600	2 852	1 170	605	439						14 618
Patient accounts receivable less estimated uncollectibles	92 009	61 887	50 871	54 269	27 362	23 668	16 705	14 589	22 529	14 196			378 085
Other receivables	9 698	15 387	2 593	6 149	3 159	4 420	4 438	2 350	5 540	1 482	9 510		64 726
Inventories	11 288	7 646	8 915	7 966	5 859	3 986	3 201	2 521	3 150	1 566	70		56 168
Prepaid expenses	2 360	5 182	1 227	1 596	793	490	683	465	645	78	15 713		29 232
Due from affiliates	509		386	529	66	68	48	182	19 210	(20)	37 695	(58 673)	-
Total current assets	140 399	144 101	99 693	100 714	40 773	37 661	34 302	29 177	56 015	30 180	142 051	(58 673)	796 393
Assets Limited As to Use noncurrent													
Held by trustee under bond indenture agreements	2 925										37 652		40 577
Internally designated	561 473	6 263	142 555	125 272	1 538	49 057	50 527	69 464					1 006 149
Total assets limited as to use noncurrent	564 398	6 263	142 555	125 272	1 538	49 057	50 527	69 464			37 652		1 046 726
Property Plant and Equipment net	254 031	286 933	167 882	174 024	113 670	90 222	75 994	48 110	23 338	6 028	164 235		1 404 467
Other Long term Investments	57 137	195 197	17 456	25 434	113 888	3 518	14 127	476	44 245	20 588	9 957		502 023
Investments in Joint Ventures and Other Investments	67 362	11 306	7 047	16 493	7 840	13 077	6 494	4 408		561	21 292	(84 186)	71 694
Contributions Receivable net	7 519	17 716	5 249	34 343	3 056	3 821	3 730	7 830					83 264
Other	13 262	6 326	2 246	1 340	3 982	2 515	2 078	742	938		13 975		47 404
Due From Affiliates											465 565	(465 565)	-
Total assets	$ 1 104 108	$ 667 842	$ 442 128	$ 477 620	$ 284 747	$ 199 871	$ 187 252	$ 160 207	$ 124 536	$ 57 357	$ 854 727	$ (608 424)	$ 3 951 971

Liabilities and Net Assets

	UPHDM	MHSC	TRHS	SLHC	AHS	SLHS	THS	TRI-ST	UPC	UPAH	UPH Corp	Eliminations	Consolidated
Current Liabilities													
Current maturities of long-term debt	$ 217	$ 8 435	$ 1 219	$	$ 11	$ 2 195	$ 342	$	$ 496	$ 167	$ 34 480	$	$ 47 562
Accounts payable	24 950	31 151	14 705	14 646	10 102	8 704	3 515	4 389	6 877	3 475	13 984		136 498
Accrued payroll	32 090	18 218	16 344	23 128	11 826	8 101	8 750	5 812	25 468	5 731	14 033		169 501
Accrued interest	8	782									9 358		10 148
Estimated settlements due to third-party payers	3 629	43 406	4 501	2 978	1 422	717		164		696			57 513
Due to affiliates	17 530	1 512	12 013	9 166	6 788	5 988	1 515	1 255	37	573	2 198	(58 605)	-
Other current liabilities	9 964	24 512	6 421	6 667	2 452	2 503	1 728	1 221	6 587	1 448	7 445	(77)	70 874
Total current liabilities	88 388	128 016	55 206	56 585	32 601	28 208	15 880	12 841	39 465	12 090	81 498	(58 682)	492 096
Long-term Debt net	26 322	120 619	17 748		5	422			8 947	183	683 239		857 485
Other Long-term Liabilities	28 470	88 272	10 616	22 243	9 145	8 557	13 497	1 854	29 722	990	66 962		280 328
Due to Affiliates	120 990		124 300	72 871	59 361	63 515	18 700	5 820				(465 557)	-
Total liabilities	264 170	336 907	207 870	151 699	101 112	100 702	48 077	20 515	78 134	13 263	831 699	(524 239)	1 629 909
Net Assets													
Unrestricted	809 264	301 238	220 575	287 934	174 360	94 989	132 796	131 733	46 402	43 745	22 955	(83 836)	2 182 155
Temporarily restricted	12 415	24 682	11 322	19 473	4 359	2 544	4 490	5 732		349	73	(349)	85 090
Permanently restricted	18 259	5 015	2 361	18 514	4 916	1 636	1 889	2 227					54 817
Total net assets	839 938	330 935	234 258	325 921	183 635	99 169	139 175	139 692	46 402	44 094	23 028	(84 185)	2 322 062
Total liabilities and net assets	$ 1 104 108	$ 667 842	$ 442 128	$ 477 620	$ 284 747	$ 199 871	$ 187 252	$ 160 207	$ 124 536	$ 57 357	$ 854 727	$ (608 424)	$ 3 951 971

Definitions

UPHDM - UnityPoint Health - Des Moines and Subsidiaries (Des Moines)
MHSC - Methodist Health Services Corp and Subsidiaries (Peoria)
TRHS - Trinity Regional Health System and Subsidiaries (Rock Island)
SLHC - St Luke's Healthcare and Subsidiaries (Cedar Rapids)
AHS - Allen Health Systems Inc and Subsidiaries (Waterloo)
SLHS - St Luke's Health System Inc (Sioux City)
THS - Trinity Health Systems Inc and Subsidiaries (Fort Dodge)
TRI-ST - Finley Tri-States Health Group Inc and Subsidiaries (Dubuque)
UPC - UnityPoint Clinic
UPAH - UnityPoint at Home
UPH Corp - UnityPoint Health and other Subsidiaries

