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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](http://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

SSM REGIONAL HEALTH SERVICES

Doing Business As

SEE SCHEDULE O

Number and street (or P O box if mail is not delivered to street address)

10101 WOODFIELD LANE

Room/suite

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

ST LOUIS, MO 63132

F Name and address of principal officer

WILLIAM P THOMPSON

10101 WOODFIELD LANE

ST LOUIS,MO 63132

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

0928

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW.SSMHEALTH.COM

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other ☐

L Year of formation

2000

M State of legal domicile

MO

| Part I | Summary | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|---|--|--|---|--|---------------------------------------|---|---|--|--------------------------------------|--|------------------------|------------------------|---|------------------------|-----------------------|---|------------------------|------------------------|--|------------------------|---------------------|
| Activities & Governance | <div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>OPERATES TWO HOSPITALS AND HEALTH CENTERS IN JEFFERSON CITY, MISSOURI AND MARYVILLE, MISSOURI</div></div> | | | | | | | | | | | | | | | | | | | | | | | | |
| | <div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div> | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table><tr><td><div><div>3</div><div>Number of voting members of the governing body (Part VI, line 1a)</div></div></td><td><div><div>3</div><div>6</div></div></td></tr><tr><td><div><div>4</div><div>Number of independent voting members of the governing body (Part VI, line 1b)</div></div></td><td><div><div>4</div><div>0</div></div></td></tr><tr><td><div><div>5</div><div>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</div></div></td><td><div><div>5</div><div>1,722</div></div></td></tr><tr><td><div><div>6</div><div>Total number of volunteers (estimate if necessary)</div></div></td><td><div><div>6</div><div>142</div></div></td></tr><tr><td><div><div>7a</div><div>Total unrelated business revenue from Part VIII, column (C), line 12</div></div></td><td><div><div>7a</div><div>7,512,213</div></div></td></tr><tr><td><div><div>b</div><div>Net unrelated business taxable income from Form 990-T, line 34</div></div></td><td><div><div>7b</div><div>0</div></div></td></tr></table> | <div><div>3</div><div>Number of voting members of the governing body (Part VI, line 1a)</div></div> | <div><div>3</div><div>6</div></div> | <div><div>4</div><div>Number of independent voting members of the governing body (Part VI, line 1b)</div></div> | <div><div>4</div><div>0</div></div> | <div><div>5</div><div>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</div></div> | <div><div>5</div><div>1,722</div></div> | <div><div>6</div><div>Total number of volunteers (estimate if necessary)</div></div> | <div><div>6</div><div>142</div></div> | <div><div>7a</div><div>Total unrelated business revenue from Part VIII, column (C), line 12</div></div> | <div><div>7a</div><div>7,512,213</div></div> | <div><div>b</div><div>Net unrelated business taxable income from Form 990-T, line 34</div></div> | <div><div>7b</div><div>0</div></div> | | | | | | | | | | | | |
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Part II

Signature Block

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

Sign Here

Signature of officer

2014-11-17

Date

JUNE L PICKETT SECRETARY

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

BROOKE KITCHEN

Preparer's signature

Date

Check ☐ if self-employed

PTIN P00849302

Firm's name ☐ DELOITTE TAX LLP

Firm's EIN ☐ 86-1065772

Firm's address ☐ 1111 BAGBY STREET SUITE 4500

HOUSTON, TX 77002

Phone no (713) 982-2000

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part III

Statement of Program Service Accomplishments

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

☐ Yes ☒ No

1

Briefly describe the organization's mission

THROUGH OUR EXCEPTIONAL HEALTH CARE SERVICES, WE REVEAL THE HEALING PRESENCE OF GOD

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 \$ 171,379,409 including grants of \$ 106,562) (Revenue \$ 186,188,859)

PLEASE SEE SCHEDULE O FOR A COMPLETE DESCRIPTION OF PROGRAM SERVICES ACCOMPLISHMENTS

4b

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

4c

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

4d




















Other program services (Describe in Schedule O)

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

4e

Total program service expenses 171,379,409

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 Yes | |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII  | 11c | No |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX  | 11d Yes | |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X  | 11e Yes | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X  | 11f Yes | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII  | 12a | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional  | 12b Yes | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 13 | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV | 14b | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV | 15 | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV | 16 | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) | 17 | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | 18 | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | 19 | No |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H  | 20a Yes | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b Yes | |

Part IV

Checklist of Required Schedules (continued)

| | | | | |
|-----|--|-----|-----|----|
| 21 | Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | 21 | Yes | |
| 22 | Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | 22 | | No |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | 23 | Yes | |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | 24a | | No |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | |
| c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | | |
| 25a | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | 25a | | No |
| b | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | 25b | | No |
| 26 | Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> | 26 | | No |
| 27 | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | 27 | | No |
| 28 | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | | |
| a | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28a | | No |
| b | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28b | | No |
| c | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | 28c | | No |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | 29 | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | 30 | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | 31 | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | 32 | | No |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | 33 | | No |
| 34 | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | 34 | Yes | |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | Yes | |
| b | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 35b | Yes | |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 36 | | No |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | 37 | | No |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | 38 | Yes | |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

| | | | | | |
|---|---|---------|-----|----|-----|
| | | | Yes | No | |
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. | 1a0 | | | |
| b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | 1b0 | | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | | | |
| 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. | 2a1,722 | | | |
| 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 | 6 | |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O | | | |
| 1b | Enter the number of voting members included in line 1a, above, who are independent | 0 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | No |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | No |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | No |
| 6 | Did the organization have members or stockholders? | 6 | Yes |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | Yes |
| 7b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | Yes |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | |
| 8a | a The governing body? | 8a | Yes |
| 8b | b Each committee with authority to act on behalf of the governing body? | 8b | Yes |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | 9 | No |

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

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

Section C. Disclosure

| | |
|----|--|
| 17 | List the States with which a copy of this Form 990 is required to be filed▶ |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O) |
| 19 | Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶DONNA WALLACE 10101 WOODFIELD LANE ST LOUIS, MO 63132 (314) 523-8793 |

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

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

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

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

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

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

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) STEVEN BARNEY PT YR DIR & VICE PRES | 1 00 40 00 | X | | X | | | | 0 | 592,443 | -223,953 |
| (2) LYNN BRUCHHOF PT YR DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 469,878 | 77,344 |
| (3) GAUROV DAYAL MD DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 775,353 | 124,266 |
| (4) MARGARET FOWLER PT YR DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 374,091 | 87,201 |
| (5) PAULA FRIEDMAN DIRECTOR & VICE PRES | 1 00 40 00 | X | | X | | | | 0 | 596,799 | 15,489 |
| (6) PHILIP GUSTAFSON PT YR DIRECTOR | 1 00 40 00 | X | | X | | | | 0 | 640,932 | 134,043 |
| (7) THOMAS K LANGSTON PT YR DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 664,464 | 147,214 |
| (8) JOE M HODGES PT YR DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 690,999 | 16,679 |
| (9) CHRISTOPHER HOWARD DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 893,660 | 29,906 |
| (10) MICHAEL R PANICOLA PT YR DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 453,857 | 43,280 |
| (11) SHANE PENG MD DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 674,433 | 62,843 |
| (12) DIXIE L PLATT PT YR DIRECTOR | 1 00 40 00 | X | | | | | | 0 | 590,484 | 10,096 |
| (13) WILLIAM P THOMPSON DIRECTOR & PRESIDENT | 1 00 40 00 | X | | X | | | | 0 | 2,421,072 | 841,970 |
| (14) KRIS A ZIMMER DIRECTOR & TREASURER | 1 00 40 00 | X | | X | | | | 0 | 836,253 | 68,008 |
| (15) JUNE L PICKETT SECRETARY | 1 00 40 00 | | | X | | | | 0 | 256,054 | -96,872 |
| (16) GRAY COX HOSPITAL PRESIDENT | 40 00 0 00 | | | X | | | | 0 | 359,271 | 289,547 |
| (17) R BRENT VANCONIA HOSPITAL CEO | 40 00 0 00 | | | X | | | | 0 | 488,550 | 62,199 |

Part VII

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) JOCELYN SKIDMORE CFO | 40 00 0 00 | | | X | | | | 134,997 | 0 | 18,246 |
| (19) MARVIN KURTZ CFO | 40 00 0 00 | | | X | | | | 294,085 | 0 | -46,448 |
| (20) SCOTT HOLMAN DO VP MEDICAL AFFAIRS | 40 00 0 00 | | | | X | | | 370,648 | 0 | 17,587 |
| (21) ANTHONY HOUSTON HOSPITAL COO | 40 00 0 00 | | | | X | | | 231,646 | 0 | 37,810 |
| (22) JOHN LUCIO DO VP MEDICAL AFFAIRS | 40 00 0 00 | | | | X | | | 159,390 | 0 | 29,198 |
| (23) SUSAN MANKOSKI HOSPITAL VP HR | 40 00 0 00 | | | | X | | | 190,484 | 0 | 47,799 |
| (24) THOMAS DISTEFANO PHYSICIAN | 40 00 0 00 | | | | | X | | 984,325 | 0 | -46,279 |
| (25) JOHN CLEMENS PHYSICIAN | 40 00 0 00 | | | | | X | | 550,232 | 0 | 134,684 |
| (26) JANE DAWSON PHYSICIAN | 40 00 0 00 | | | | | X | | 470,188 | 0 | 4,829 |
| (27) COURTNYE WALKER PHYSICIAN | 40 00 0 00 | | | | | X | | 465,914 | 0 | 51,804 |
| (28) SHIRLEY HARRIS PHYSICIAN | 40 00 0 00 | | | | | X | | 457,224 | 0 | 19,293 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Sub-Total | | | | | | | | | | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | 4,309,133 | 11,778,593 | 1,957,783 |

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

95

| | | Yes | No |
|---|---|-----|----|
| 3 | Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | | No |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | Yes | |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | | 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 |
| ALBERICI CONSTRUCTORS INC 8800 PAGE AVE ST LOUIS MO 63114 | CONSTRUCTION MANAGEMENT | 60,102,189 |
| LAWRENCE GROUP INC 319 N 4TH STREET ST LOUIS MO 63102 | CONSTRUCTION MANAGEMENT | 2,252,323 |
| EMERGENCY PRACTICE ASSOCIATES INC 3840 W 9TH ST WATERLOO IA 50702 | MEDICAL PHYSICIAN SERVICES | 1,483,251 |
| MID-MISSOURI ANESTHESIA 1445 CHRISTY DRIVE JEFFERSON CITY MO 65101 | MEDICAL PHYSICIAN SERVICES | 1,201,039 |
| MORRISON MANAGEMENT SPECIALIST 5801 PEACHTREE DUNWOODY ROAD ATLANTA GA 30342 | NUTRITIONAL SERVICES | 1,125,760 |
| 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 | |
| | 47 | |

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 | 40,100 | | | |
| | c | Fundraising events 1c | | | | |
| | d | Related organizations 1d | 2,001,753 | | | |
| | e | Government grants (contributions) 1e | 15,833 | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above 1f | 274 | | | |
| | g | Noncash contributions included in lines 1a-1f \$ | 6,688 | | | |
| | h | Total. Add lines 1a-1f | 2,057,960 | | | |
| Program Service Revenue | 2a | NET PATIENT REV | Business Code 621110 | 183,600,559 | 183,600,559 | |
| | b | OTHER OPERATING REVENUE | 621110 | 2,588,300 | 2,588,300 | |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f | All other program service revenue | | | | |
| | g | Total. Add lines 2a-2f | 186,188,859 | | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | 425,874 | | | 425,874 |
| | 4 | Income from investment of tax-exempt bond proceeds | | | | |
| | 5 | Royalties | | | | |
| | 6a | Gross rents | (i) Real 41,812 | (ii) Personal | | |
| | b | Less rental expenses | 53,756 | | | |
| | c | Rental income or (loss) | -11,944 | | | |
| | d | Net rental income or (loss) | -11,944 | | | -11,944 |
| | 7a | Gross amount from sales of assets other than inventory | (i) Securities 676,104 | (ii) Other 23,500 | | |
| | b | Less cost or other basis and sales expenses | 0 | 18,634 | | |
| | c | Gain or (loss) | 676,104 | 4,866 | | |
| | d | Net gain or (loss) | 680,970 | | | 680,970 |
| | 8a | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 | | | | |
| | | a | 14,256 | | | |
| | b | Less direct expenses b | 8,883 | | | |
| | c | Net income or (loss) from fundraising events | 5,373 | | | 5,373 |
| | 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 | 18,084 | | | |
| | b | Less cost of goods sold b | 9,096 | | | |
| | c | Net income or (loss) from sales of inventory | 8,988 | | | 8,988 |
| | | Miscellaneous Revenue | Business Code | | | |
| | 11a | PHARMACY REVENUE | 446110 | 7,068,459 | 7,068,459 | |
| | b | CHILD CARE CENTER | 624410 | 399,477 | 399,477 | |
| | c | LABORATORY REV | 621500 | 22,785 | 22,785 | |
| | d | All other revenue | | 21,492 | 21,492 | |
| | e | Total. Add lines 11a-11d | 7,512,213 | | | |
| | 12 | Total revenue. See Instructions | 196,868,293 | 186,188,859 | 7,512,213 | 1,109,261 |

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. | 106,562 | 106,562 | | |
| 2 | Grants and other assistance to individuals in the United States. See Part IV, line 22. | | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16. | | | | |
| 4 | Benefits paid to or for members. | | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees. | 2,407,819 | | 2,407,819 | |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | | | | |
| 7 | Other salaries and wages. | 70,768,227 | 59,992,676 | 10,705,607 | 69,944 |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). | 7,776,130 | 6,420,456 | 1,346,991 | 8,683 |
| 9 | Other employee benefits. | 12,469,719 | 10,280,704 | 2,176,927 | 12,088 |
| 10 | Payroll taxes. | 4,886,852 | 4,017,406 | 864,310 | 5,136 |
| 11 | Fees for services (non-employees): | | | | |
| a | Management. | 3,127,204 | 1,157,367 | 1,969,837 | |
| b | Legal. | 250,783 | | 250,783 | |
| c | Accounting. | 62,027 | | 62,027 | |
| d | Lobbying. | | | | |
| e | Professional fundraising services. See Part IV, line 17. | | | | |
| f | Investment management fees. | | | | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | 16,728,919 | 12,293,085 | 4,435,834 | |
| 12 | Advertising and promotion. | 953,673 | | 953,673 | |
| 13 | Office expenses. | 7,509,205 | 6,805,879 | 694,881 | 8,445 |
| 14 | Information technology. | 11,838,340 | 11,806,440 | 31,900 | |
| 15 | Royalties. | | | | |
| 16 | Occupancy. | 5,212,607 | 4,947,649 | 264,958 | |
| 17 | Travel. | 509,516 | 317,907 | 189,674 | 1,935 |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 | Conferences, conventions, and meetings. | 146,385 | 124,901 | 21,484 | |
| 20 | Interest. | -866,204 | -866,204 | | |
| 21 | Payments to affiliates. | | | | |
| 22 | Depreciation, depletion, and amortization. | 9,166,779 | 9,010,908 | 154,879 | 992 |
| 23 | Insurance. | -912,119 | | -912,119 | |
| 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 | 33,370,864 | 33,370,864 | | |
| b | MEDICARE PROVIDER TAX | 11,364,283 | 11,364,283 | | |
| c | LICENSES | 235,886 | 228,526 | 7,360 | |
| d | BOND RELATED FEES | 193,353 | | 193,353 | |
| e | All other expenses | 6,441 | | | 6,441 |
| 25 | Total functional expenses. Add lines 1 through 24e. | 197,313,251 | 171,379,409 | 25,820,178 | 113,664 |
| 26 | Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