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	UPHDM	MHSC	TRHS	SLHC	AHS	SLHS	THS	TRI-ST	UPC	UPAH	UPH Corp	Eliminations	Consolidated
Revenue													
Patient service revenue (net of contractual allowances)	$ 649 701	$ 389 247	$ 413 837	$ 381 011	$ 217 351	$ 169 396	$ 135 456	$ 99 865	$ 249 940	$ 89 939	$	$ (769)	$ 2 794 974
Provision for patient uncollectible accounts	(35 407)	(20 680)	(36 408)	(18 157)	(9 691)	(14 030)	(5 381)	(4 386)	(7 247)				(151 387)
Net patient service revenue	614 294	368 567	377 429	362 854	207 660	155 366	130 075	95 479	242 693	89 939		(769)	2 643 587
Other operating revenue	31 212	29 248	12 007	19 092	16 291	9 666	10 839	8 085	25 542	3 332	204 294	(178 285)	191 323
Net assets released from restrictions used for operations	3 051	793	407	1 276	572		124	75		251	11		6 560
Total revenue	648 557	398 608	389 843	383 222	224 523	165 032	141 038	103 639	268 235	93 522	204 305	(179 054)	2 841 470
Expenses													
Salaries and wages	228 905	124 945	126 844	141 011	73 447	57 364	48 839	37 721	86 058	50 585	62 018		1 037 737
Physician compensation and services	60 177	46 849	30 042	30 902	16 584	20 883	24 672	4 409	117 767	373	16	(5 444)	347 230
Employee benefits	54 059	29 366	30 073	33 697	16 691	13 644	9 921	7 721	18 860	10 690	12 452	(1 989)	235 185
Supplies	120 333	54 422	53 203	62 648	47 977	29 075	19 384	14 421	21 303	12 913	337	(164)	457 852
Other expenses	116 644	93 276	92 065	77 349	40 320	35 157	27 172	25 722	55 506	12 647	82 891	(178 257)	480 492
Depreciation and amortization	32 566	25 719	17 477	18 169	13 203	8 177	7 154	6 117	4 602	1 765	36 150		171 099
Interest	7 158	2 482	6 114	3 663	2 893	2 963	1 071	283	485	31	26 900	(25 656)	28 387
Provision for uncollectible accounts			91	128	21	8		2		627			877
Total expenses	619 842	377 059	377 909	367 567	211 136	167 271	138 213	96 396	304 581	89 631	220 764	(211 510)	2 758 859
Operating Income (Loss)	28 715	21 549	11 934	15 655	13 387	(2 239)	2 825	7 243	(36 346)	3 891	(16 459)	32 456	82 611
Nonoperating Gains (Losses)													
Investment income	70 263	17 618	21 426	15 391	13 655	6 811	6 354	7 471	3 790	2 446	95	(5 979)	159 341
Contribution received in affiliation with Proctor Peoria		1 012											1 012
Other net	908	(822)	239	6	21	(25)	472	65	(260)		18 759		19 363
Total nonoperating gains (losses) net	71 171	17 808	21 665	15 397	13 676	6 786	6 826	7 536	3 530	2 446	18 854	(5 979)	179 716
Revenue Over (Under) Expenses	$ 99 886	$ 39 357	$ 33 599	$ 31 052	$ 27 063	$ 4 547	$ 9 651	$ 14 779	$ (32 816)	$ 6 337	$ 2 395	$ 26 477	$ 262 327

Definitions

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UPH Corp - UnityPoint Health and other Subsidiaries

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
UnityPoint Health - Des Moines and Subsidiaries (Des Moines)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	UPHDM	CIHC	UPHF	CIHP	UPAH	UPC	Eliminations	Consolidated
Current Assets								
Cash and cash equivalents	$	$ 11,385	$ 1,788	$ 574	$	$	$	$ 13,747
Short-term investments		4,702						4,702
Assets limited as to use - required for current liabilities		6,086						6,086
Patient accounts receivable less estimated uncollectibles		92,009						92,009
Other receivables		9,682	1	15				9,698
Inventories		11,241	47					11,288
Prepaid expenses	108	2,164	46	42				2,360
Due from affiliates		1,522		7,924			(8,937)	509
Total current assets	108	138,791	1,882	8,555			(8,937)	140,399
Assets Limited As to Use, noncurrent								
Held by trustee under bond indenture agreements		2,925						2,925
Internally designated		483,339	78,134					561,473
Total assets limited as to use noncurrent		486,264	78,134					564,398
Property, Plant and Equipment, net		229,200	58	24,773				254,031
Other Long-term Investments		14,902	42,235					57,137
Investments in Joint Ventures and Other Investments		34,508	28	4,304	33,281	22,711	(27,470)	67,362
Contributions Receivable, net			7,519					7,519
Other		13,223		39				13,262
Due From Affiliates		2,371					(2,371)	-
Total assets	$ 108	$ 919,259	$ 129,856	$ 37,671	$ 33,281	$ 22,711	$ (38,778)	$ 1,104,108

Liabilities and Net Assets

Current Liabilities								
Current maturities of long-term debt	$	$ 217	$	$	$	$	$	$ 217
Accounts payable		24,184	79	687				24,950
Accrued payroll		31,877	213					32,090
Accrued interest		8						8
Estimated settlements due to third-party payers		3,629						3,629
Due to affiliates		25,167	323	977			(8,937)	17,530
Other current liabilities		9,701	77	186				9,964
Total current liabilities		94,783	692	1,850			(8,937)	88,388
Long-term Debt, net		26,322						26,322
Other Long-term Liabilities		27,215	1,255					28,470
Due to Affiliates		120,470		2,891			(2,371)	120,990
Total liabilities		268,790	1,947	4,741			(11,308)	264,170
Net Assets								
Unrestricted	108	622,640	97,780	32,930	33,095	22,711		809,264
Temporarily restricted		10,003	11,870		186		(9,644)	12,415
Permanently restricted		17,826	18,259				(17,826)	18,259
Total net assets	108	650,469	127,909	32,930	33,281	22,711	(27,470)	839,938
Total liabilities and net assets	$ 108	$ 919,259	$ 129,856	$ 37,671	$ 33,281	$ 22,711	$ (38,778)	$ 1,104,108