Part X

Balance Sheet

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

☒

| | | | | (A) | | (B) |
|-----------------------------|---|---|------------------------|-------------------|------------|-------------|
| | | | | Beginning of year | | End of year |
| Assets | 1 | Cash—non-interest-bearing | | 2,467,752 | 1 | 2,751,254 |
| | 2 | Savings and temporary cash investments | | 17,424,932 | 2 | 7,758,245 |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 30,006,433 | 4 | 27,135,476 |
| | 5 | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | | 5 | |
| | 6 | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L | | | 6 | |
| | 7 | Notes and loans receivable, net | | | 7 | |
| | 8 | Inventories for sale or use | | 4,324,851 | 8 | 4,223,648 |
| | 9 | Prepaid expenses and deferred charges | | 1,202,633 | 9 | 1,301,688 |
| | 10a | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 235,468,095 | | | |
| | b | Less: accumulated depreciation | 10b 113,546,581 | 59,277,275 | 10c | 121,921,514 |
| | 11 | Investments—publicly traded securities | | | 11 | |
| | 12 | Investments—other securities. See Part IV, line 11 | | 29,973,869 | 12 | 32,578,670 |
| | 13 | Investments—program-related. See Part IV, line 11 | | | 13 | |
| | 14 | Intangible assets | | | 14 | |
| | 15 | Other assets. See Part IV, line 11 | | 8,789,273 | 15 | 10,830,807 |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 153,467,018 | 16 | 208,501,302 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 15,940,078 | 17 | 14,236,339 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | | 20 | |
| | 21 | Escrow or custodial account liability. Complete Part IV of Schedule D | | | 21 | |
| | 22 | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | | 22 | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | | 23 | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | 24 | |
| | 25 | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | | 43,716,778 | 25 | 98,689,004 |
| | 26 | Total liabilities. Add lines 17 through 25 | | 59,656,856 | 26 | 112,925,343 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | 89,381,941 | 27 | 90,976,171 |
| | 28 | Temporarily restricted net assets | | 4,317,221 | 28 | 4,488,788 |
| | 29 | Permanently restricted net assets | | 111,000 | 29 | 111,000 |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | | |
| | 30 | Capital stock or trust principal, or current funds | | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| | 33 | Total net assets or fund balances | | 93,810,162 | 33 | 95,575,959 |
| | 34 | Total liabilities and net assets/fund balances | | 153,467,018 | 34 | 208,501,302 |

Part XI Reconciliation of Net Assets

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

| | | | |
|----|---|----|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 196,868,293 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 197,313,251 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | -444,958 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 93,810,162 |
| 5 | Net unrealized gains (losses) on investments | 5 | 766,581 |
| 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 | 1,444,174 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 95,575,959 |

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

| | |
|---|---|
| Name of the organization SSM REGIONAL HEALTH SERVICES | Employer identification number 44-0579850 |
|---|---|

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

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

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

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

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

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

| Facts And Circumstances Test | | |
|------------------------------|-------------|--|
| | | |
| Return Reference | Explanation | |

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 SSM REGIONAL HEALTH SERVICES | Employer identification number 44-0579850 |
|--|--|

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? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a | Was a correction made? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5 | Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV | |

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

Part II-A

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

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

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

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

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

Part II-B

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

| For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity. | | (a) | | (b) |
|---|--|-----|----|--------|
| | | Yes | No | Amount |
| 1 | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of | | | |
| a | Volunteers? | | No | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | 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? | Yes | | 33,016 |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | | No | |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | |
| i | Other activities? | | No | |
| j | Total. Add lines 1c through 1i. | | | 33,016 |
| 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 | THE ORGANIZATION PAID DUES TO VARIOUS NATIONAL HOSPITAL ASSOCIATIONS AND A PORTION OF THESE DUES WAS ALLOCATED TO LOBBYING ACTIVITIES |
| | |
| | |
| | |
| | |
| | |
| | |

[illegible]

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
SSM REGIONAL HEALTH SERVICES

Employer identification number

44-0579850

Part I

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

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|--|------------------------------|
| 1 | Total number at end of year | |
| 2 | Aggregate contributions to (during year) | |
| 3 | Aggregate grants from (during year) | |
| 4 | Aggregate value at end of year | |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> | |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> | |

Part II

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

1

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

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

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

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

b

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

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

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

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

| | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|--|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance | 111,000 | 111,000 | 111,000 | 116,307 | 118,719 |
| b Contributions | | | | | 1,500 |
| c Net investment earnings, gains, and losses | 2,226 | 1,109 | 1,436 | 2,098 | 4,614 |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 2,226 | 1,109 | 1,436 | 7,405 | 8,526 |
| f Administrative expenses | | | | | |
| g End of year balance | 111,000 | 111,000 | 111,000 | 111,000 | 116,307 |

- 2

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

Board designated or quasi-endowment
- b

Permanent endowment 100 000 %
- c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

No
- b

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

3b
- 4

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

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

| Description of property | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land | | 4,715,483 | | 4,715,483 |
| b Buildings | | 81,006,502 | 67,296,597 | 13,709,905 |
| c Leasehold improvements | | 543,967 | 478,901 | 65,066 |
| d Equipment | | 55,026,483 | 44,985,480 | 10,041,003 |
| e Other | | 94,175,660 | 785,603 | 93,390,057 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 121,921,514 |

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

Part XII

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

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

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

Part XIII

Supplemental Information

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

| Return Reference | Explanation |
|------------------|--|
| PART V, LINE 4 | ENDOWMENT FUNDS ARE USED TO SUPPORT OPERATIONS AND THE MISSION OF ST. MARY'S HEALTH CENTER |
| PART X, LINE 2 | SSM REGIONAL HEALTH SERVICES' FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF SSM HEALTH CARE CORPORATION (SSMHC), A RELATED ORGANIZATION. SSMHC EVALUATES ITS UNCERTAIN TAX POSITIONS ON AN ANNUAL BASIS. A TAX BENEFIT FROM AN UNCERTAIN TAX POSITION MAY BE RECOGNIZED WHEN IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING RESOLUTION OF ANY RELATED APPEALS OR LITIGATION PROCESSES, BASED ON THE TECHNICAL MERITS. THERE HAVE BEEN NO UNCERTAIN TAX POSITIONS RECORDED IN 2013 OR 2012. |
| | |
| | |
| | |
| | |
| | |

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SSM REGIONAL HEALTH SERVICES

Employer identification number
44-0579850

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

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) | | | 4,953,249 | | 4,953,249 | 2 510 % |
| b Medicaid (from Worksheet 3, column a) | | | 31,661,256 | 30,415,808 | 1,245,448 | 0 630 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs | | | 36,614,505 | 30,415,808 | 6,198,697 | 3 140 % |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 300,048 | 10,900 | 289,148 | 0 150 % |
| f Health professions education (from Worksheet 5) | | | 87,255 | | 87,255 | 0 040 % |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 278,668 | 50,212 | 228,456 | 0 120 % |
| j Total. Other Benefits | | | 665,971 | 61,112 | 604,859 | 0 310 % |
| k Total. Add lines 7d and 7j | | | 37,280,476 | 30,476,920 | 6,803,556 | 3 450 % |

Part IICommunity Building Activities

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

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|--|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1Physical improvements and housing | | | 24,573 | | 24,573 | 0 010 % |
| 2Economic development | | | 4,147 | | 4,147 | 0 % |
| 3Community support | | | 189,392 | | 189,392 | 0 100 % |
| 4Environmental improvements | | | | | | |
| 5Leadership development and training for community members | | | | | | |
| 6Coalition building | | | | | | |
| 7Community health improvement advocacy | | | | | | |
| 8Workforce development | | | | | | |
| 9Other | | | | | | |
| 10Total | | | 218,112 | | 218,112 | 0 110 % |

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

1

No

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

2

7,090,602

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

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

5

49,677,788

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

6

65,738,532

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

7

-16,060,744

8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☒ Cost accounting system

☐ Cost to charge ratio

☐ Other

Section C. Collection Practices

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

9a

Yes

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

9b

No

Part IVManagement Companies and Joint Ventures

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

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|--|---|--|--|---|
| 1 1 SMHC SURGICAL CO-MANAGEMENT COMPANY LLC | MANAGEMENT | 50 000 % | | 50 000 % |
| 2 2 SMHC MUSCULOSKELETAL CO-MANAGEMENT COMPANY LLC | MANAGEMENT | 50 000 % | | 50 000 % |
| 3 3 SMHC CARDIOVASCULAR CO-MANAGEMENT COMPANY LLC | MANAGEMENT | 50 000 % | | 50 000 % |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
2

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)

ST MARY'S HEALTH CENTER

Name of hospital facility or facility reporting group

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

1

| | Yes | No |
|---|--------------|----|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | |
| 1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply) | 1 Yes | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j <input type="checkbox"/> Other (describe in Part VI) | | |
| 2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u> | | |
| 3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 3 Yes | |
| 4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI | 4 Yes | |
| 5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply) | 5 Yes | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>SEE PART V, SECTION C FOR FULL URL</u> | | |
| b <input checked="" type="checkbox"/> Other website (list url) <u>WWW.SSMHEALTH.COM</u> | | |
| c <input checked="" type="checkbox"/> Available upon request from the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Part VI) | | |
| 6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year) | | |
| a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | |
| b <input checked="" type="checkbox"/> Execution of the implementation strategy | | |
| c <input type="checkbox"/> Participation in the development of a community-wide plan | | |
| d <input type="checkbox"/> Participation in the execution of a community-wide plan | | |
| e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans | | |
| f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA | | |
| g <input checked="" type="checkbox"/> Prioritization of health needs in its community | | |
| h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community | | |
| i <input type="checkbox"/> Other (describe in Part VI) | | |
| 7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs | 7 | No |
| 8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 8a | No |
| b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? | 8b | |
| c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____ | | |

Part V

Facility Information (continued)

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

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

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)

ST FRANCIS HOSPITAL & HEALTH SERVICES

Name of hospital facility or facility reporting group

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

2

| | Yes | No |
|---|--------------|----|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | |
| 1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply) | 1 Yes | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j <input type="checkbox"/> Other (describe in Part VI) | | |
| 2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u> | | |
| 3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 3 Yes | |
| 4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI | 4 | No |
| 5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply) | 5 Yes | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>SEE PART V, SECTION C FOR FULL URL</u> | | |
| b <input checked="" type="checkbox"/> Other website (list url) <u>WWW.SSMHEALTH.COM</u> | | |
| c <input checked="" type="checkbox"/> Available upon request from the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Part VI) | | |
| 6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year) | | |
| a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | |
| b <input checked="" type="checkbox"/> Execution of the implementation strategy | | |
| c <input type="checkbox"/> Participation in the development of a community-wide plan | | |
| d <input type="checkbox"/> Participation in the execution of a community-wide plan | | |
| e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans | | |
| f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA | | |
| g <input checked="" type="checkbox"/> Prioritization of health needs in its community | | |
| h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community | | |
| i <input type="checkbox"/> Other (describe in Part VI) | | |
| 7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs | 7 | No |
| 8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 8a | No |
| b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? | 8b | |
| c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____ | | |

Part V

Facility Information (continued)

| Financial Assistance Policy | | Yes | No |
|-----------------------------|---|-----|-----|
| 9 | Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | 9 | Yes |
| 10 | Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 00000000000000% If "No," explain in Part VI the criteria the hospital facility used | 10 | Yes |
| 11 | Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 00000000000000% If "No," explain in Part VI the criteria the hospital facility used | 11 | Yes |
| 12 | Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) | 12 | Yes |
| a | <input checked="" type="checkbox"/> Income level | | |
| b | <input checked="" type="checkbox"/> Asset level | | |
| c | <input checked="" type="checkbox"/> Medical indigency | | |
| d | <input checked="" type="checkbox"/> Insurance status | | |
| e | <input checked="" type="checkbox"/> Uninsured discount | | |
| f | <input checked="" type="checkbox"/> Medicaid/Medicare | | |
| g | <input type="checkbox"/> State regulation | | |
| h | <input type="checkbox"/> Residency | | |
| i | <input type="checkbox"/> Other (describe in Part VI) | | |
| 13 | Explained the method for applying for financial assistance? | 13 | Yes |
| 14 | Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | 14 | Yes |
| a | <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website | | |
| b | <input type="checkbox"/> The policy was attached to billing invoices | | |
| c | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | |
| d | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | |
| e | <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | |
| f | <input checked="" type="checkbox"/> The policy was available upon request | | |
| g | <input type="checkbox"/> Other (describe in Part VI) | | |
| Billing and Collections | | | |
| 15 | Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | 15 | Yes |
| 16 | Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP | | |
| a | <input type="checkbox"/> Reporting to credit agency | | |
| b | <input type="checkbox"/> Lawsuits | | |
| c | <input type="checkbox"/> Liens on residences | | |
| d | <input type="checkbox"/> Body attachments | | |
| e | <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| 17 | Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged | 17 | No |
| a | <input type="checkbox"/> Reporting to credit agency | | |
| b | <input type="checkbox"/> Lawsuits | | |
| c | <input type="checkbox"/> Liens on residences | | |
| d | <input type="checkbox"/> Body attachments | | |
| e | <input type="checkbox"/> Other similar actions (describe in Section C) | | |

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year? 25

| 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 |
|---|--|
| SCHEDULE H, PART I, QUESTION 3B | SSM REGIONAL HEALTH SERVICES USES FEDERAL POVERTY GUIDELINES (FPG) TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS THE APPLICABLE PERCENTAGE VARIES BASED ON HOW MUCH THE APPLICANT'S INCOME EXCEEDS FPG GUIDELINES THE FOLLOWING SCHEDULE IS USED TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE APPLICANT'S INCOME IS CHARITY CARE PERCENTAGELESS THAN OR EQUAL TO 2 TIMES FPG 100% MORE THAN 2 TIMES, LESS THAN 2 5 TIME FPG 80% MORE THAN 2 5 TIMES, LESS THAN 3 TIMES FPG 60% MORE THAN 3 TIMES, LESS THAN 3 5 TIMES FPG 40% MORE THAN 3 5 TIMES, LESS THAN 4 TIMES FPG 20%4 OR MORE TIMES FPG 0%SCHEDULE H, PART I, QUESTION 3CAN EXCEPTION TO THE SLIDING SCALE IS PROVIDED FOR A PATIENT IF THEIR BALANCE DUE EXCEEDS 20% OF THEIR GROSS FAMILY INCOME IN THIS SITUATION, THE BILL IS DISCOUNTED DOWN TO 20% OF THEIR FAMILY INCOME TO FURTHER STREAMLINE AND AUTOMATE THE FINANCIAL ASSISTANCE PROCESS, SSM REGIONAL HEALTH SERVICES BUSINESS OFFICE PERSONNEL WILL AUTOMATICALLY CONSIDER 100% OF THE PATIENT ACCOUNT AS CHARITY CARE IF THE COMMERCIAL SOFTWARE SYSTEM (PASSPORT) INDICATES THAT THE PATIENT IS LIVING AT OR BELOW 200% OF THE FEDERAL POVERTY LEVEL (FPL) ADDITIONALLY, PRIOR TO CLASSIFYING THE BALANCE DUE AS A BAD DEBT, THE HOSPITAL REVIEWS ACCOUNTS WITH BALANCES OVER \$10,000 AND APPLIES THE SAME ELIGIBILITY CRITERIA MENTIONED ABOVE THIS PROCESS IS CALLED "PRESUMPTIVE ELIGIBILITY" SCHEDULE H, PART I, QUESTION 6ASSM REGIONAL HEALTH SERVICES IS PART OF THE INTEGRATED HEALTH SYSTEM KNOWN AS SSM HEALTH CARE IN AN EFFORT TO STRENGTHEN ITS COMMUNITY BENEFIT PROGRAM, SSM HEALTH CARE PLANS FOR, MEASURES, AND COMMUNICATES, IN AN ANNUAL REPORT, CHARITY CARE PROVIDED TO PERSONS WHO ARE LOW INCOME, THE UNPAID COSTS OF PUBLIC PROGRAMS AND OTHER ACTIVITIES THAT RESPOND TO COMMUNITY NEED, IMPROVE COMMUNITY HEALTH, OR REACH OUT TO LOW INCOME AND VULNERABLE PERSONS SCHEDULE H, PART I, QUESTION 7CHARITY CARE COSTING METHODOLOGY THE COST OF CHARITY CARE IS CALCULATED IN COMPLIANCE WITH CATHOLIC HEALTH ASSOCIATION (CHA) GUIDELINES A COST TO CHARGE RATIO CALCULATED USING THE IRS WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGE, WAS USED TO COMPUTE CHARITY CARE AT COST THIS IS THE RATIO OF TOTAL ADJUSTED OPERATING EXPENSE TO TOTAL GROSS PATIENT REVENUE THE GROSS REVENUE AMOUNT IS A GROSS AMOUNT - PRIOR TO CONTRACTUAL ADJUSTMENTS AND BAD DEBTS BOTH GROSS REVENUE AND COSTS ARE BASED ON CHARGES AT DATE/TIME OF SERVICE UNREIMBURSED MEDICAID COSTING METHODOLOGY THE COST OF UNREIMBURSED MEDICAID IS CALCULATED IN COMPLIANCE WITH CATHOLIC HEALTH ASSOCIATION (CHA) GUIDELINES A COST TO CHARGE RATIO CALCULATED UTILIZING IRS WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGE, WAS USED TO COMPUTE UNREIMBURSED MEDICAID COSTS THIS IS THE RATIO OF TOTAL ADJUSTED OPERATING EXPENSE TO TOTAL GROSS PATIENT REVENUE THE GROSS REVENUE AMOUNT IS A GROSS AMOUNT - PRIOR TO CONTRACTUAL ADJUSTMENTS AND BAD DEBTS BOTH GROSS REVENUE AND COSTS ARE BASED ON CHARGES AT DATE/TIME OF SERVICE COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS COSTING METHODOLOGY THE COSTS FOR THESE PROGRAMS WERE DERIVED FROM THE ACTUAL COSTS INCURRED IN THESE AREAS THE EXPENDITURES ARE DETERMINED BASED ON ACTUAL INVOICES OR DOLLAR AMOUNTS SPENT AND CHARGED TO THESE DEPARTMENTS HEALTH PROFESSIONAL EDUCATION COSTING METHODOLOGY THE EXPENSES FOR HEALTH PROFESSION EDUCATION WERE TAKEN FROM THE DEPARTMENT'S INCOME AND EXPENSE STATEMENT, DERIVED FROM THE ACCOUNTING SYSTEM AMOUNTS PAID FROM RESIDENT DEPARTMENTS WERE ALSO INCLUDED CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS COSTING METHODOLOGY CONTRIBUTION EXPENDITURES ARE BASED ON ACTUAL INVOICES THAT WERE CAPTURED AND REPORTED FOR THIS PROGRAM SCHEDULE H, PART II, COMMUNITY BUILDING ACTIVITIESSSM REGIONAL HEALTH SERVICES PARTICIPATES IN A WIDE ARRAY OF COMMUNITY AND CIVIC ORGANIZATIONS IN THE PROMOTION OF HEALTH CARE AND COMMUNITY BUILDING ACTIVITIES SPECIFIC ACTIVITIES REPORTED IN PART II OF SCHEDULE H INCLUDE THE FOLLOWING COMMUNITY SUPPORT - PHYSICAL IMPROVEMENT AND HOUSING ST FRANCIS HOSPITAL SPONSORED THE MARYVILLE TRAILS EXTENSION PROVIDING THE TRAILS EASEMENT, TEMPORARY CONSTRUCTION AND EASEMENT GRADING COMMUNITY SUPPORT - ECONOMIC DEVELOPMENT PARTICIPATION IN AN ORGANIZATION PROMOTING SMALL BUSINESS DEVELOPMENT INCLUDING PARTICIPATION IN THE SAVANNAH CHAMBER OF COMMERCE, GREATER MARYVILLE CHAMBER OF COMMERCE AND NODAWAY COUNTY ECONOMIC DEVELOPMENT COUNCIL COMMUNITY BUILDING - COMMUNITY SUPPORT PROVIDES DIRECT SUPPORT FOR UNDERFUNDED CHILD CARE CENTER TO COVER SALARY AND BENEFITS FOR CHILDREN AND FAMILY CENTER OF NORTHWEST MISSOURI, PARTICIPATES IN ACTIVITIES TO TAKE AN ACTIVE ROLE IN THE JEFFERSON CITY, MISSOURI COMMUNITY AND THE HEALTH OF ITS CITIZENS SCHEDULE H, PART III, SECTION A, LINE 2BAD DEBT COSTING METHODOLOGY BAD DEBT EXPENSE REPORTED IN THE ACCOUNTING SYSTEM, ADJUSTED FOR BAD DEBT RECOVERIES, WAS USED, MULTIPLIED BY THE COST TO CHARGE RATIO USING IRS WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGES SCHEDULE H, PART III, SECTION A, LINE 3SSM REGIONAL HEALTH SERVICES DID NOT MAKE AN ESTIMATE OF THE ORGANIZATION'S BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY SCHEDULE H, PART III, SECTION A, LINE 4SSM REGIONAL HEALTH SERVICES IS PART OF THE SSM HEALTH CARE CONSOLIDATED AUDIT THE FOOTNOTE THAT REFERENCES BAD DEBT EXPENSE IN THE DECEMBER 31, 2013 CONSOLIDATED AUDIT IS AS FOLLOWS "IN LINE WITH ITS MISSION, SSMHC PROVIDES SERVICES TO PATIENTS WITHOUT REGARD TO THEIR ABILITY TO PAY FOR THOSE SERVICES FOR SOME OF ITS PATIENT SERVICES, SSMHC RECEIVES NO PAYMENT OR PAYMENT THAT IS LESS THAN THE FULL COST OF PROVIDING THE SERVICES SSMHC VOLUNTARILY PROVIDES FREE CARE TO PATIENTS WHO ARE UNABLE TO PAY FOR ALL OR PART OF THEIR HEALTH CARE EXPENSES AS DETERMINED BY SSMHC'S CRITERIA FOR FINANCIAL ASSISTANCE BECAUSE SSMHC DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS PATIENT SERVICE REVENUES IN SOME CASES, SSMHC DOES NOT RECEIVE THE AMOUNT BILLED FOR PATIENT SERVICES EVEN THOUGH IT DID NOT RECEIVE INFORMATION NECESSARY TO DETERMINE IF THE PATIENTS MET THE CRITERIA FOR FINANCIAL ASSISTANCE THE ESTIMATED COST OF CHARITY AND THE COST OF DOUBTFUL ACCOUNTS ARE AS FOLLOWS THE ESTIMATED COSTS ARE CALCULATED USING THE COSTS OF PROVIDING PATIENT CARE DIVIDED BY GROSS PATIENT SERVICE REVENUE THIS RATIO IS THEN MULTIPLIED BY THE GROSS CHARITY AND DOUBTFUL CHARGES TO DETERMINE ESTIMATED COSTS " BAD DEBT EXPENSE REPORTED ON LINE 2 FOR THE YEAR ENDED DECEMBER 31, 2013 WAS \$18,110,149 AT CHARGES AND \$7,090,602 AT COST |
| SCHEDULE H, PART III, SECTION B, LINE 8 | THE COST OF PROVIDING CARE TO MEDICARE ELIGIBLE PATIENTS IS GREATER THAN THE REIMBURSEMENT THAT MEDICARE ALLOWS ON THE MEDICARE COST REPORT SSM REGIONAL HEALTH SERVICES CONSIDERS THIS SHORTFALL AS A COMPONENT OF COMMUNITY BENEFIT BECAUSE THE REIMBURSEMENT IS NOT NEGOTIATED AND SERVICES ARE PROVIDED REGARDLESS OF THE PATIENTS' ABILITY TO PAY THE MEDICARE COSTS REPORTED ON LINE 6 WERE OBTAINED FROM THE 2013 MEDICARE COST REPORT SCHEDULE H, PART III, SECTION C, LINE 9BSSM REGIONAL HEALTH SERVICES HAS ESTABLISHED WRITTEN CREDIT AND COLLECTION POLICY AND PROCEDURES THE BILLING AND COLLECTION POLICIES AND PRACTICES REFLECT THE MISSION AND VALUES OF SSM HEALTH CARE, INCLUDING OUR SPECIAL CONCERN FOR PEOPLE WHO ARE POOR AND VULNERABLE THE HOSPITAL EMBRACES ITS RESPONSIBILITY TO SERVE THE COMMUNITIES IN WHICH IT PARTICIPATES BY ESTABLISHING SOUND BUSINESS PRACTICES THE HOSPITAL'S BILLING AND COLLECTION PRACTICES WILL BE FAIRLY AND CONSISTENTLY APPLIED ALL STAFF AND VENDORS ARE EXPECTED TO TREAT ALL PATIENTS CONSISTENTLY AND FAIRLY REGARDLESS OF THEIR ABILITY TO PAY THEY RESPOND TO PATIENTS IN A PROMPT AND COURTEOUS MANNER REGARDING ANY QUESTIONS ABOUT THEIR BILLS AND PROVIDE NOTIFICATION OF THE AVAILABILITY OF CHARITY CARE AND FINANCIAL ASSISTANCE ALL OUTSIDE COLLECTION AGENCIES MUST COMPLY WITH STATE AND FEDERAL LAWS, COMPLY WITH THE ASSOCIATION OF CREDIT AND COLLECTION PROFESSIONAL'S CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITY AND COMPLY WITH SSM REGIONAL HEALTH SERVICES' COLLECTION AND CHARITY POLICIES SCHEDULE H, PART IV, LINE 2 NEEDS ASSESSMENT PROCESSTHE ANNUAL STRATEGIC, FINANCIAL, AND HUMAN RESOURCES PLANNING PROCESS HAS INCLUDED AN ASSESSMENT OF THE COMMUNITY'S NEEDS TO INCLUDE THE IDENTIFICATION OF SPECIFIC AND MEASUREABLE HEALTHY COMMUNITIES' INITIATIVES OUR SYSTEM VISION FOR IMPROVED COMMUNITY HEALTH IS PURSUED IN ALL OF OUR WORK AT SSM HEALTH CARE FROM STRATEGIC PLANNING, FINANCIAL MANAGEMENT, AND DIRECT PATIENT CARE TO ADVOCACY, COMMUNITY PARTNERSHIPS AND HEALTHY COMMUNITIES INITIATIVES OVERALL EFFORTS IN THIS AREA ARE COORDINATED THROUGH SSM HEALTH CARE'S COMMUNITY BENEFIT PROGRAM, WHICH FOCUSES ON ASSESSING AND IMPLEMENTING STRATEGIES TO ADDRESS IDENTIFIED COMMUNITY HEALTH NEEDS SSM HEALTH CARE'S COMMITMENT TO COMMUNITY BENEFIT IS DEEPLY EMBEDDED INTO OUR ORGANIZATIONAL CULTURE AS REFLECTED IN OUR SYSTEM VISION STATEMENT WHICH READS THROUGH OUR PARTICIPATION IN THE HEALING MINISTRY OF JESUS CHRIST, COMMUNITIES, ESPECIALLY THOSE THAT ARE ECONOMICALLY, PHYSICALLY AND SOCIALLY MARGINALIZED, WILL EXPERIENCE IMPROVED HEALTH IN MIND, BODY, SPIRIT, AND ENVIRONMENT WITHIN THE FINANCIAL LIMITS OF THE SYSTEM A COMMUNITY BENEFIT ACTIVITY IS IDENTIFIED AS A SERVICE RATHER THAN AS A MARKETING TOOL AND MEETS AT LEAST TWO OF THE FOLLOWING CRITERIA - IT IS FINANCED BY PHILANTHROPIC CONTRIBUTIONS, VOLUNTEER EFFORTS, OR AN ENDOWMENT - IT PROVIDES A RESPONSE TO A UNIQUE OR PARTICULAR HEALTH PROBLEM IN THE COMMUNITY - IT GENERATES A LOW OR NEGATIVE MARGIN ON A FULLY ABSORBED COST BASIS - IT RESPONDS TO THE NEEDS OF SPECIAL POPULATIONS SUCH AS MINORITIES, WOMEN AND CHILDREN, THE FRAIL ELDERLY, LOW INCOME PERSONS WITH DISABILITIES, THE MENTALLY ILL, OR THOSE LIVING WITH CHRONIC ILLNESS - THE DECISION TO OFFER THE SERVICE OR PROGRAM IS NOT MADE ON A PURELY FINANCIAL BASIS - IF NOT PROVIDED BY HEALTH CARE ORGANIZATION, THE SERVICE WOULD NO LONGER BE AVAILABLE IN THE COMMUNITY OR WOULD BE THE RESPONSIBILITY OF GOVERNMENT THE COMMUNITY BENEFIT PLAN DETAILS THE PLANNING, MEASUREMENT AND COMMUNICATION OF ITS COMMUNITY BENEFITS THE THREE-MAIN ASPECTS OF COMMUNITY BENEFIT BEING THE COMMUNITY HEALTH NEEDS ASSESSMENT WHICH DETERMINES THE COMMUNITY NEEDS TO BE ADDRESSED BY THE HOSPITAL, THE COMMUNITY BENEFIT PLAN WHICH DETAILS STEPS TO BE ACCOMPLISHED TO MEET IDENTIFIED NEEDS, AND THE CBISA DATABASE WHICH DOCUMENTS ALL OF THE COMMUNITY BENEFIT ACTIVITIES FOR EACH YEAR AT THE END OF EACH YEAR, THE CBISA COMMUNITY BENEFIT REPORT IS GIVEN TO MANAGEMENT, ADMINISTRATION AND THE SSMHC BOARD OF DIRECTORS IN ORDER TO EVALUATE AND IMPROVE THE PROGRAM ST FRANCIS HOSPITAL AND HEALTH SERVICES - MARYVILLE, MO ONE OF THE FIRST STEPS FOR IDENTIFYING THE HIGH-PRIORITY HEALTH NEEDS OF OUR COMMUNITY IS TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) A SUMMARY OF THE ST FRANCIS HOSPITAL COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS CAN BE FOUND ON PAGES 4 AND 5 OF ITS CHNA THE TWO STRATEGIC PRIORITIES OF THE ST FRANCIS HOSPITAL COMMUNITY BENEFIT PLAN ARE MENTAL HEALTH SERVICES FOR YOUTH AND ADOLESCENTS, AND OBESITY DURING 2013, GOALS AND OBJECTIVES WERE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE ALL OF THE COMMUNITY BENEFIT ACTIVITIES ARE DESIGNED TO MEET THE NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WHICH WAS COMPLETED IN OCTOBER 2012 ST MARY'S HEALTH CENTER - JEFFERSON CITY, MO ST MARY'S HEALTH CENTER CO-SPONSORED A 2012 COMMUNITY HEALTH NEEDS ASSESSMENT FOR A FOUR-COUNTY REGION IN CENTRAL MISSOURI THAT INCLUDES COLE, MILLER, MONITEAU AND OSAGE COUNTIES THE CENTRAL MISSOURI HEALTH ASSESSMENT PARTNERSHIP FORMULATES INITIATIVES WITH MEMBER ORGANIZATIONS, INCLUDING THE COMMUNITY HEALTH CENTER OF CENTRAL MISSOURI (A FEDERALLY QUALIFIED HEALTH CENTER), COLE COUNTY HEALTH DEPARTMENT, THE UNITED WAY OF CENTER MISSOURI, SAMARITAN CENTER OF JEFFERSON CITY, AS WELL AS CAPITAL REGION MEDICAL CENTER A SUMMARY OF THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS CAN BE FOUND ON PAGE 4 OF THE CHNA THE THREE STRATEGIC PRIORITIES OF THE ST MARY'S HEALTH CENTER COMMUNITY BENEFIT PLAN ARE DIABETES, CANCER AND HEART DISEASE DURING 2013, GOALS AND OBJECTIVES WERE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE ALL OF THE COMMUNITY BENEFIT ACTIVITIES ARE DESIGNED TO MEET THE NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WHICH WAS COMPLETED IN AUGUST 2012 SCHEDULE H, PART IV LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCEALL SSMHC FACILITIES WILL STRIVE TO PROVIDE EXCEPTIONAL HEALTH CARE SERVICES TO ALL PERSONS IN NEED REGARDLESS OF THEIR ABILITY TO PAY ALL BILLING AND COLLECTION POLICIES REFLECT THE MISSION AND VALUES OF SSMHC, INCLUDING OUR SPECIAL CONCERN FOR PEOPLE WHO ARE POOR AND VULNERABLE SSMHC FACILITIES OFFER DISCOUNTS FOR HOSPITAL SERVICES TO ALL UNINSURED PERSONS SELF-PAY DISCOUNTS APPLY TO EVERYONE WHO DOES NOT HAVE HEALTH INSURANCE, NO MATTER THEIR ABILITY TO PAY SSMHC APPLIES ITS CHARITY CARE POLICIES FAIRLY AND CONSISTENTLY EACH PERSON IS TREATED AS AN INDIVIDUAL WITH SPECIFIC NEEDS FOR ASSISTANCE WITHOUT REGARD TO PAYMENT SSMHC EMBRACES ITS RESPONSIBILITY TO SERVE THE COMMUNITIES IN WHICH WE PARTICIPATE BY ESTABLISHING SOUND BUSINESS PRACTICES CHARITY CARE IS PROVIDED TO PATIENTS BASED ON A SLIDING SCALE FOR HOUSEHOLD INCOMES UP TO FOUR TIMES THE FEDERAL POVERTY LEVEL PATIENTS WHOSE HOUSEHOLD INCOME IS NO MORE THAN TWO TIMES THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR FREE HOSPITAL SERVICES IN ADDITION, AN EXCEPTION TO THE SLIDING SCALE IS PROVIDED FOR A PATIENT'S BALANCE DUE IF THE AMOUNT EXCEEDS 20% OF THEIR GROSS FAMILY INCOME IN THIS SITUATION, THE BILL IS DISCOUNTED DOWN TO 20% OF THEIR FAMILY INCOME EACH ENTITY PROVIDING MEDICAL SERVICES SHALL PROVIDE INFORMATION TO THE PUBLIC REGARDING ITS CHARITY CARE POLICIES AND THE QUALIFICATION REQUIREMENTS FOR EACH OF ITS FACILITIES WHEN STANDARD SYSTEM NOTICES AND COMMUNICATION REGARDING CHARITY CARE ARE AVAILABLE, THESE MUST BE USED MODIFICATIONS TO THE STANDARD MAY BE MADE TO COMPLY WITH STATE AND LOCAL LAWS, AS WELL AS REFLECT CULTURALLY SENSITIVE TERMINOLOGY FOR THE POLICY ALL NOTICES ARE EASY TO UNDERSTAND BY THE GENERAL PUBLIC, CULTURALLY APPROPRIATE AND AVAILABLE IN THOSE LANGUAGES THAT ARE PREVALENT IN THE COMMUNITY THEY PROVIDE INFORMATION ABOUT - THE PATIENT'S RESPONSIBILITY FOR PAYMENT,- THE AVAILABILITY OF FINANCIAL ASSISTANCE FROM PUBLIC PROGRAMS AND ENTITY CHARITY CARE AND PAYMENT ARRANGEMENTS,- THE ENTITY'S CHARITY POLICY AND APPLICATION PROCESS, AND- WHO TO CONTACT TO GET ADDITIONAL INFORMATION OR FINANCIAL COUNSELING THE FOLLOWING TYPES OF NOTICES TO THE PUBLIC ARE PROVIDED - SIGNS IN THE EMERGENCY DEPARTMENT, OUTPATIENT AND INPATIENT REGISTRATION AND PUBLIC WAITING AREAS - BROCHURES OR FLIERS PROVIDED AT TIME OF REGISTRATION AND AVAILABLE IN THE FINANCIAL COUNSELING AREAS - NOTICES SENT WITH OR ON PATIENT BILLS OR COMMUNICATIONS SENT TO PATIENTS AND GUARANTORS RELATED TO MEDICAL SERVICES - APPLICATIONS PROVIDED TO UNINSURED PATIENTS AT THE TIME OF REGISTRATION |