Definitions

UPHDM - UnityPoint Health - Des Moines
CIHC - Central Iowa Hospital Corporation
UPHF - UnityPoint Health Foundation
CIHP - Central Iowa Health Properties Corporation
UPAH - UnityPoint at Home UPHDM portion
UPC - UnityPoint Clinic UPHDM portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
UnityPoint Health - Des Moines and Subsidiaries (Des Moines)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	UPHDM	CIHC	UPHF	CIHP	UPAH	UPC	Eliminations	Consolidated
Revenue								
Patient service revenue (net of contractual allowances)	$	$ 649 701	$	$	$	$	$	$ 649 701
Provision for patient uncollectible accounts		(35 407)						(35 407)
Net patient service revenue		614 294						614 294
Other operating revenue		45 435		5 629	1 627	(18 104)	(3 375)	31 212
Net assets released from restrictions used for operations		3 037	14					3 051
Total revenue		662 766	14	5 629	1 627	(18 104)	(3 375)	648 557
Expenses								
Salaries and wages		227 753	1 093	59				228 905
Physician compensation and services		60 177						60 177
Employee benefits		53 774	265	20				54 059
Supplies		120 319	9	5				120 333
Other expenses	95	117 230	548	2 146			(3 375)	116 644
Depreciation and amortization		30 793	16	1 757				32 566
Interest		7 109		49				7 158
Total expenses	95	617 155	1 931	4 036			(3 375)	619 842
Operating Income (Loss)	(95)	45 611	(1 917)	1 593	1 627	(18 104)		28 715
Nonoperating Gains								
Investment income		54 161	12 878		1 259	1 965		70 263
Other net			908					908
Total nonoperating gains net		54 161	13 786		1 259	1 965		71 171
Revenue Over (Under) Expenses	$ (95)	$ 99 772	$ 11 869	$ 1 593	$ 2 886	$ (16 139)	$ -	$ 99 886

Definitions
UPHDM - UnityPoint Health - Des Moines
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UPAH - UnityPoint at Home UPHDM portion
UPC - UnityPoint Clinic UPHDM portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Methodist Health Services Corporation and Subsidiaries (Peoria)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	MHSC	MMCI	MSI	MMCF	PH	PHCI	Belcrest	Hult	PHS	HP	Eliminations	Consolidated
Current Assets												
Cash and cash equivalents	$ 3 348	$ 42 680	$ 180	$ 345	$ 4 186	$	$ 96	$ 874	$ 419	$ 5	$	$ 52 133
Assets limited as to use - required for current liabilities					1 866							1 866
Patient accounts receivable less estimated uncollectibles		48 392			12 213		854		428			61 887
Other receivables		10 205	168	2	4 897		3	8	104			15 387
Inventories		3 842			3 498		306					7 646
Prepaid expenses		2 483		5	2 652		25	3	14			5 182
Due from affiliates		8 359	751		16 195	5 827	604		24		(31 760)	-
Total current assets	3 348	115 961	1 099	352	45 507	5 827	1 888	885	989	5	(31 760)	144 101
Assets Limited As to Use noncurrent												
Internally designated		4 086		2 177								6 263
Property Plant and Equipment net		161 125	83 608		35 656		3 741	1 227	1 576			286 933
Other Long term Investments		174 222		20 452				523				195 197
Investments in Joint Ventures and Other Investments	384	37 808		145		17 582					(44 613)	11 306
Contributions Receivable net		6 567		4 037	7 043			69				17 716
Other	122	6 190			13				1			6 326
Total assets	$ 3 854	$ 505 959	$ 84 707	$ 27 163	$ 88 219	$ 23 409	$ 5 629	$ 2 704	$ 2 566	$ 5	$ (76 373)	$ 667 842

Liabilities and Net Assets (Deficit)

Current Liabilities												
Current maturities of long-term debt	$	$ 5 335	$	$	$ 3 100	$	$	$	$	$	$	$ 8 435
Accounts payable	5	22 952	421		7 452		166	102	47	6		31 151
Accrued payroll	592	13 937			3 199		282	30	178			18 218
Accrued interest		197			585							782
Estimated settlements due to third-party payers		38 450			4 956							43 406
Due to affiliates	1 019	1 512	2 340		9 318	2 143	6 290	9	9 938	703	(31 760)	1 512
Other current liabilities		13 592	1 149	34	9 208		265		264			24 512
Total current liabilities	1 616	95 975	3 910	34	37 818	2 143	7 003	141	10 427	709	(31 760)	128 016
Long term Debt net		93 675			26 938			6				120 619
Other Long term Liabilities		74 817		98	13 262	95						88 272
Total liabilities	1 616	264 467	3 910	132	78 018	2 238	7 003	147	10 427	709	(31 760)	336 907
Net Assets (Deficit)												
Unrestricted	2 238	219 474	80 797	11 804	3 073	21 171	(1 374)	2 006	(7 861)	(704)	(29 386)	301 238
Temporarily restricted		17 961		11 190	6 652			69			(11 190)	24 682
Permanently restricted		4 057		4 037	476			482			(4 037)	5 015
Total net assets (deficit)	2 238	241 492	80 797	27 031	10 201	21 171	(1 374)	2 557	(7 861)	(704)	(44 613)	330 935
Total liabilities and net assets	$ 3 854	$ 505 959	$ 84 707	$ 27 163	$ 88 219	$ 23 409	$ 5 629	$ 2 704	$ 2 566	$ 5	$ (76 373)	$ 667 842

Definitions
MHSC - Methodist Health Services Corporation
MMCI - Methodist Medical Center of Illinois
MSI - Methodist Services Inc
MMCF - Methodist Medical Center Foundation
PH - Proctor Hospital
PHCI - Proctor Health Care Inc
Belcrest - Belcrest Services Ltd
Hult - Hult Center for Healthy Living
PHS - Proctor Health Systems
HP - HealthPlus Inc

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Methodist Health Services Corporation and Subsidiaries (Peoria)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	MHSC	MMCI	MSI	MMCF	PH	PHCI	Belcrest	Hult	PHS	HP	Eliminations	Consolidated
Revenue												
Patient service revenue (net of contractual allowances)	$ 219	$ 372,080	$	$	$ 16,816	$	$ 1,040	$	$ 528	$	$ (1,436)	$ 389,247
Provision for patient uncollectible accounts		(19,337)			(1,292)		(54)		3			(20,680)
Net patient service revenue	219	352,743			15,524		986		531		(1,436)	368,567
Other operating revenue	12,324	26,738	8,229	243	1,112		19	243	[illegible]		(19,737)	29,248
Net assets released from restrictions used for operations		332		403	58							793
Total revenue	12,543	379,813	8,229	646	16,694		1,005	243	608		(21,173)	398,608
Expenses												
Salaries and wages	9,966	107,680		157	6,308	31	314	114	362	13		124,945
Physician compensation and services		45,888			303		412		245	1		46,849
Employee benefits	2,458	25,494	20	41	1,249	2	105	35	66	1	(105)	29,366
Supplies		50,464	5	2	3,855		80	[illegible]	9			54,422
Other expenses	[illegible]0	102,233	5,823	601	5,323	1	216	46	24	[illegible]	(21,068)	93,276
Depreciation and amortization	6	21,595	3,131		942		24	12	9			25,719
Interest		2,280			202							2,482
Total expenses	12,500	355,634	8,979	801	18,182	34	1,151	214	[illegible]15	22	(21,173)	377,059
Operating Income (Loss)	43	24,179	(750)	(155)	(1,488)	(34)	(146)	29	(107)	(22)		21,549
Nonoperating Gains (Losses)												
Investment income	5	15,886		1,703	(2)			26				17,618
Contribution received in affiliation with Proctor Peoria			[illegible]768		(2,665)	21,204	(1,228)	1,951	([illegible]754)	(683)	(17,581)	1,012
Other net		(1,014)		196	(4)							(822)
Total nonoperating gains (losses) net	5	14,872	[illegible]768	1,899	(2,671)	21,204	(1,228)	1,977	([illegible]754)	(683)	(17,581)	17,808
Revenue Over (Under) Expenses	$ 48	$ 39,051	$ [illegible]018	$ 1,744	$ (4,159)	$ 21,170	$ (1,374)	$ 2,006	$ (7,861)	$ (705)	$ (17,581)	$ 39,357