| Form and Line Reference | Explanation |
|--|---|
| THE APPLICATION FOR CHARITY CARE, TOGETHER WITH ANY INSTRUCTIONS, MUST | CLEARLY STATE THE POLICIES REGARDING CHARITY CARE, INCLUDING EXCLUDED SERVICES, ELIGIBILITY CRITERIA AND DOCUMENTATION REQUIREMENTS INFORMATION ABOUT THE ENTITY'S CHARITY POLICIES IS ALSO PROVIDED TO PUBLIC AGENCIES SCHEDULE H, PART VI LINE 4 COMMUNITY INFORMATIONST FRANCIS HOSPITAL AND HEALTH SERVICES - MARYVILLE, MO ST FRANCIS HOSPITAL & HEALTH SERVICES IS LOCATED IN MARYVILLE, MISSOURI, IN RURAL NORTHWEST MISSOURI THE SERVICE AREA FOR ST FRANCIS ENCOMPASSES NODAWAY COUNTY, MISSOURI AND ALL OF THE CONTIGUOUS SURROUNDING COUNTIES IN MISSOURI AND IOWA THE ESTIMATED 2011 POPULATION OF NODAWAY COUNTY WAS 21,860 WITH A PROJECTED GROWTH RATE OF 0 2% FROM 2011 TO 2016 THE LARGEST AGE GROUP IN NODAWAY COUNTY IS THE 18 - 24 GROUP, WHICH MAKES UP ABOUT 27% OF THE TOTAL POPULATION THE POPULATION OF NODAWAY COUNTY IS PREDOMINANTLY WHITE/NON-HISPANIC (94%) THE AVERAGE HOUSEHOLD INCOME IN NODAWAY COUNTY IS \$46,895 THIS IS CONSIDERABLY LOWER THAN THE MISSOURI AVERAGE OF \$58,797 IN 2010, THE POVERTY RATE WAS 17 0%, WHICH WAS HIGHER THAN THE MISSOURI AVERAGE OF 15 3% THE POVERTY RATE FOR CHILDREN WAS 15 0% IN NODAWAY COUNTY MOST OF THE ADULT POPULATION (AGE 25 OR OLDER) IN NODAWAY COUNTY HAVE A HIGH SCHOOL DEGREE OR HIGHER ADDITIONAL DETAILED INFORMATION ON THE ST FRANCIS HOSPITAL AND HEALTH CENTER SERVICE AREA CAN BE FOUND ON PAGES 6 THROUGH 29 OF THE CHNA AS A RURAL HOSPITAL, ST FRANCIS HOSPITAL & HEALTH SERVICES PROVIDES EMERGENCY TREATMENT, ACUTE CARE FOR PATIENTS WITH MEDICAL AND SURGICAL DIAGNOSIS, MENTAL HEALTH ILLNESSES, AND OBSTETRICAL NEEDS ST MARY'S HEALTH CENTER - JEFFERSON CITY, MO ST MARY'S HEALTH CENTER DEFINES ITS PRIMARY AND SECONDARY SERVICE AREAS AS THE FOUR COUNTIES OF COLE, MILLER, MONITEAU AND OSAGE LOCATED IN CENTRAL MISSOURI THE TOTAL POPULATION OF THE SERVICE AREA, BASED ON THE 2010 CENSUS, WAS 130,223 THIS REGION IS EXPECTING AN INCREASE OF 1 8% FROM 2010 TO 2015 WITH COLE COUNTY EXPECTING THE PARGETS GROWTH AT 2 2% THE AGE DISTRIBUTION CONTINUES TO SHIFT TOWARD A LARGER POPULATION OF OLDER ADULTS WITH ESTIMATES SUGGESTING THE 65+ COHORT WILL SEE THE LARGEST GROWTH FROM 2010 TO 2015 WITH A 13 4% INCREASE THE MEDIAN AGE FOR THE REGION IS 38 4 WHICH IS SLIGHTLY HIGHER THAN THE MISSOURI AVERAGE OF 37 9 THE RACE/ETHNICITY DISTRIBUTION BASED ON THE 2010 CENSUS DATA SHOWS A POPULATION THAT IS PREDOMINATELY WHITE/CAUCASIAN (89 2%), WITH 7 1 PERCENT BLACK/AFRICAN AMERICAN THE MAJORITY OF THE ADULT POPULATION IN THE REGION HAS AN EDUCATION LEVEL AT OR ABOVE THE HIGH SCHOOL LEVEL (85 4%) LOWER THAN AVERAGE POVERTY RATES PROVIDE EVIDENCE OF A HIGHER LEVEL OF ECONOMIC WELL-BEING IN THREE OF THE FOUR COUNTIES WITH ONLY MILLER COUNTY (16 8%) HAVING A PERCENTAGE HIGHER THAN THE MISSOURI AVERAGE (14%) MILLER COUNTY ALSO REPORTS A HIGHER PERCENTAGE OF CHILDREN IN POVERTY (31%) WHEN COMPARED TO 21 PERCENT IN MISSOURI PER CAPITA INCOME RANGED FROM A LOW \$18,202 IN MILLER COUNTY TO A HIGH OF \$25,935 IN CLE COUNTY THIS REGION CONTAINS 50,499 HOUSEHOLDS WITH AVERAGE HOUSEHOLD INCOMES RANGING FROM \$43,839 IN MILLER COUNTY TO \$65,254 IN COLE COUNTY ADDITIONAL DETAILED INFORMATION ON THE ST MARY'S HEALTH CENTER SERVICE AREA CAN BE FOUND ON PAGES 8 THROUGH 17 OF THE CHNA ST MARY'S HEALTH CENTER OFFERS A FULL RANGE OF HEALTH CARE SERVICES INCLUDING CARDIOVASCULAR, EMERGENCY, ORTHOPEDIC, CANCER, OUTPATIENT SURGICAL, AND WOMEN'S HEALTH SERVICES IN ADDITION ST MARY'S EXTENDS ITS HEALTH CARE INTO THE REGION WITH THE FOLLOWING SERVICES WOUND HEALING CENTER, MEDICAL CLINICS, URGENT CARE FACILITIES, RETAIL PHARMACIES, ST MARY'S PEDIATRICS, HEALTH PSYCHOLOGY, PAIN MANAGEMENT, ST MARY'S SLEEP CENTER, WOMEN'S IMAGING CENTER, OCCUPATION MEDICINE, OUTPATIENT PHYSICAL REHABILITATION AND DIABETES MANAGEMENT AND TRAINING SCHEDULE H, PART VI LINE 5 PROMOTION OF COMMUNITY HEALTHSSM HEALTH CARE'S MISSION STATEMENT IS "THROUGH OUR EXCEPTIONAL HEALTH CARE SERVICES, WE REVEAL THE HEALING PRESENCE OF GOD" SSM REGIONAL HEALTH SERVICES PARTICIPATES IN A WIDE ARRAY OF COMMUNITY PROGRAMS THROUGHOUT THE AREA TO FURTHER ITS EXEMPT PURPOSE OF PROMOTING THE HEALTH OF THE COMMUNITY SOME EXAMPLES INCLUDE THE FOLLOWING ST FRANCIS HOSPITAL AND HEALTH SERVICES - MARYVILLE, MOIN NODAWAY COUNTY, THE RATE OF ER VISITS FOR STROKE OR OTHER CEREBROVASCULAR DISEASE SHOWED A SIGNIFICANT INCREASE IN RECENT YEARS BASED ON THE COMMUNITY ASSESSMENT OF THE DATA STUDIED, 75% OF THE PATIENTS WERE FEMALE EFFORTS WERE MADE TO IDENTIFY HIGH-RISK PATIENTS THROUGH INCREASED SCREENINGS IN THE AREA WITH SPECIAL EMPHASIS ON WOMEN IN THE AREA HEALTH SCREENINGS INCLUDE BLOOD PRESSURE, BLOOD DRAWS, AND/OR ONE DENSITY TEST THE HOSPITAL MAKES PRESENTATIONS ABOUT HEALTH RELATED-RELATED MATTERS SUCH AS DIABETES AND HEART DISEASE AND PARTICIPATES IN HEALTH FAIRS ADDITIONALLY, THE HOSPITAL PARTICIPATES IN JOB SHADOW OPPORTUNITIES FOR STUDENTS IN ELEMENTARY SCHOOL THROUGH COLLEGE DURING 2013, THE HOSPITAL HELD 14 HEALTH SCREENING WITH OVER 750 PARTICIPANTS DIABETES EDUCATION DEB HULL, DIABETES EDUCATOR, CONTINUED HER EFFORTS TO INFORM AND RAISE AWARENESS ABOUT DIABETES IN 2013, DEB PRESENTED INFORMATION TO OVER 350 SCHOOL AND COMMUNITY MEMBERS ABOUT THE RISK OF DEVELOPING TYPE 2 DIABETES AND HOW IT CAN BE SIGNIFICANTLY REDUCED THROUGH EXERCISE AND MODEST WEIGHT LOSS PRESENTATIONS INCLUDED INFORMATION ABOUT THE DISEASE, PREVENTION, TREATMENT, SIGNS AND SYMPTOMS AND TIPS ON HANDLING THE DISEASE IN ADDITION, THE HOSPITAL HOSTED MONTHLY DIABETES SUPPORT GROUP MEETINGS HEALTH PROFESSIONALS EDUCATION IN COLLABORATION WITH MISSOURI AREA HEALTH EDUCATION CENTERS AND THE UNIVERSITY OF MISSOURI SCHOOL OF MEDICINE, ST FRANCIS ACCOMMODATED MEDICAL STUDENTS IN AN OPPORTUNITY TO HELP THEM EXPLORE FIRST-HAND THE PROSPECTS AWAITING THEM IN A RURAL AND OUTREACH POPULATIONS THE PROGRAM INCLUDED PHYSICIAN INVOLVEMENT TO OVERSEE THE STUDENT LEARNING AS WELL AS HOUSING WITH MAINTENANCE AND HOUSEKEEPING AND INTERNET-BASED EQUIPMENT AND FACILITIES TO CONDUCT CHATS WITH UNIVERSITY INSTRUCTORS ON A REGULAR BASIS IN COLLABORATION WITH NORTH CENTRAL MISSOURI COLLEGE AND IOWA WESTERN COMMUNITY COLLEGE, ST FRANCIS HOSTED OVER 120 RN AND LPN STUDENTS DURING 2013 THE STUDENTS WERE PROVIDED MENTORING THROUGH A JOB SHADOW PROGRAM WITH HOSPITAL STAFF IN ADDITION, THE HOSPITAL PROVIDED PROFESSIONAL EDUCATION TO SPECIALTY STUDENTS IN THE AREAS OF DIETICIANS, EMT, SURGERY TECHNICIANS, PHARMACY, SOCIAL WORK AND PHYSICAL THERAPY HEALTH EDUCATION TO PROVIDE BETTER HEALTH EDUCATION TO COMMUNITY MEMBERS, HOSPITAL EMPLOYEES PROVIDE CPR TRAINING AT VARIOUS EVENTS AND PROVIDED HEALTH LIFESTYLES FOLLOW-UP SESSIONS ST MARY'S HEALTH CENTER - JEFFERSON CITY, MOST MARY'S FINANCIAL ASSISTANCE PROGRAM ST MARY'S PROVIDED ASSISTANCE TO PATIENTS IN APPLYING FOR MEDICAID AND OTHER SERVICES SMHC FOUNDATION MEDICATION ASSISTANCE FUND THIS PROGRAM PROVIDES AID TO THOSE IN NEED BY OFFERING SHORT-TERM MEDICATION ASSISTANCE TO PATIENTS WHO CANNOT AFFORD PRESCRIPTION MEDICINE, AND CANNOT OBTAIN IT IN A TIMELY MANNER FROM ANOTHER AGENCY THIS PROGRAM SUPPORTS THE POOR, UNINSURED AND IS AVAILABLE TO THE URBAN AND RURAL DEMOGRAPHIC SPORTS MEDICINE OUTREACH PROGRAM ST MARY'S HEALTH CENTER PROVIDES ATHLETIC TRAINERS TO SEVERAL AREA HIGH SCHOOL'S SPORTING EVENTS IN CASE OF INJURY HEALTH PROFESSIONAL EDUCATION ST MARY'S HEALTH CENTER PROVIDES LOCAL NURSING AND PHARMACY STUDENTS MENTORING OPPORTUNITIES IN VARIOUS CLINICAL DEPARTMENTS OF THE HOSPITAL EDUCATION ST MARY'S MISSION EFFECTIVENESS DEPARTMENT PROVIDES MONTHLY EDUCATION SESSIONS TO THE COMMUNITY ON END-OF-LIFE ISSUES ST MARY'S PROVIDES BASIC LIFE SUPPORT OF ADULT, CHILD AND INFANTS, AND FAMILY AND FRIENDS WHICH IS A COURSE FOR LAYPERSONS TO KNOW WHAT TO DO UNTIL EMERGENCY HELP ARRIVES ON THE SCENE ST MARY'S WOMEN'S SERVICES DEPARTMENT PROVIDES CHILDBIRTH EDUCATION CLASSES, REFRESHER CLASSES, SUPERSIBLING CLASSES AND BREASTFEEDING EDUCATION CLASSES TRAINING RESOURCES FOR DISADVANTAGED YOUTH THIS PROGRAM IS A TRAINING PROGRAM THAT PROVIDES LEARNING CHALLENGED HIGH SCHOOL STUDENTS AN OPPORTUNITY TO BUILD VALUABLE EXPERIENCE AND LIFE SKILLS BY WORKING AT THE HOSPITAL THE PROGRAM SUPPORTS LEARNING DISADVANTAGED, OFTEN ECONOMICALLY CHALLENGED YOUTH IN OUR COMMUNITY, AS WELL AS SUPPORTS A COMMUNITY PARTNERSHIP WITH THE LOCAL HIGH SCHOOL LINCOLN UNIVERSITY SCHOOL OF NURSING ST MARY'S PARTNERS WITH LINCOLN UNIVERSITY BY DONATING \$60,407 TO THE NURSING PROGRAM AS WELL AS PROVIDING A CLINICAL SETTING FOR THE RN STUDENTS TO LEARN |
| SSM REGIONAL HEALTH SERVICES ALSO FURTHERS ITS EXEMPT | PURPOSE WITH THE FOLLOWING ACTIVITIES - OPERATES AN EMERGENCY ROOM THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY,- HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA,- HAS A SOLE CORPORATE MEMBER WITH RESERVED POWERS WHICH HAS A GOVERNING BODY IN WHICH INDEPENDENT PERSONS REPRESENTATIVE OF THE COMMUNITY COMPRISE A MAJORITY,- ENGAGES IN THE TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS,- PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, TRICARE, AND/OR OTHER GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS,- SSM REGIONAL HEALTH SERVICES IS COMMITTED TO PROVIDING A HIGH QUALITY PATIENT CARE DELIVERY SYSTEM WHICH INCLUDES THE REINVESTMENT OF SURPLUS FUNDS A ST MARY'S HEALTH CENTER REPLACEMENT HOSPITAL IS UNDER CONSTRUCTION AND SCHEDULED TO OPEN IN 2014 SCHEDULE H, PART VI LINE 6 AFFILIATED HEALTH CARE SYSTEMSSM REGIONAL HEALTH SERVICES IS A HEALTH CARE NETWORK THAT THAT OPERATES ST MARY'S HEALTH CENTER IN JEFFERSON CITY MISSOURI AND ST FRANCIS HOSPITAL & HEALTH SERVICES IN MARYVILLE, MISSOURI IT IS PART OF THE INTEGRATED HEALTH CARE SYSTEM KNOWN AS SSM HEALTH CARE SSM HEALTH CARE IS A 501(C)(3) ORGANIZATION HEADQUARTERED IN ST LOUIS, MISSOURI SCHEDULE H, PART VI LINE 7 STATE FILING OF COMMUNITY BENEFIT REPORTTHE SSM HEALTH CARE'S ANNUAL CONSOLIDATED COMMUNITY BENEFIT REPORT IS FILED IN ILLINOIS, MISSOURI, OKLAHOMA, AND WISCONSIN |

Additional Data

Software ID:

Software Version:

EIN: 44-0579850

Name: SSM REGIONAL HEALTH SERVICES

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) |
|--|-----------------------------|
| 1ST FRANCIS FAMILY HEALTH CARE WEST 2016 S MAIN MARYVILLE,MO 64468 | PRIMARY CARE CLINIC |
| 2ST MARY'S PEDIATRICS 3348 AMERICAN AVENUE JEFFERSON CITY,MO 651091079 | PRIMARY CARE CLINIC |
| 3ST MARY'S SPORTS MEDICINE & REHAB 1225 WEST STADIUM BLVD JEFFERSON CITY,MO 65109 | PRIMARY CARE CLINIC |
| 4ST MARY'S SLEEP DISORDERS CENTER 3348 AMERICAN AVENUE JEFFERSON CITY,MO 65109 | PRIMARY CARE CLINIC |
| 5ST MARY'S HOLTS SUMMIT PHARMACY 140 NORTHSTAR DRIVE HOLTS SUMMIT,MO 650431123 | PRIMARY CARE CLINIC |
| 6ST MARY'S TIPTON PHARMACY 875 STATE RT 5 PO BOX 667 TIPTON,MO 650818411 | PRIMARY CARE CLINIC |
| 7ST FRANCIS FAMILY HEALTH CARE - EAST 114 E SOUTH HILLS DR MARYVILLE,MO 64468 | PRIMARY CARE CLINIC |
| 8ST MARY'S PLAZA PHARMACY 200 ST MARYS MEDICAL PLAZA SUITE 204 JEFFERSON CITY,MO 65101 | PRIMARY CARE CLINIC |
| 9ST MARY'S URGENT CARE - LAKE OZARK 2265 BAGNELL DAM BLVD SUITE 103 LAKE OZARK,MO 650498603 | PRIMARY CARE CLINIC |
| 10ST MARY'S CARDIOVASCULAR SURGERY 200 ST MARYS MEDICAL PLAZA SUITE 203 JEFFERSON CITY,MO 651011604 | PRIMARY CARE CLINIC |
| 11ST MARY'S HEALTH PSYCHOLOGY 3702 W TRUMAN BLVD SUITE 115 JEFFERSON CITY,MO 651096152 | PRIMARY CARE CLINIC |
| 12ST MARY'S URGENT CARE - JEFFERSON CITY 2511 WEDGEWOOD SUITE D JEFFERSON CITY,MO 651095869 | PRIMARY CARE CLINIC |
| 13ST FRANCIS FAMILY LIFE SERVICES 114 EAST SOUTH HILLS DRIVE MARYVILLE,MO 64468 | PRIMARY CARE CLINIC |
| 14ST MARY'S OUTPATIENT REHAB & SPINE CENTE 2511 WEDGEWOOD SUITE G JEFFERSON CITY,MO 65109 | PRIMARY CARE CLINIC |
| 15ST MARY'S MEDICAL CLINIC - BELLE 100 HIGHWAY 28 W BELLE,MO 650133405 | PRIMARY CARE CLINIC |
| 16ST MARY'S MEDICAL CLINIC - JEFFERSON 2511 WEDGEWOOD SUITE F JEFFERSON CITY,MO 65109 | PRIMARY CARE CLINIC |
| 17ST MARY'S MEDICAL CLINIC - HOLTS SUMMIT 140 NORTHSTAR DRIVE HOLTS SUMMIT,MO 650431123 | PRIMARY CARE CLINIC |
| 18ST MARY'S MEDICAL CLINIC - TIPTON 875 STATE RT 5 PO BOX 667 TIPTON,MO 650818411 | PRIMARY CARE CLINIC |
| 19ST MARY'S OCCUPATIONAL MEDICINE 2511 WEDGEWOOD SUITE F JEFFERSON CITY,MO 651095869 | PRIMARY CARE CLINIC |
| 20ST MARY'S MEDICAL CLINIC - VERSAILLES 801 KIDWELL DRIVE VERSAILLES,MO 650841787 | PRIMARY CARE CLINIC |
| 21ST FRANCIS HOSPITAL - SAVANNAH CLINIC 301 E PRICE STREET SAVANNAH,MO 64485 | PRIMARY CARE CLINIC |
| 22HARDIN MEDICAL CLINIC 408 SOUTH DODGE STREET BEDFORD,IA 50833 | PRIMARY CARE CLINIC |
| 23ST FRANCIS GRANT CITY MEDICAL CLINIC 24 WEST 4TH STREET GRANT CITY,MO 64456 | PRIMARY CARE CLINIC |
| 24WEST NODAWAY HEALTH CLINIC 221 EAST MAIN STREET BURLINGTON JUNCTION,MO 64428 | PRIMARY CARE CLINIC |
| 25ST MARY'S MEDICAL CLINIC - LAKE OZARK 2265 BAGNELL DAM BLVD SUITE 103 LAKE OZARK,MO 650498603 | PRIMARY CARE CLINIC |

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
SSM REGIONAL HEALTH SERVICES

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

Employer identification number
44-0579850

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) LINCOLN UNIVERSITY 820 CHESTNUT JEFFERSON CITY,MO 65101 | 44-6001089 | 501(C)(3) | 60,407 | | | | SUPPORT RN TRAINING PROGRAM |
| (2) CATHOLIC DIOCESE OF JEFFERSON CITY 2207 WEST MAIN STREET JEFFERSON CITY,MO 65109 | 44-0612540 | 501(C)(3) | 16,000 | | | | PASTORAL CARE SERVICES GRANT |
| (3) MISSOURI HOSPITAL ASSOCIATION CENTER FOR EDUCATION 4712 COUNTRY CLUB DRIVE JEFFERSON CITY,MO 65109 | 43-0898947 | 501(C)(3) | 21,655 | | | | SCHOLARSHIP FUNDING |
| (4) AMERICAN HEART ASSOCIATION PO BOX 4002902 DES MOINES,IA 50340 | 13-5613797 | 501(C)(3) | 8,500 | | | | SUPPORT GENERAL OPERATIONS |
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2

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

4

3

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

Part III

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

| (a)Type of grant or assistance | (b)Number of recipients | (c)Amount of cash grant | (d)Amount of non-cash assistance | (e)Method of valuation (book, FMV, appraisal, other) | (f)Description of non-cash assistance |
|--------------------------------|-------------------------|-------------------------|----------------------------------|--|---------------------------------------|
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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 | THE ORGANIZATION'S GRANTS WERE MADE TO GOVERNMENTAL OR TAX EXEMPT, UNDER SECTION 501(C)(3), ORGANIZATIONS THESE ORGANIZATIONS HAVE DEVELOPED INTERNAL CONTROL PROCEDURES FOR THE USE OF GRANT FUNDS |

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SSM REGIONAL HEALTH SERVICES