Definitions

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HP - HealthPlus Inc

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Trinity Regional Health System and Subsidiaries (Rock Island)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	TRHS	TMC	VNHA	THF	THE	TM	UPC	Eliminations	Consolidated
Current Assets									
Cash and cash equivalents	$ 373	$ 19,017	$	$ 1,067	$ 1,062	$ 4,487	$	$	$ 26,006
Short-term investments		8,088		7					8,095
Assets limited as to use - required for current liabilities		1,600							1,600
Patient accounts receivable less estimated uncollectibles		43,874			518	6,479			50,871
Other receivables		1,986				607			2,593
Inventories		7,226			276	1,413			8,915
Prepaid expenses		996		49	16	166			1,227
Due from affiliates	32	9,290				36		(8,972)	386
Total current assets	405	92,077		1,123	1,872	13,188		(8,972)	99,693
Assets Limited As to Use, noncurrent									
Internally designated	15,848	120,661				6,046			142,555
Property, Plant and Equipment, net		137,180			396	30,306			167,882
Other Long-term Investments		7,816		6,343		3,297			17,456
Investments in Joint Ventures and Other Investments	2,014	11,264	981		116		2,059	(9,387)	7,047
Contributions Receivable, net				3,138		2,111			5,249
Other		1,903				343			2,246
Due from Affiliates		12,292						(12,292)	-
Total assets	$ 18,267	$ 383,193	$ 981	$ 10,604	$ 2,384	$ 55,291	$ 2,059	$ (30,651)	$ 442,128

Liabilities and Net Assets

Current Liabilities									
Current maturities of long-term debt	$	$ 434	$	$	$	$ 785	$	$	$ 1,219
Accounts payable	21	12,958			51	1,675			14,705
Accrued payroll	598	13,556		15	77	2,098			16,344
Estimated settlements due to third-party payers		4,042				459			4,501
Due to affiliates	4,320	11,934		1,325	247	3,159		(8,972)	12,013
Other current liabilities	29	5,459		19		917			6,424
Total current liabilities	4,968	48,383		1,359	375	9,093		(8,972)	55,206
Long-term Debt, net		1,777				15,971			17,748
Other Long-term Liabilities		9,100		82		1,434			10,616
Due to Affiliates		124,300				12,292		(12,292)	124,300
Total liabilities	4,968	183,560		1,441	375	38,790		(21,264)	207,870
Net Assets									
Unrestricted	13,299	192,247	981	194	2,009	11,873	2,059	(2,087)	220,575
Temporarily restricted		5,972		6,608		4,628		(5,886)	11,322
Permanently restricted		1,414		2,361				(1,414)	2,361
Total net assets	13,299	199,633	981	9,163	2,009	16,501	2,059	(9,387)	234,258
Total liabilities and net assets	$ 18,267	$ 383,193	$ 981	$ 10,604	$ 2,384	$ 55,291	$ 2,059	$ (30,651)	$ 442,128

Definitions

TRHS - Trinity Regional Health System
TMC - Trinity Medical Center
VNHA - Trinity Visiting Nurses and Homemakers Association
THF - Trinity Health Foundation
THE - Trinity Health Enterprises Inc
TM - Trinity Muscatine
UPC - UnityPoint Clinic TRHS portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Trinity Regional Health System and Subsidiaries (Rock Island)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	TRHS	TMC	VNHA	THF	THE	TM	UPC	Eliminations	Consolidated
Revenue									
Patient service revenue (net of contractual allowances)	$	$ 363 787	$	$	$ 4 738	$ 45 312	$	$	$ 413 837
Provision for patient uncollectible accounts		(31 974)			(57)	(4 377)			(36 408)
Net patient service revenue		331 813			4 681	40 935			377 429
Other operating revenue	66	22 530	1 204	1	48	1 230	(12 610)	(462)	12 007
Net assets released from restrictions used for operations				407					407
Total revenue	66	354 343	1 204	408	4 729	42 165	(12 610)	(462)	389 843
Expenses									
Salaries and wages		109 189		524	1 403	15 728			126 844
Physician compensation and services		27 214				2 828			30 042
Employee benefits		26 293		108	349	3 378		(55)	30 073
Supplies		67 535		16	2 104	5 515		33	75 203
Other expenses		79 963		801	577	11 099		(375)	92 065
Depreciation and amortization		15 252			232	1 993			17 477
Interest		6 440				200		(526)	6 114
Provision for uncollectible accounts		91							91
Total expenses		331 977		1 449	4 665	40 741		(923)	377 909
Operating Income (Loss)	66	22 366	1 204	(1 041)	64	1 424	(12 610)	461	11 934
Nonoperating Gains (Losses)									
Investment income	1 989	17 797	435	72	1	986	672	(526)	21 426
Other net		(13)		86		166			239
Total nonoperating gains (losses) net	1 989	17 784	435	158	1	1 152	672	(526)	21 665
Revenue Over (Under) Expenses	$ 2 055	$ 40 150	$ 1 639	$ (883)	$ 65	$ 2 576	$ (11 938)	$ (65)	$ 33 599