Employer identification number
44-0579850

Part I

Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

| Return Reference | Explanation |
|--------------------|--|
| PART I, LINE 1A | THE FOLLOWING INDIVIDUALS LISTED ON PART VII, SECTION A, RECEIVED TAX INDEMNIFICATION/GROSS UP PAYMENTS IN 2013, WHICH WERE INCLUDED IN THEIR TAXABLE COMPENSATION SCOTT HOLMAN THOMAS DISTEFANO SHIRLEY HARRIS JOHN CLEMENS JANE DAWSON THE FOLLOWING INDIVIDUAL LISTED IN PART VII, SECTION A, RECEIVED HOUSING ALLOWANCE PAYMENTS IN 2013, WHICH WERE INCLUDED IN HIS TAXABLE COMPENSATION MARVIN KURTZ THE FOLLOWING INDIVIDUALS LISTED IN PART VII, SECTION A, RECEIVED REIMBURSEMENT OF HEALTH OR SOCIAL CLUB DUES IN 2013, WHICH WERE INCLUDED IN THEIR TAXABLE COMPENSATION BRENT VANCONIA ANTHONY HOUSTON |
| PART I, LINE 3 | THE ORGANIZATION'S TOP MANAGEMENT OFFICIAL, PRESIDENT, IS COMPENSATED BY A RELATED ORGANIZATION THAT UTILIZED THE FOLLOWING TO DETERMINE COMPENSATION (1)INDEPENDENT COMPENSATION CONSULTANT, (2) COMPENSATION SURVEY OR STUDY, (3) APPROVAL BY THE SSMHC BOARD OF DIRECTORS |
| PART I, LINES 4A-B | SEVERANCE PLAN SSMHC HAS ADOPTED A SEVERANCE POLICY TO PROVIDE A FINANCIAL TRANSITION IN THE EVENT OF INVOLUNTARY TERMINATION WITHOUT CAUSE FOR EXECUTIVE LEVEL POSITIONS THE AMOUNT OF THE COMPENSATION IS BASED ON THE POSITION HELD AND LENGTH OF SERVICE WITH SSMHC THE FOLLOWING INDIVIDUAL RECEIVED PAYMENTS UNDER THE PLAN IN THE CURRENT YEAR DIXIE PLATT \$103,615 SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS PENSION RESTORATION PLAN SSM HEALTH CARE (SSMHC) PROVIDES THIS SUPPLEMENTAL DEFINED BENEFIT NONQUALIFIED RETIREMENT PLAN TO ANY EMPLOYEE WHO IS A PARTICIPANT IN THE SSMHC QUALIFIED DEFINED BENEFIT PLAN WHO EARNS OVER THE INTERNAL REVENUE SERVICE COMPENSATION LIMIT THE PLAN "RESTORES" THE BENEFITS TO THESE EMPLOYEES THAT WOULD HAVE BEEN PROVIDED UNDER SSMHC'S QUALIFIED PLAN IF THE REGULATIONS DID NOT IMPOSE COMPENSATION LIMITS AN INDIVIDUAL CAN TAKE A DISTRIBUTION FROM THE PLAN AT (1) AGE 65 OR OLDER IF THE INDIVIDUAL IS STILL EMPLOYED BY SSMHC OR (2) AGE 55 OR OLDER IF THE INDIVIDUAL IS NO LONGER EMPLOYED BY SSMHC NO REPORTABLE INDIVIDUALS LISTED ON PART VII OF FORM 990 RECEIVED DISTRIBUTIONS FROM THIS PLAN DURING 2013 CAPITAL ACCUMULATION PLAN SSMHC PROVIDES THIS SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN TO EXECUTIVE LEVEL EMPLOYEES THE ORGANIZATION CONTRIBUTED A PERCENTAGE OF THE EMPLOYEE'S BASE SALARY INTO THEIR CHOICE OF A SELECT LIST OF INVESTMENTS THE DEPOSITS AND EARNINGS OF THE PLAN ARE OWNED BY SSMHC AND ARE TAX-DEFERRED UNTIL A DISTRIBUTION IS MADE TO THE EMPLOYEE IN ADDITION, THE PLAN HAS SPECIAL SAFEGUARDS IN PLACE TO PROTECT THE FUNDS FROM CONTINGENCIES, OTHER THAN INSOLVENCY FOR CONTRIBUTIONS MADE TO THE PLAN IN 2008 OR AFTER, THE DISTRIBUTION WILL OCCUR AFTER THE COMPLETION OF TWO PLAN YEARS FOR ALL EXECUTIVES THAT ARE STILL ACTIVELY EMPLOYED ON THE DISTRIBUTION DATE ANY ACTIVE PARTICIPANT 65 YEARS OR OLDER WILL RECEIVE THE CONTRIBUTION IN THE CURRENT YEAR THE FOLLOWING INDIVIDUALS LISTED ON PART VII OF THE FORM 990 RECEIVED DISTRIBUTIONS FROM THIS PLAN IN 2013 ALL DISTRIBUTIONS RECEIVED FROM THE PLAN IN THE CURRENT YEAR WERE INCLUDED IN THE INDIVIDUALS' TAXABLE COMPENSATION STEVEN BARNEY \$148,902 DIXIE PLATT \$ 95,540 WILLIAM THOMPSON \$ 59,209 CHRISTOPHER HOWARD \$ 52,082 KRIS ZIMMER \$ 45,405 GRAY COX \$ 40,970 PHILIP GUSTAFSON \$ 37,870 THOMAS LANGSTON \$ 36,217 PAULA FRIEDMAN \$ 33,003 JOE HODGES \$ 31,531 BRENT VANCONIA \$ 26,837 JUNE PICKETT \$ 19,086 MICHAEL PANICOLA \$ 12,277 SUSAN MANKOSKI \$ 6,917 JOCELYN SKIDMORE \$ 4,901 |

Additional Data

Software ID:
Software Version:
EIN: 44-0579850
Name: SSM REGIONAL HEALTH SERVICES

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 | | | | |
| STEVEN BARNEY PT YR DIR & VICE PRES | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 354,279 | 0 | 238,164 | -236,820 | 12,867 | 368,490 | 0 |
| LYNN BRUCHHOF PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 426,648 | 0 | 43,230 | 44,161 | 33,183 | 547,222 | 0 |
| GAUROV DAYAL MD DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 749,382 | 0 | 25,971 | 96,224 | 28,042 | 899,619 | 0 |
| MARGARET FOWLER PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 324,479 | 0 | 49,612 | 58,991 | 28,210 | 461,292 | 10,592 |
| PAULA FRIEDMAN DIRECTOR & VICE PRES | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 523,635 | 0 | 73,164 | -2,191 | 17,680 | 612,288 | 32,970 |
| PHILIP GUSTAFSON PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 538,937 | 0 | 101,995 | 107,724 | 26,319 | 774,975 | 0 |
| THOMAS K LANGSTON PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 502,778 | 0 | 161,686 | 112,421 | 34,793 | 811,678 | 33,880 |
| JOE M HODGES PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 633,887 | 0 | 57,112 | -16,778 | 33,457 | 707,678 | 31,500 |
| CHRISTOPHER HOWARD DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 806,003 | 0 | 87,657 | -1,097 | 31,003 | 923,566 | 40,320 |
| MICHAEL R PANICOLA PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 415,203 | 0 | 38,654 | 17,361 | 25,919 | 497,137 | 9,680 |
| SHANE PENG MD DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 520,569 | 0 | 153,864 | 39,900 | 22,943 | 737,276 | 0 |
| DIXIE L PLATT PT YR DIRECTOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 345,892 | 0 | 244,592 | -19,981 | 30,077 | 600,580 | 29,890 |
| WILLIAM P THOMPSON DIRECTOR & PRESIDENT | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 1,404,608 | 0 | 1,016,464 | 811,381 | 30,589 | 3,263,042 | 59,150 |
| KRIS A ZIMMER DIRECTOR & TREASURER | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 763,126 | 0 | 73,127 | 40,169 | 27,839 | 904,261 | 45,360 |
| JUNE L PICKETT SECRETARY | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 226,100 | 0 | 29,954 | -119,886 | 23,014 | 159,182 | 8,680 |
| GRAY COX HOSPITAL PRESIDENT | (i) | 0 | 0 | 0 | 260,507 | 29,040 | 289,547 | 19,950 |
| | (ii) | 285,222 | 0 | 74,049 | 0 | 0 | 359,271 | 0 |
| R BRENT VANCONIA HOSPITAL CEO | (i) | 0 | 0 | 0 | 29,877 | 32,322 | 62,199 | 26,810 |
| | (ii) | 435,074 | 0 | 53,476 | 0 | 0 | 488,550 | 0 |
| JOCELYN SKIDMORE CFO | (i) | 128,338 | 0 | 6,659 | 7,622 | 10,624 | 153,243 | 4,896 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MARVIN KURTZ CFO | (i) | 260,000 | 0 | 34,085 | -46,448 | 0 | 247,637 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SCOTT HOLMAN DO VP MEDICAL AFFAIRS | (i) | 343,844 | 0 | 26,804 | -7,624 | 25,211 | 388,235 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

| (A) Name | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|-------------------------------------|-------------|--|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|--|
| | | (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other compensation | | | | |
| ANTHONY HOUSTON HOSPITAL COO | (i) (ii) | 213,186 0 | 0 0 | 18,460 0 | 16,087 0 | 21,723 0 | 269,456 0 | 0 0 |
| JOHN LUCIO DO VP MEDICAL AFFAIRS | (i) (ii) | 141,650 0 | 0 0 | 17,740 0 | 28,100 0 | 1,098 0 | 188,588 0 | 0 0 |
| SUSAN MANKOSKI HOSPITAL VP HR | (i) (ii) | 179,440 0 | 0 0 | 11,044 0 | 34,988 0 | 12,811 0 | 238,283 0 | 6,640 0 |
| THOMAS DISTEFANO PHYSICIAN | (i) (ii) | 944,117 0 | 0 0 | 40,208 0 | -63,326 0 | 17,047 0 | 938,046 0 | 0 0 |
| JOHN CLEMENS PHYSICIAN | (i) (ii) | 464,903 0 | 0 0 | 85,329 0 | 102,421 0 | 32,263 0 | 684,916 0 | 0 0 |
| JANE DAWSON PHYSICIAN | (i) (ii) | 462,407 0 | 0 0 | 7,781 0 | -8,360 0 | 13,189 0 | 475,017 0 | 0 0 |
| COURTNYE WALKER PHYSICIAN | (i) (ii) | 445,033 0 | 0 0 | 20,881 0 | 25,745 0 | 26,059 0 | 517,718 0 | 0 0 |
| SHIRLEY HARRIS PHYSICIAN | (i) (ii) | 433,039 0 | 0 0 | 24,185 0 | -15,360 0 | 34,653 0 | 476,517 0 | 0 0 |

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

OMB No 1545-0047

2013**Open to Public
Inspection**Name of the organization
SSM REGIONAL HEALTH SERVICES**Employer identification number**

44-0579850

| Return Reference | Explanation |
|---|---|
| FORM 990, PART I, DOING BUSINESS AS | SSM REGIONAL HEALTH SERVICES CURRENTLY UTILIZES THE FOLLOWING FICTITIOUS NAMES 1 ST FRANCIS HOSPITAL & HEALTH SERVICES (EIN 44-0579850) A ST FRANCIS FAMILY HEALTH CARE - EAST B ST FRANCIS FAMILY HEALTH CARE - WEST C ST FRANCIS FAMILY LIFE SERVICES D ST FRANCIS GRANT CITY HEALTH CLINIC E ST FRANCIS HARDIN MEDICAL CLINIC F ST FRANCIS ORTHOPEDIC & SPORTS MEDICINE CLINIC G ST FRANCIS PRESCHOOL & CHILD CARE H ST FRANCIS WEST NODAWAY HEALTH CLINIC I ST FRANCIS HOSPITAL & HEALTH SERVICES - SAVANNAH CLINIC 2 ST MARY'S HEALTH CENTER (EIN 44-0546097) A COMPREHENSIVE WOUND HEALING CENTER AT ST MARY'S B ST MARY'S CANCER SPECIALISTS C ST MARY'S HEALTH PSYCHOLOGY D ST MARY'S HOLTS SUMMIT PHARMACY E ST MARY'S MEDICAL CLINIC - BELLE F ST MARY'S MEDICAL CLINIC - HOLTS SUMMIT G ST MARY'S MEDICAL CLINIC - LINN H ST MARY'S MEDICAL CLINIC - TIPTON I ST MARY'S MEDICAL CLINIC - VERSAILLES J ST MARY'S MEDICAL PLAZA PHARMACY K ST MARY'S OCCUPATIONAL MEDICINE L ST MARY'S PEDIATRICS M ST MARY'S REHABILITATION N ST MARY'S SLEEP CENTER O ST MARY'S SPORTS MEDICINE & REHABILITATION CENTER P ST MARY'S TIPTON PHARMACY Q ST MARY'S URGENT CARE AT THE LAKE R ST MARY'S WESTPHALIA PHARMACY S THE VASCULAR INSTITUTE AT ST MARY'S T SSM MID-MISSOURI |