Definitions
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UPC - UnityPoint Clinic TRHS portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	SLMH	CARE	CC-STL	STL-HR	JONES	CARDIO LC	STEAM, INC	UPC	Eliminations	Consolidated
Current Assets										
Cash and cash equivalents	$ 11 816	$ 1 470	$ 1 091	$ 1 341	$ 4 666	$ 46	$	$	$	$ 20 430
Short-term investments	6 885				38					6 923
Assets limited as to use - required for current liabilities	2 852									2 852
Patient accounts receivable less estimated uncollectibles	47 490	1 304	1 107		3 338	1 030				54 269
Other receivables	5 710		2		87	280	70			6 149
Inventories	7 655		72		239					7 966
Prepaid expenses	1 446	43	7		67		33			1 596
Due from affiliates	1 276			1 498	(11)	155	105		(2 494)	529
Total current assets	85 130	2 817	2 279	2 839	8 424	1 511	208		(2 494)	100 714
Assets Limited As to Use noncurrent										
Internally designated	125 272									125 272
Property Plant and Equipment net	147 019	4 195	206	1 639	12 524	3 404	4 364		673	174 024
Other Long term Investments	24 883				482	69				25 434
Investments in Joint Ventures and Other Investments	15 460	4 864						10 250	(14 081)	16 493
Contributions Receivable net	33 216				1 127					34 343
Other	1 002					338				1 340
Due From Affiliates	175			1 278					(1 453)	-
Total assets	$ 432 157	$ 11 876	$ 2 485	$ 5 756	$ 22 557	$ 5 322	$ 4 572	$ 10 250	$ (17 355)	$ 477 620

Liabilities and Net Assets

Current Liabilities										
Current maturities of long-term debt										
Accounts payable	$ 13 022	$ 347	$ 249	$	$ 631	$ 228	$ 169	$	$	$ 14 646
Accrued payroll	20 473	348	173		985	1 149				23 128
Estimated settlements due to third-party payers	3 093		(192)		77					2 978
Due to affiliates	10 695	102	339		467	57			(2 494)	9 166
Other current liabilities	6 435	102	10	113		7				6 667
Total current liabilities	53 718	899	579	113	2 160	1 441	169		(2 494)	56 585
Other Long term Liabilities	21 604			570		69				22 243
Due to Affiliates	74 148	176							(1 453)	72 871
Total liabilities	149 470	1 075	579	683	2 160	1 510	169		(3 947)	151 699
Net Assets										
Unrestricted	249 789	10 801	1 906	5 073	19 267	3 812	444	10 250	(13 408)	287 934
Temporarily restricted	14 384				1 130		3 959			19 473
Permanently restricted	18 514									18 514
Total net assets	282 687	10 801	1 906	5 073	20 397	3 812	4 403	10 250	(13 408)	325 921
Total liabilities and net assets	$ 432 157	$ 11 876	$ 2 485	$ 5 756	$ 22 557	$ 5 322	$ 4 572	$ 10 250	$ (17 355)	$ 477 620

Definitions

SLMH - St Luke s Methodist Hospital
CARE - STL Care Company
CC-STL - Continuing Care Hospital STL
STL-HR - STL Health Resources
JONES - Jones Regional Medical Center
CARDIO LC - Cardiologists L C
STEAM INC - St Luke s Coe Steam Inc
UPC - UnityPoint Clinic SLHC portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	SLMH	CARE	CC-STL	STL-HR	JONES	CARDIO LC	STEAM, INC	UPC	Eliminations	Consolidated
Revenue										
Patient service revenue (net of contractual allowances)	$ 327 883	$ 11 730	$ 7 837	$	$ 22,686	$ 12,124	$	$	$ (1 249)	$ 381 011
Provision for patient uncollectible accounts	(16 241)		(7)		(1 300)	(609)				(18 157)
Net patient service revenue	311 642	11 730	7 830		21 386	11 515			(1 249)	362,854
Other operating revenue	21 650	252	1	789	592	799	1 426	(1 740)	(4 677)	19 092
Net assets released from restrictions used for operations	1 276									1 276
Total revenue	334 568	11 982	7 831	789	21 978	12,314	1 426	(1 740)	(5 926)	383 222
Expenses										
Salaries and wages	120 957	6 230	2 733		6 549	4 365			177	141 011
Physician compensation and services	20 444	24	14		2,347	8 519			(446)	30 902
Employee benefits	29 400	819	595		1 850	992			41	33 697
Supplies	57 828	1 264	764		1 643	1 132	84		(67)	62,648
Other expenses	66 886	2 984	2 996	268	5 257	2,896	1 326		(5 264)	77 349
Depreciation and amortization	15 497	304	82	70	1 386	594	236			18 169
Interest	3 685	24			248	73			(367)	3 663
Provision for uncollectible accounts	128									128
Total expenses	314 825	11 649	7 184	338	19 280	18 571	1 646		(5 926)	367 567
Operating Income (Loss)	19 743	333	647	451	2,698	(6 257)	(220)	(1 740)	-	15 655
Nonoperating Gains										
Investment income	13 903				1 013			475		15 391
Other net		1			5					6
Total nonoperating gains net	13 903	1			1 018			475		15 397
Revenue Over (Under) Expenses	$ 33 646	$ 334	$ 647	$ 451	$ 3 716	$ (6 257)	$ (220)	$ (1 265)	$ -	$ 31 052

Definitions

SLMH - St. Luke's Methodist Hospital
CARE - STL Care Company
CC-STL - Continuing Care Hospital STL
STL-HR - STL Health Resources
JONES - Jones Regional Medical Center
CARDIO LC - Cardiologists, L.C.
STEAM INC. - St. Luke's Coe Steam, Inc.
UPC - UnityPoint Clinic SLHC portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Allen Health Systems, Inc. and Subsidiaries (Waterloo)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	AHS	AMH	MFAH	AC	UPC	UPAH	Eliminations	Consolidated
Current Assets								
Cash and cash equivalents	$	$ 784	$ 964	$	$	$	$	$ 1 748
Short-term investments		614	2					616
Assets limited as to use - required for current liabilities		1 170						1 170
Patient accounts receivable less estimated uncollectibles		27 362						27 362
Other receivables		2 753		406				3 159
Inventories		5 859						5 859
Prepaid expenses		666	1	126				793
Due from affiliates		66						66
Total current assets		39 274	967	532				40 773
Assets Limited As to Use, noncurrent								
Internally designated		1 538						1 538
Property, Plant and Equipment, net		113 670						113 670
Other Long-term Investments		107 279	6 125	484				113 888
Investments in Joint Ventures and Other Investments		1 658	1 067	5 352	4 722	1 784	(6 743)	7 840
Contributions Receivable, net		2 314	742					3 056
Other		3 982						3 982
Total assets	$ -	$ 269 715	$ 8 901	$ 6 368	$ 4 722	$ 1 784	$ (6 743)	$ 284 747

Liabilities and Net Assets

Current Liabilities								
Current maturities of long-term debt	$	$ 11	$	$	$	$	$	$ 11
Accounts payable		10 076		26				10 102
Accrued payroll		11 826						11 826
Estimated settlements due to third-party payers		1 422						1 422
Due to affiliates		6 788						6 788
Other current liabilities		2 415	12	25				2 452
Total current liabilities		32 538	12	51				32 601
Long-term Debt, net		5						5
Other Long-term Liabilities		8 577	36	532				9 145
Due to Affiliates		59 361						59 361
Total liabilities		100 481	48	583				101 112
Net Assets								
Unrestricted		165 314	2 107	433	4 722	1 784		174 360
Temporarily restricted		1 606	4 144	2 750			(4 141)	4 359
Permanently restricted		2 314	2 602	2 602			(2 602)	4 916
Total net assets		169 234	8 853	5 785	4 722	1 784	(6 743)	183 635
Total liabilities and net assets	$ -	$ 269 715	$ 8 901	$ 6 368	$ 4 722	$ 1 784	$ (6 743)	$ 284 747

Definitions

AHS - Allen Health System
AMH - Allen Memorial Hospital Corporation
MFAH - Memorial Foundation of Allen Hospital
AC - Allen College
UPC - UnityPoint Clinic AHS portion
UPAH - UnityPoint at Home AHS portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Allen Health Systems, Inc. and Subsidiaries (Waterloo)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	AHS	AMH	MFAH	AC	UPC	UPAH	Eliminations	Consolidated
Revenue								
Patient service revenue (net of contractual allowances)	$	$ 217,351	$	$	$	$	$	$ 217,351
Provision for patient uncollectible accounts		(9,691)						(9,691)
Net patient service revenue		207,660						207,660
Other operating revenue		10,422	36	9,135	(3,894)	590	2	16,291
Net assets released from restrictions used for operations		151		421				572
Total revenue		218,233	36	9,556	(3,894)	590	2	224,523
Expenses								
Salaries and wages		68,809	132	4,506				73,447
Physician compensation and services		16,584						16,584
Employee benefits		15,593	33	1,063			2	16,691
Supplies		47,770	4	203				47,977
Other expenses	23	38,347	136	1,814				40,320
Depreciation and amortization		13,203						13,203
Interest		2,884	9					2,893
Provision for uncollectible accounts		1		20				21
Total expenses	23	203,191	314	7,606			2	211,136
Operating Income (Loss)	(23)	15,042	(278)	1,950	(3,894)	590		13,387
Nonoperating Gains								
Investment income		12,847	105		418	285		13,655
Other, net		21						21
Total nonoperating gains, net		12,868	105		418	285		13,676
Revenue Over (Under) Expenses	$ (23)	$ 27,910	$ (173)	$ 1,950	$ (3,476)	$ 875	$ -	$ 27,063

Definitions
AHS - Allen Health System
AMH - Allen Memorial Hospital Corporation
MFAH - Memorial Foundation of Allen Hospital
AC - Allen College
UPC - UnityPoint Clinic - AHS portion
UPAH - UnityPoint at Home - AHS portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
St. Luke's Health System, Inc. (Sioux City)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	SLHS	SLRMC	SLHR	PACE	Eliminations	Consolidated
Current Assets						
Cash and cash equivalents	$ 231	$ 3,308	$ 635	$ 435	$	$ 4,609
Short-term investments		(185)				(185)
Assets limited as to use - required for current liabilities		605				605
Patient accounts receivable less estimated uncollectibles		22,846	976	(5)	(149)	23,668
Other receivables	44	4,324	13	39		4,420
Inventories		3,939	47			3,986
Prepaid expenses	21	433	22	14		490
Due from affiliates	38	47,137			(47,107)	68
Total current assets	334	82,407	1,693	483	(47,256)	37,661
Assets Limited As to Use, noncurrent						
Internally designated		49,057				49,057
Property, Plant and Equipment, net	13,354	74,815	2,017	36		90,222
Other Long-term Investments		3,518				3,518
Investments in Joint Ventures and Other Investments	12,600	477				13,077
Contributions Receivable, net		3,821				3,821
Other		2,515				2,515
Total assets	$ 26,288	$ 216,610	$ 3,710	$ 519	$ (47,256)	$ 199,871

Liabilities and Net Assets (Deficit)

Current Liabilities						
Current maturities of long-term debt	$	$ 2,195	$	$	$	$ 2,195
Accounts payable	22	8,084	141	606	(149)	8,704
Accrued payroll		7,854	202	45		8,101
Estimated settlements due to third-party payers		552		165		717
Due to affiliates	1,913	5,268	45,790	124	(47,107)	5,988
Other current liabilities	403	1,920	180			2,503
Total current liabilities	2,338	25,873	46,313	940	(47,256)	28,208
Long-term Debt, net		422				422
Other Long-term Liabilities		8,326	231			8,557
Due to Affiliates	9,240	54,275				63,515
Total liabilities	11,578	88,896	46,544	940	(47,256)	100,702
Net Assets (Deficit)						
Unrestricted	14,710	123,534	(42,834)	(421)		94,989
Temporarily restricted		2,544				2,544
Permanently restricted		1,636				1,636
Total net assets (deficit)	14,710	127,714	(42,834)	(421)		99,169
Total liabilities and net assets	$ 26,288	$ 216,610	$ 3,710	$ 519	$ (47,256)	$ 199,871

Definitions
SLHS - St. Luke's Health System
SLRMC - St. Luke's Regional Medical Center
SLHR - St. Luke's Health Resources
PACE - Siouxland PACE