| Return Reference | Explanation | |
|------------------|--|---|
| | FORM 990, PART III LINE 4A, DESCRIPTION OF PROGRAM SERVICE | <p>BRIEFLY DESCRIBE THE CORPORATION'S MISSION SINCE IT WAS FOUNDED IN 1872 BY CATHOLIC SISTERS, SSM HEALTH CARE (SSMHC) HAS EXISTED TO MEET THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES AS OF NOVEMBER 15, 2013, WITH VATICAN APPROVAL, THE FRANCISCAN SISTERS OF MARY TRANSITIONED SPONSORSHIP OF SSMHC TO SSM HEALTH MINISTRIES SSM HEALTH MINISTRIES IS AN INDEPENDENT 6-MEMBER BODY COMPRISED OF THREE FRANCISCAN SISTERS OF MARY AND THREE LAY PEOPLE WHO COLLECTIVELY HOLD CERTAIN RESERVED POWERS OVER SSMHC HEADQUARTERED IN ST LOUIS, MISSOURI, SSMHC OWNS AND OPERATES 18 ACUTE CARE HOSPITALS, ONE CHILDREN'S HOSPITAL, TWO LONG-TERM CARE FACILITIES, AN EXTENSIVE NETWORK OF PHYSICIAN PRACTICE OPERATIONS, AND OTHER HEALTH CARE BUSINESSES LOCATED PRIMARILY IN MISSOURI, OKLAHOMA, WISCONSIN, AND ILLINOIS THE HEALTH SYSTEM EMPLOYS APPROXIMATELY 30,000 PEOPLE AND IS AFFILIATED WITH MORE THAN 8,000 PHYSICIANS IN THE TRADITION OF ITS FOUNDING SISTERS, SSMHC STRIVES TO FULFILL ITS MISSION BY PROVIDING EXCEPTIONAL HEALTH CARE TO EVERYONE WHO COMES TO ITS HOSPITALS, REGARDLESS OF THEIR ABILITY TO PAY SSM REGIONAL HEALTH SERVICES INCLUDES ST FRANCIS HOSPITAL AND HEALTH SERVICES IN MARYVILLE, MISSOURI, ST MARY'S HEALTH CENTER IN JEFFERSON CITY, MISSOURI AND A NETWORK OF PRIMARY CARE MEDICAL CLINICS AND SPECIALTY OFFERINGS SERVING JEFFERSON CITY AND SURROUNDING COMMUNITIES DESCRIBE THE ORGANIZATION'S APPROACH TO PROVIDING COMMUNITY BENEFIT A COMMUNITY BENEFIT ACTIVITY IS IDENTIFIED AS A SERVICE RATHER THAN AS A MARKETING TOOL AND MEETS AT LEAST TWO OF THE FOLLOWING CRITERIA - IT IS FINANCED BY PHILANTHROPIC CONTRIBUTIONS, VOLUNTEER EFFORTS, OR AN ENDOWMENT - IT PROVIDES A RESPONSE TO A UNIQUE OR PARTICULAR HEALTH PROBLEM IN THE COMMUNITY - IT GENERATES A LOW OR NEGATIVE MARGIN ON A FULLY ABSORBED COST BASIS - IT RESPONDS TO THE NEEDS OF SPECIAL POPULATIONS SUCH AS MINORITIES, WOMEN AND CHILDREN, THE FRAIL ELDERLY, LOW INCOME PERSONS WITH DISABILITIES, THE MENTALLY ILL, OR THOSE LIVING WITH CHRONIC ILLNESS - THE DECISION TO OFFER THE SERVICE OR PROGRAM IS NOT MADE ON A PURELY FINANCIAL BASIS - IF NOT PROVIDED BY HEALTH CARE ORGANIZATION, THE SERVICE WOULD NO LONGER BE AVAILABLE IN THE COMMUNITY OR WOULD BE THE RESPONSIBILITY OF GOVERNMENT THE COMMUNITY BENEFIT PLAN DETAILS THE PLANNING, MEASUREMENT AND COMMUNICATION OF ITS COMMUNITY BENEFITS THE THREE-MAIN ASPECTS OF COMMUNITY BENEFIT BEING THE COMMUNITY HEALTH NEEDS ASSESSMENT WHICH DETERMINES THE COMMUNITY NEEDS TO BE ADDRESSED BY THE HOSPITAL, THE COMMUNITY BENEFIT PLAN WHICH DETAILS STEPS TO BE ACCOMPLISHED TO MEET IDENTIFIED NEEDS, AND THE CBISA DATABASE WHICH DOCUMENTS ALL OF THE COMMUNITY BENEFIT ACTIVITIES FOR EACH YEAR AT THE END OF EACH YEAR, THE CBISA COMMUNITY BENEFIT REPORT IS GIVEN TO MANAGEMENT, ADMINISTRATION AND THE SSMHC BOARD OF DIRECTORS IN ORDER TO EVALUATE AND IMPROVE THE PROGRAM ST FRANCIS HOSPITAL AND HEALTH SERVICES - MARYVILLE, MO ONE OF THE FIRST STEPS FOR IDENTIFYING THE HIGH-PRIORITY HEALTH NEEDS OF OUR COMMUNITY IS TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) A SUMMARY OF THE ST FRANCIS HOSPITAL COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS CAN BE FOUND ON PAGES 4 AND 5 OF ITS CHNA THE TWO STRATEGIC PRIORITIES OF THE ST FRANCIS HOSPITAL COMMUNITY BENEFIT PLAN ARE MENTAL HEALTH SERVICES FOR YOUTH AND ADOLESCENTS, AND OBESITY DURING 2013, GOALS AND OBJECTIVES WERE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE ALL OF THE COMMUNITY BENEFIT ACTIVITIES ARE DESIGNED TO MEET THE NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WHICH WAS COMPLETED IN OCTOBER 2012 ST MARY'S HEALTH CENTER - JEFFERSON CITY, MO ST MARY'S HEALTH CENTER CO-SPONSORED A 2012 COMMUNITY HEALTH NEEDS ASSESSMENT FOR A FOUR-COUNTY REGION IN CENTRAL MISSOURI THAT INCLUDES COLE, MILLER, MONITEAU AND OSAGE COUNTIES THE CENTRAL MISSOURI HEALTH ASSESSMENT PARTNERSHIP FORMULATES INITIATIVES WITH MEMBER ORGANIZATIONS, INCLUDING THE COMMUNITY HEALTH CENTER OF CENTRAL MISSOURI (A FEDERALLY QUALIFIED HEALTH CENTER), COLE COUNTY HEALTH DEPARTMENT, THE UNITED WAY OF CENTRAL MISSOURI, SAMARITAN CENTER OF JEFFERSON CITY, AS WELL AS CAPITAL REGION MEDICAL CENTER A SUMMARY OF THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS CAN BE FOUND ON PAGE 4 OF THE CHNA THE THREE STRATEGIC PRIORITIES OF THE ST MARY'S HEALTH CENTER COMMUNITY BENEFIT PLAN ARE DIABETES, CANCER AND HEART DISEASE DURING 2013, GOALS AND OBJECTIVES WERE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE ALL OF THE COMMUNITY BENEFIT ACTIVITIES ARE DESIGNED TO MEET THE NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WHICH WAS COMPLETED IN AUGUST 2012 DESCRIBE THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICIES OR PROGRAMS (E.G., CHARITY CARE, DISCOUNTING) FOR LOW-INCOME PERSONS AND HOW THEY ARE COMMUNICATED TO THE PUBLIC ALL SSMHC FACILITIES WILL</p> |

| Return Reference | Explanation | |
|------------------|--|---|
| | FORM 990, PART III LINE 4A, DESCRIPTION OF PROGRAM SERVICE | <p>STRIVE TO PROVIDE EXCEPTIONAL HEALTH CARE SERVICES TO ALL PERSONS IN NEED REGARDLESS OF THEIR ABILITY TO PAY. ALL BILLING AND COLLECTION POLICIES AND PRACTICES WILL REFLECT THE MISSION AND VALUES OF SSMHC, INCLUDING OUR SPECIAL CONCERN FOR PEOPLE WHO ARE POOR AND VULNERABLE. SSMHC FACILITIES OFFER DISCOUNTS FOR HOSPITAL SERVICES TO ALL UNINSURED PERSONS. SELF-PAY DISCOUNTS APPLY TO EVERYONE WHO DOES NOT HAVE HEALTH INSURANCE, NO MATTER THEIR ABILITY TO PAY. SSMHC WILL APPLY ITS CHARITY CARE POLICIES FAIRLY AND CONSISTENTLY. EACH PERSON WILL BE TREATED AS AN INDIVIDUAL WITH SPECIFIC NEEDS FOR ASSISTANCE WITHOUT REGARD TO PAYMENT. SSMHC EMBRACES ITS RESPONSIBILITY TO SERVE THE COMMUNITIES IN WHICH WE PARTICIPATE BY ESTABLISHING SOUND BUSINESS PRACTICES. CHARITY CARE IS PROVIDED TO PATIENTS BASED ON A SLIDING SCALE FOR HOUSEHOLD INCOMES UP TO FOUR TIMES THE FEDERAL POVERTY LEVEL. PATIENTS WHOSE HOUSEHOLD INCOME IS NO MORE THAN TWO TIMES THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR FREE HOSPITAL SERVICES. IN ADDITION, AN EXCEPTION TO THE SLIDING SCALE IS PROVIDED FOR A PATIENT IF THEIR BALANCE DUE EXCEEDS 20% OF THEIR GROSS FAMILY INCOME. EACH ENTITY PROVIDING MEDICAL SERVICES SHALL PROVIDE INFORMATION TO THE PUBLIC REGARDING ITS CHARITY CARE POLICIES AND THE QUALIFICATION REQUIREMENTS FOR EACH OF ITS FACILITIES. WHEN STANDARD SYSTEM NOTICES AND COMMUNICATIONS REGARDING CHARITY CARE ARE AVAILABLE, THESE MUST BE USED. MODIFICATIONS TO THE STANDARD MAY BE MADE TO COMPLY WITH STATE AND LOCAL LAWS, AS WELL AS REFLECT CULTURALLY SENSITIVE TERMINOLOGY FOR THE POLICY. ALL NOTICES WILL BE EASY TO UNDERSTAND BY THE GENERAL PUBLIC, CULTURALLY APPROPRIATE AND AVAILABLE IN THOSE LANGUAGES THAT ARE PREVALENT IN THE COMMUNITY. THEY WILL PROVIDE INFORMATION ABOUT - THE PATIENT'S RESPONSIBILITY FOR PAYMENT, - THE AVAILABILITY OF FINANCIAL ASSISTANCE FROM PUBLIC PROGRAMS AND ENTITY CHARITY CARE AND PAYMENT ARRANGEMENTS, - THE ENTITY'S CHARITY POLICY AND APPLICATION PROCESS AND - WHOM TO CONTACT TO GET ADDITIONAL INFORMATION OR FINANCIAL COUNSELING. THE FOLLOWING TYPES OF NOTICES TO THE PUBLIC SHALL BE PROVIDED - SIGNS IN THE EMERGENCY DEPARTMENT, OUTPATIENT AND INPATIENT REGISTRATION AND PUBLIC WAITING AREAS - BROCHURES OR FLIERS PROVIDED AT TIME OF REGISTRATION AND AVAILABLE IN THE FINANCIAL COUNSELING AREAS - NOTICES SENT WITH OR ON PATIENT BILLS OR COMMUNICATIONS SENT TO PATIENTS AND GUARANTORS RELATED TO MEDICAL SERVICES - APPLICATIONS PROVIDED TO UNINSURED PATIENTS AT THE TIME OF REGISTRATION. THE APPLICATION FOR CHARITY CARE, TOGETHER WITH ANY INSTRUCTIONS, MUST CLEARLY STATE THE POLICIES REGARDING CHARITY CARE, INCLUDING EXCLUDED SERVICES, ELIGIBILITY CRITERIA AND DOCUMENTATION REQUIREMENTS. INFORMATION ABOUT THE ENTITY'S CHARITY POLICIES WILL ALSO BE PROVIDED TO PUBLIC AGENCIES. ORGANIZATIONAL DESCRIPTION FOR TAX EXEMPTION. EACH OF THE HOSPITALS OF SSM REGIONAL HEALTH SERVICES - OPERATES AN EMERGENCY ROOM THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY, - HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA, - HAS A DIVISIONAL BOARD OF DIRECTORS IN WHICH INDEPENDENT PERSONS REPRESENTATIVE OF THE COMMUNITY COMPRISE A MAJORITY, - ENGAGES IN THE TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS, - PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, TRICARE, AND/OR GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS - SSM REGIONAL HEALTH SERVICES IS COMMITTED TO PROVIDING A HIGH QUALITY PATIENT CARE DELIVERY SYSTEM WHICH INCLUDES THE REINVESTMENT OF SURPLUS FUNDS. A ST. MARY'S HEALTH CENTER REPLACEMENT HOSPITAL IS UNDER CONSTRUCTION AND IS SCHEDULED TO OPEN IN 2014.</p> |

| Return Reference | Explanation |
|---|---|
| DESCRIPTION OF COMMUNITY BENEFIT PROGRAMS | <p>ST FRANCIS HOSPITAL AND HEALTH SERVICES - MARYVILLE, MO DIABETES EDUCATION DEB HULL, DIABETES EDUCATOR, CONTINUED HER EFFORTS TO INFORM AND RAISE AWARENESS ABOUT DIABETES IN 2013, DEB PRESENTED INFORMATION TO OVER 350 SCHOOL AND COMMUNITY MEMBERS ABOUT THE RISK OF DEVELOPING TYPE 2 DIABETES AND HOW IT CAN BE SIGNIFICANTLY REDUCED THROUGH EXERCISE AND MODEST WEIGHT LOSS PRESENTATIONS INCLUDED INFORMATION ABOUT THE DISEASE, PREVENTION, TREATMENT, SIGNS AND SYMPTOMS AND TIPS ON HANDLING THE DISEASE IN ADDITION, THE HOSPITAL HOSTED MONTHLY DIABETES SUPPORT GROUP MEETINGS HEALTH PROFESSIONALS EDUCATION IN COLLABORATION WITH MISSOURI AREA HEALTH EDUCATION CENTERS AND THE UNIVERSITY OF MISSOURI SCHOOL OF MEDICINE, ST FRANCIS ACCOMMODATED MEDICAL STUDENTS IN AN OPPORTUNITY TO HELP THEM EXPLORE FIRST-HAND THE PROSPECTS AWAITING THEM IN A RURAL AND OUTREACH POPULATIONS THE PROGRAM INCLUDED PHYSICIAN INVOLVEMENT TO OVERSEE THE STUDENT LEARNING AS WELL AS HOUSING WITH MAINTENANCE AND HOUSEKEEPING AND INTERNET-BASED EQUIPMENT AND FACILITIES TO CONDUCT CHATS WITH UNIVERSITY INSTRUCTORS ON A REGULAR BASIS IN COLLABORATION WITH NORTH CENTRAL MISSOURI COLLEGE AND IOWA WESTERN COMMUNITY COLLEGE, ST FRANCIS HOSTED OVER 120 RN AND LPN STUDENTS DURING 2013 THE STUDENTS WERE PROVIDED MENTORING THROUGH A JOB SHADOW PROGRAM WITH HOSPITAL STAFF IN ADDITION, THE HOSPITAL PROVIDED PROFESSIONAL EDUCATION TO SPECIALTY STUDENTS IN THE AREAS OF DIETICIANS, EMT, SURGERY TECHNICIANS, PHARMACY, SOCIAL WORK AND PHYSICAL THERAPY COMMUNITY HEALTH SCREENINGS IN RESPONSE TO THE HIGH DEATH RATE FOR STROKES IN NODAWAY COUNTY (70.7 PER 100,000) COMPARED TO THE STATE AVERAGE (62.6/100,000) PLUS A LOWER THAN AVERAGE HOSPITALIZATION RATE, ST FRANCIS HOSPITAL AND HEALTH SERVICES DEVELOPED A COMMUNITY HEALTH SCREENINGS INITIATIVE IN COLLABORATION WITH THE NODAWAY COUNTY HEALTH DEPARTMENT, SCHOOLS AND OTHER HEALTH FAIR OR SCREENING PARTNERS THE INITIATIVE IMPACTS THE HEALTH STATUS OF RESIDENTS AND PATIENTS BY INCREASING THE NUMBER OF COMMUNITY SCREENINGS TO IDENTIFY THE AT-RISK POPULATION FOR STROKE IN 2013, THE HOSPITAL HELD 14 HEALTH SCREENINGS WITH OVER 725 PARTICIPANTS HEALTH EDUCATION TO PROVIDE BETTER HEALTH EDUCATION TO COMMUNITY MEMBERS, HOSPITAL EMPLOYEES PROVIDE CPR TRAINING AT VARIOUS EVENTS AND PROVIDED HEALTH LIFESTYLES FOLLOW-UP SESSIONS ST MARY'S HEALTH CENTER - JEFFERSON CITY, MO ST MARY'S FINANCIAL ASSISTANCE PROGRAM ST MARY'S PROVIDED ASSISTANCE TO PATIENTS IN APPLYING FOR MEDICAID AND OTHER SERVICES SMHC FOUNDATION MEDICATION ASSISTANCE FUND THIS PROGRAM PROVIDES AID TO THOSE IN NEED BY OFFERING SHORT-TERM MEDICATION ASSISTANCE TO PATIENTS WHO CANNOT AFFORD PRESCRIPTION MEDICINE, AND CANNOT OBTAIN IT IN A TIMELY MANNER FROM ANOTHER AGENCY THIS PROGRAM SUPPORTS THE POOR, UNINSURED AND IS AVAILABLE TO THE URBAN AND RURAL DEMOGRAPHIC SPORTS MEDICINE OUTREACH PROGRAM ST MARY'S HEALTH CENTER PROVIDES ATHLETIC TRAINERS TO SEVERAL AREA HIGH SCHOOL'S SPORTING EVENTS IN CASE OF INJURY HEALTH PROFESSIONAL EDUCATION ST MARY'S HEALTH CENTER PROVIDES LOCAL NURSING AND PHARMACY STUDENTS MENTORING OPPORTUNITIES IN VARIOUS CLINICAL DEPARTMENTS OF THE HOSPITAL EDUCATION ST MARY'S MISSION EFFECTIVENESS DEPARTMENT PROVIDES MONTHLY EDUCATION SESSIONS TO THE COMMUNITY ON END-OF-LIFE ISSUES ST MARY'S PROVIDES BASIC LIFE SUPPORT OF ADULT, CHILD AND INFANTS, AND FAMILY AND FRIENDS WHICH IS A COURSE FOR LAY PERSONS TO KNOW WHAT TO DO UNTIL EMERGENCY HELP ARRIVES ON THE SCENE ST MARY'S WOMEN'S SERVICES DEPARTMENT PROVIDES CHILDBIRTH EDUCATION CLASSES, REFRESHER CLASSES, SUPERSIBLING CLASSES AND BREASTFEEDING EDUCATION CLASSES TRAINING RESOURCES FOR DISADVANTAGED YOUTH THIS PROGRAM IS A TRAINING PROGRAM THAT PROVIDES LEARNING CHALLENGED HIGH SCHOOL STUDENTS AN OPPORTUNITY TO BUILD VALUABLE EXPERIENCE AND LIFE SKILLS BY WORKING AT THE HOSPITAL THE PROGRAM SUPPORTS LEARNING DISADVANTAGED, OFTEN ECONOMICALLY CHALLENGED YOUTH IN OUR COMMUNITY, AS WELL AS SUPPORTS A COMMUNITY PARTNERSHIP WITH THE LOCAL HIGH SCHOOL LINCOLN UNIVERSITY SCHOOL OF NURSING ST MARY'S PARTNERS WITH LINCOLN UNIVERSITY BY DONATING \$60,407 TO THE NURSING PROGRAM AS WELL AS PROVIDING A CLINICAL SETTING FOR THE RN STUDENTS TO LEARN QUANTIFIABLE COMMUNITY BENEFIT THIS SECTION INCLUDES A LIST OF THE TYPES OF PROGRAMS AND SERVICES THAT COULD BE INCLUDED AS COMMUNITY BENEFIT ACTIVITIES TRADITIONAL CHARITY CARE \$ 4,953,249 UNPAID COST OF MEDICARE \$16,060,744 UNPAID COST OF MEDICAID \$ 1,245,448 COST OF BAD DEBT \$ 7,090,602 COMMUNITY BENEFIT PROGRAMS \$ 604,859 TOTAL QUANTIFIABLE COMMUNITY BENEFIT \$29,954,902</p> |