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
St. Luke's Health System, Inc. (Sioux City)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	SLHS	SLRMC	SLHR	PACE	Eliminations	Consolidated
Revenue						
Patient service revenue (net of contractual allowances)	$	$ 149,293	$ 12,146	$ 9,255	$ (1,298)	$ 169,396
Provision for patient uncollectible accounts		(13,020)	(1,010)			(14,030)
Net patient service revenue		136,273	11,136	9,255	(1,298)	155,366
Other operating revenue	3,704	6,560	646	1	(1,245)	9,666
Total revenue	3,704	142,833	11,782	9,256	(2,543)	165,032
Expenses						
Salaries and wages	9	51,317	4,247	1,791		57,364
Physician compensation and services		13,541	7,090	252		20,883
Employee benefits		12,197	1,028	419		13,644
Supplies	3	26,902	658	1,512		29,075
Other expenses	979	28,215	2,926	5,580	(2,543)	35,157
Depreciation and amortization	1,090	6,771	300	16		8,177
Interest	523	2,440				2,963
Provision for uncollectible accounts		8				8
Total expenses	2,604	141,391	16,249	9,570	(2,543)	167,271
Operating Income (Loss)	1,100	1,442	(4,467)	(314)		(2,239)
Nonoperating Gains (Losses)						
Investment income	188	6,623				6,811
Other, net	(19)		(6)			(25)
Total nonoperating gains (losses), net	169	6,623	(6)			6,786
Revenue Over (Under) Expenses	$ 1,269	$ 8,065	$ (4,473)	$ (314)	$ -	$ 4,547

Definitions
SLHS - St. Luke's Health System
SLRMC - St. Luke's Regional Medical Center
SLHR - St. Luke's Health Resources
PACE - Siouxland PACE

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	THS	TRMC	BMHC	THF	TBC	TPG	TP ACO	UPAH	Eliminations	Consolidated
Current Assets										
Cash and cash equivalents	$ 209	$ 2,392	$ 590	$ 440	$ 761	$ 3,810	$	$	$	$ 8,202
Short-term investments		586								586
Assets limited as to use - required for current liabilities		439								439
Patient accounts receivable less estimated uncollectibles		12,273	253			4,179				16,705
Other receivables	70	2,594	554		(1)	1,221				4,438
Inventories		2,708				493				3,201
Prepaid expenses	(2)	476	1		3	179	26			683
Due from affiliates	217	5,709	6		16	239			(6,139)	48
Total current assets	494	27,177	1,404	440	779	10,121	26		(6,139)	34,302
Assets Limited As to Use, noncurrent										
Internally designated		36,710		13,817						50,527
Property, Plant and Equipment, net	378	62,147	836		12,024	609				75,994
Other Long-term Investments	955	765		1,261		11,146				14,127
Investments in Joint Ventures and Other Investments	38,125	19,423						4,046	(55,100)	6,494
Contributions Receivable, net				3,730						3,730
Other	23	1,993				62				2,078
Due From Affiliates		52							(52)	-
Total assets	$ 39,975	$ 148,267	$ 2,240	$ 19,248	$ 12,803	$ 21,938	$ 26	$ 4,046	$ (61,291)	$ 187,252

Liabilities and Net Assets (Deficit)

Current Liabilities										
Current maturities of long-term debt	$	$ 342	$	$	$	$	$	$	$	$ 342
Accounts payable	3	2,660		19		833				3,515
Accrued payroll	442	4,473	57	30	20	3,728				8,750
Due to affiliates	620	1,550	1,038	434	18	3,585	437		(6,137)	1,545
Other current liabilities	20	1,262	(2)		384	66			(2)	1,728
Total current liabilities	1,085	10,287	1,093	483	422	8,212	437		(6,139)	15,880
Other Long-term Liabilities	950	1,367	34			11,146				13,497
Due to Affiliates		18,700	52						(52)	18,700
Total liabilities	2,035	30,354	1,179	483	422	19,358	437		(6,191)	48,077
Net Assets (Deficit)										
Unrestricted	37,940	111,490	1,061	13,822	12,381	2,580	(411)	3,883	(49,950)	132,796
Temporarily restricted		4,515		3,035				163	(3,223)	4,490
Permanently restricted		1,908		1,908					(1,927)	1,889
Total net assets (deficit)	37,940	117,913	1,061	18,765	12,381	2,580	(411)	4,046	(55,100)	139,175
Total liabilities and net assets	$ 39,975	$ 148,267	$ 2,240	$ 19,248	$ 12,803	$ 21,938	$ 26	$ 4,046	$ (61,291)	$ 187,252

Definitions

THS - Trinity Health Systems
TRMC - Trinity Regional Medical Center
BMHC - Berryhill Mental Health Clinic
THF - Trinity Health Foundation
TBC - Trinity Building Corporation
TPG - Trimark Physicians Group
TP ACO - Trinity Pioneer ACO
UPAH - UnityPoint at Home THS portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	THS	TRMC	BMHC	THF	TBC	TPG	TP ACO	UPAH	Eliminations	Consolidated
Revenue										
Patient service revenue (net of contractual allowances)	$	$ 94 154	$ 2 107	$	$	$ 39 135	$	$	$	$ 135 456
Provision for patient uncollectible accounts		(4 807)	(54)			(520)				(5 381)
Net patient service revenue		89 347	2 113			38 615				130 075
Other operating revenue	3 210	6 205	106		2 083	3 720		527	(5 012)	10 830
Net assets released from restrictions used for operations		86		38						124
Total revenue	3 210	95 638	2 219	38	2 083	42 335		527	(5 012)	141 038
Expenses										
Salaries and wages	2 413	34 004	970	150	157	11 051	85			48 830
Physician compensation and services		7 311	330			17 024	7			24 672
Employee benefits	380	6 326	204	43	40	2 907	21			9 921
Supplies	3	16 377	23	1	7	2 973				19 384
Other expenses	247	20 330	473	289	1 187	9 481	177		(5 012)	27 172
Depreciation and amortization	60	5 968	94	1	782	249				7 154
Interest		1 068	3							1 071
Total expenses	3 103	91 384	2 106	484	2 173	43 685	290		(5 012)	138 213
Operating Income (Loss)	107	4 254	113	(446)	(90)	(1 350)	(290)	527		2 825
Nonoperating Gains										
Investment income		4 325		1 760	1	2		200		6 354
Other - net				472						472
Total nonoperating gains - net		4 325		2 232	1	2		200		6 826
Revenue Over (Under) Expenses	$ 107	$ 8 579	$ 113	$ 1 786	$ (89)	$ (1 348)	$ (290)	$ 727	$ -	$ 9 651

Definitions
THS - Trinity Health Systems
TRMC - Trinity Regional Medical Center
BMHC - Berryhill Mental Health Clinic
THF - Trinity Health Foundation
TBC - Trinity Building Corporation
TPG - Trimark Physicians Group
TP ACO - Trinity Pioneer ACO
UPAH - UnityPoint at Home - THS portion

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	TRI-ST	Finley	VNA	Eliminations	Consolidated
Current Assets					
Cash and cash equivalents	$	$ 7,227	$ 347	$	$ 7,574
Short-term investments		1,496			1,496
Patient accounts receivable, less estimated uncollectibles		14,159	430		14,589
Other receivables		2,347	3		2,350
Inventories		2,521			2,521
Prepaid expenses		462	3		465
Due from affiliates		317	11	(146)	182
Total current assets		28,529	794	(146)	29,177
Assets Limited As to Use, noncurrent					
Internally designated		69,464			69,464
Property, Plant and Equipment, net		48,013	97		48,110
Other Long-term Investments		476			476
Investments in Joint Ventures and Other Investments	14	4,394			4,408
Contributions Receivable, net		5,854	1,976		7,830
Other		742			742
Total assets	$ 14	$ 157,472	$ 2,867	$ (146)	$ 160,207

Liabilities and Net Assets

Current Liabilities					
Accounts payable	$	$ 4,378	$ 11	$	$ 4,389
Accrued payroll		5,569	243		5,812
Estimated settlements due to third-party payers		149	15		164
Due to affiliates		1,267	134	(146)	1,255
Other current liabilities		1,092	129		1,221
Total current liabilities		12,455	532	(146)	12,841
Other Long-term Liabilities		1,854			1,854
Due to Affiliates		5,820			5,820
Total liabilities		20,129	532	(146)	20,515
Net Assets					
Unrestricted	14	131,360	359		131,733
Temporarily restricted		3,756	1,976		5,732
Permanently restricted		2,227			2,227
Total net assets	14	137,343	2,335		139,692
Total liabilities and net assets	$ 14	$ 157,472	$ 2,867	$ (146)	$ 160,207

Definitions
TRI-ST - Finley Tri-States Health Group, Inc
Finley - The Finley Hospital
VNA - Visiting Nurse Association

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	TRI-ST	Finley	VNA	Eliminations	Consolidated
Revenue					
Patient service revenue (net of contractual allowances)	$	$ 99,380	$ 485	$	$ 99,865
Provision for patient uncollectible accounts		(4,386)			(4,386)
Net patient service revenue		94,994	485		95,479
Other operating revenue		6,051	2,034		8,085
Net assets released from restrictions used for operations		62	13		75
Total revenue		101,107	2,532		103,639
Expenses					
Salaries and wages		35,896	1,825		37,721
Physician compensation and services		4,409			4,409
Employee benefits		7,229	492		7,721
Supplies		14,379	42		14,421
Other expenses		25,510	212		25,722
Depreciation and amortization		6,095	22		6,117
Interest		283			283
Provision for uncollectible accounts		2			2
Total expenses		93,803	2,593		96,396
Operating Income (Loss)		7,304	(61)		7,243
Nonoperating Gains (Losses)					
Investment income		7,470	1		7,471
Other, net		(6)	71		65
Total nonoperating gains (losses), net		7,464	72		7,536
Revenue Over Expenses	$ -	$ 14,768	$ 11	$ -	$ 14,779

Definitions
TRI-ST - Finley Tri-States Health Group Inc
Finley - The Finley Hospital
VNA - Visiting Nurse Association

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Affiliated Colleges
Balance Sheet Information
(In Thousands)
December 31, 2013

Assets

	MC	TCN	AC	SLC
Current Assets				
Cash and cash equivalents	$ 3,584	$ 113	$	$ 116
Student loan and other receivables	148	17	405	60
Inventories	5			
Prepaid expenses	103	8	126	
Total current assets	3,840	138	531	176
Property, Plant and Equipment, net	937	1,537		96
Other Long-term Investments			484	
Interest in Net Assets of Foundation	1,446	2,338	5,352	1,664
Other				245
Total assets	$ 6,223	$ 4,013	$ 6,367	$ 2,181

Liabilities and Net Assets (Deficit)

Current Liabilities				
Current maturities of long-term debt	$	$ 72	$	$
Accounts payable	129	116	26	91
Accrued payroll	113	81		282
Other current liabilities	224	441	25	479
Total current liabilities	466	710	51	852
Long-term Debt, net		1,384		
Other Long-term Liabilities			531	7
Total liabilities	466	2,094	582	859
Net Assets (Deficit)				
Unrestricted	4,311	(505)	433	(703)
Temporarily restricted	713	1,097	2,750	874
Permanently restricted	733	1,327	2,602	1,151
Total net assets (deficit)	5,757	1,919	5,785	1,322
Total liabilities and net assets	$ 6,223	$ 4,013	$ 6,367	$ 2,181

Definitions

MC - Methodist College (Peoria) AC - Allen College (Waterloo)

TCN - Trinity College of Nursing & Health Sciences (Quad Cities) SLC - St. Luke's College (Sioux City)

Note 1 Fixed assets utilized by AC belong to their parent hospital corporation, Allen Memorial Hospital Corporation (AMH) and thus are not reflected in the balance sheet of the College. AC receives the benefit of using certain space within AMH's facilities but donated revenue and donated expense is not reflected within the income statement of AC.

Note 2 Certain assets and liabilities, such as cash and accrued liabilities, are also not shown separately on the AC balance sheet, but rather included in AMH.

Iowa Health System and Subsidiaries
d/b/a UnityPoint Health
Affiliated Colleges
Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2013

	MC	TCN	AC	SLC
Revenue				
Tuition and student revenue	$ 9,900	$ 3,335	$ 8,740	$ 2,570
Governmental pass-thru				817
Grant revenue	41	92	386	25
Other revenue	280	14	9	72
Net assets released from restrictions used for operations			421	
Total revenue	10,221	3,441	9,556	3,484
Expenses				
Salaries and wages	4,576	1,873	4,506	2,133
Employee benefits	1,250	415	1,063	578
Supplies	265	75	203	142
Other expenses	2,503	484	1,814	1,159
Depreciation and amortization	533	120		7
Interest		60		
Provision for uncollectible accounts		90	20	
Total expenses	9,127	3,117	7,606	4,019
Operating Income (Loss)	1,094	324	1,950	(535)
Revenue Over (Under) Expenses	$ 1,094	$ 324	$ 1,950	$ (535)

Definitions
MC - Methodist College (Peoria)
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