| Return Reference | Explanation |
|--------------------------------------|--|
| FORM 990, PART VI, SECTION A, LINE 6 | THE SOLE CORPORATE MEMBER OF THE CORPORATION IS SSM HEALTH CARE CORPORATION SSM HEALTH CARE CORPORATION IS A NONPROFIT 501(C)(3) ORGANIZATION BOTH SSM REGIONAL HEALTH SERVICES AND SSM HEALTH CARE CORPORATION ARE PART OF THE INTEGRATED HEALTH CARE SYSTEM KNOWN AS SSM HEALTH CARE |

| Return Reference | Explanation |
|---------------------------------------|---|
| FORM 990, PART VI, SECTION A, LINE 7A | THE MEMBER HAS THE POWER TO APPOINT ADDITIONAL, SUCCESSOR OR REPLACEMENT MEMBERS AND APPOINT AND REMOVE THE DIRECTORS |

| Return Reference | Explanation |
|--|--|
| FORM 990, PART VI, SECTION A, LINE 7B | <p>THE MEMBER HAS THE FOLLOWING POWERS A TO ESTABLISH AND CHANGE THE MISSION, PHILOSOPHY AND VALUES OF THE CORPORATION B TO APPOINT ADDITIONAL, SUCCESSOR OR REPLACEMENT MEMBERS C TO APPOINT AND REMOVE THE APPOINTED DIRECTORS AND THE EX OFFICIO DIRECTORS D TO APPOINT AND REMOVE THE PRESIDENT OF THE CORPORATION AND THE CHIEF EXECUTIVE OFFICER OF ANY OPERATING DIVISION OF THE CORPORATION E TO APPROVE THE AMENDMENTS TO THE ARTICLES OF INCORPORATION OF THE CORPORATION AS PROVIDED THEREIN F TO APPROVE AMENDMENTS TO THE BYLAWS OF THE CORPORATION G TO APPROVE THE MERGER, CONSOLIDATION OR DISSOLUTION OF THE CORPORATION H TO APPROVE THE FORMATION OF A CONTROLLED SUBSIDIARY OR A REMOTELY CONTROLLED SUBSIDIARY I TO APPROVE THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION J TO APPROVE THE ACQUISITION OR DISPOSITION BY THE CORPORATION OF ANOTHER LEGAL ENTITY OR AN INTEREST IN ANOTHER LEGAL ENTITY K TO AUTHORIZE OR APPROVE THE ACQUISITION OR DISPOSITION BY THE CORPORATION OF REAL PROPERTY OR ANY INTEREST IN REAL PROPERTY L TO ESTABLISH CENTRALIZED EMPLOYEE BENEFIT, INSURANCE, INVESTMENT, FINANCING, CORPORATE RESPONSIBILITY, PERFORMANCE ASSESSMENT AND IMPROVEMENT AND OTHER OPERATIONAL AND SUPPORT PROGRAMS, TO REQUIRE THE PARTICIPATION OF THE CORPORATION IN SUCH PROGRAMS, AND TO AUTHORIZE THE OPENING AND CLOSING OF BANK ACCOUNTS AND INVESTMENT ACCOUNTS IN THE NAME OF THE CORPORATION IN CONNECTION WITH SUCH PROGRAMS M TO APPROVE THE STRATEGIC, FINANCIAL AND HUMAN RESOURCES PLAN OF THE CORPORATION N TO APPOINT THE AUDITOR AND CORPORATE COUNSEL FOR THE CORPORATION O TO AUTHORIZE AND APPROVE BORROWING MONEY AND ENTERING INTO FINANCIAL GUARANTIES BY THE CORPORATION, INCLUDING ACTIONS RELATING TO THE FORMATION, JOINING, OPERATION, WITHDRAWAL FROM AND TERMINATION OF A CREDIT GROUP OR AN OBLIGATED GROUP AND THE GRANTING OF SECURITY INTERESTS IN THE PROPERTY OF THE CORPORATION P TO REQUIRE THE CORPORATION TO TRANSFER ASSETS, INCLUDING BUT NOT LIMITED TO CASH, TO THE MEMBER OF THE MEMBER OR TO ANY ENTITY EXEMPT FROM FEDERAL INCOME TAX AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR THE CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW, WHICH IS CONTROLLED BY THE MEMBER OF THE MEMBER, TO THE EXTENT NECESSARY TO ACCOMPLISH THE MISSION, GOALS AND OBJECTIVES OF THE MEMBER OF THE MEMBER AS DETERMINED BY THE MEMBER OF THE MEMBER Q TO APPROVE THE TRANSFER OF ASSETS BY THE CORPORATION TO ANY ENTITY OTHER THAN THE MEMBER OF THE MEMBER, OTHER THAN TRANSFERS MADE IN THE ORDINARY COURSE OF OPERATIONS OF THE CORPORATION WHICH WILL NOT REQUIRE MEMBER APPROVAL, AND R TO DETERMINE THE EXTENT TO WHICH AND THE MANNER IN WHICH THE POWERS DESCRIBED IN THIS SECTION WHICH ARE RESERVED TO THE MEMBER WITH RESPECT TO THE CORPORATION ARE TO BE INCLUDED IN THE GOVERNING DOCUMENTS OF ANY CONTROLLED SUBSIDIARY, REMOTELY CONTROLLED SUBSIDIARY OR NON-CONTROLLED SUBSIDIARY AND EXERCISED WITH RESPECT TO ANY CONTROLLED SUBSIDIARY, ANY REMOTELY CONTROLLED SUBSIDIARY OR ANY NON-CONTROLLED SUBSIDIARY</p> |

| Return Reference | Explanation |
|--|---|
| FORM 990, PART VI, SECTION B, LINE 11 | ACCOUNTING/FINANCE PERSONNEL AT EACH SSMHC (SSM HEALTH CARE SYSTEM) ENTITY , IN CONJUNCTION WITH SYSTEM FINANCE PERSONNEL, PREPARE A CHECKLIST CONTAINING INFORMATION AND SUPPORTING SCHEDULES THAT ARE USED TO PREPARE THE FORM 990 THIS CHECKLIST IS THEN REVIEWED BY A SUPERVISOR/MANAGER AND SENT TO THE SYSTEM OFFICE FOR FINAL REVIEW AND COORDINATION OF THE SYSTEM LEVEL FORM 990 INFORMATION THE INFORMATION IS SUBMITTED TO AN OUTSIDE TAX CONSULTING FIRM WHO PREPARES AND SIGNS THE FORM 990 FROM THE SSMHC INFORMATION PRIOR TO FINALIZING THE RETURN, A DRAFT IS SENT TO PERSONNEL AT SSMHC FOR REVIEW AND APPROVAL UPON SSMHC APPROVAL, THE OUTSIDE PREPARER FORWARDS THE COMPLETED FORM 990 FOR THE APPROPRIATE SIGNATURES AND FILING ACTION A COMPLETE COPY OF THE RETURN IS PROVIDED TO THE BOARD AT THE NEXT REGULARLY SCHEDULED MEETING |

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION B, LINE 12C | <p>BOARD MEMBERS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT ANNUALLY. THE PRESIDENT AND SECRETARY TO THE BOARD OVERSEE COMPLIANCE WITH THIS REQUIREMENT. ALL BOARD MEMBERS WITH AN IDENTIFIED CONFLICT OF INTEREST ABSTAIN FROM BOARD DISCUSSIONS AND VOTES WHEN APPLICABLE. EMPLOYEES WITH PURCHASING AUTHORITY AND/OR ABILITY TO INFLUENCE PURCHASING DECISIONS ARE ASSIGNED THE CONFLICT OF INTEREST DISCLOSURE COURSE (COI) WHICH MUST BE COMPLETED ON LINE PERIODICALLY THROUGH THE YEAR. THE ENTITY'S CORPORATE RESPONSIBILITY CONTACT PERSON (WITH THE HELP OF THE ENTITY'S LEARNING MANAGEMENT SYSTEM COORDINATOR) SENDS DEPARTMENT MANAGERS A LIST OF EMPLOYEES WHO HAVE NOT YET COMPLETED THEIR COI SO THEY CAN REMIND THE EMPLOYEES AND ENSURE THE EMPLOYEES HAVE TIME IN THEIR SCHEDULE TO COMPLETE THE REQUIRED COURSE. RESOLUTION OF ANY CONFLICTS THAT ARE DISCLOSED MUST BE DOCUMENTED AND KEPT ON FILE AT THE ENTITY. SUPERVISORS VERIFY REQUIRED COURSE COMPLETION PRIOR TO YEAR END.</p> |

| Return Reference | Explanation |
|---------------------------------------|--|
| FORM 990, PART VI, SECTION C, LINE 19 | THE YEAR-END AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENT FOR THE SSM HEALTH CARE SYSTEM ARE MADE AVAILABLE TO THE PUBLIC ON SSM HEALTH CARE'S WEBSITE. THE ORGANIZATION'S ARTICLES OF INCORPORATION ARE AVAILABLE ON THE MISSOURI SECRETARY OF STATE'S WEBSITE. COPIES OF THE FORM 990 AND THE ORGANIZATION'S CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST. |

| Return Reference | Explanation |
|---------------------------|--|
| FORM 990, PART XI, LINE 9 | BENEFICIAL INTEREST IN FOUNDATION 1,139,400 TRANSFER TO AFFILIATES 304,774 |

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
SSM REGIONAL HEALTH SERVICES

Employer identification number
44-0579850

| 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 |
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| 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 | | | | | | | |
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For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50135Y

Schedule R (Form 990) 2013

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) Disproportionate 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 | | | | | | | | | | | | |
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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 | | | | | | | | | |
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Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

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) ST FRANCIS HOSPITAL FOUNDATION | C | 109,043 | CASH TRANSFER |
| (2) ST MARY'S HEALTH CENTER JEFFERSON CITY MISSOURI FOUNDATION | C | 1,872,710 | CASH TRANSFER |
| | | | |
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Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

Additional Data

Software ID:

Software Version:

EIN: 44-0579850

Name: SSM REGIONAL HEALTH SERVICES

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512 (b)(13) controlled entity? | |
|--|-------------------------|--|----------------------------|---|--|---|----|
| | | | | | | Yes | No |
| (1) SSM HEALTH CARE CORPORATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 46-6029223 | HEALTH CARE | MO | 501(C)(3) | LINE 11A, I | FRANCISCAN SISTERS OF MARY | | No |
| (1) SSMHC LIABILITY TRUST I 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-6331003 | INSURANCE | MO | 501(C)(3) | LINE 11A, I | SSM HEALTH CARE CORPORATION | | No |
| (2) SSM CONSOLIDATED HEALTH SERVICES 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1473657 | HEALTH CARE | MO | 501(C)(3) | LINE 11A, I | SSM HEALTH CARE CORPORATION | | No |
| (3) SSM POLICY INSTITUTE 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1788151 | HEALTH CARE | MO | 501(C)(4) | | SSM HEALTH CARE CORPORATION | | No |
| (4) SSM HEALTH CARE PORTFOLIO MANAGEMENT CO 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1825256 | MANAGEMENT | MO | 501(C)(3) | LINE 11A, I | SSM HEALTH CARE CORPORATION | | No |
| (5) SSM CARDINAL GLENNON CHILDREN'S HOSPITAL 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-0738490 | HEALTH CARE | MO | 501(C)(3) | LINE 3 | SSM HEALTH CARE ST LOUIS | | No |
| (6) CARDINAL GLENNON CHILDREN'S FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1754347 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM CARDINAL GLENNON CHILDREN'S HOSPITAL | | No |
| (7) SSM DEPAUL HEALTH CENTER FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1776109 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM HEALTH CARE ST LOUIS | | No |
| (8) SSM ST JOSEPH FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1591556 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM HEALTH CARE ST LOUIS | | No |
| (9) SSM ST CLARE HEALTH CENTER FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1273310 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM HEALTH CARE ST LOUIS | | No |
| (10) SSM ST MARY'S HEALTH CENTER FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1552945 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM HEALTH CARE ST LOUIS | | No |
| (11) SSM HEALTH CARE OF OKLAHOMA INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 73-0657693 | HEALTH CARE | OK | 501(C)(3) | LINE 3 | SSM HEALTH CARE CORPORATION | | No |
| (12) ST ANTHONY HOSPITAL FOUNDATION INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 73-6104300 | FUNDRAISING | OK | 501(C)(3) | LINE 7 | SSM HEALTH CARE OF OKLAHOMA | | No |
| (13) SSM HEALTH CARE OF WISCONSIN INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-0688874 | HEALTH CARE | WI | 501(C)(3) | LINE 3 | SSM HEALTH CARE CORPORATION | | No |
| (14) DELLS MEDICAL BUILDING INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 39-1613292 | MOB | WI | 501(C)(2) | | SSM HEALTH CARE OF WISCONSIN | | No |
| (15) ST MARY'S FOUNDATION INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1940686 | FUNDRAISING | WI | 501(C)(3) | LINE 7 | SSM HEALTH CARE OF WISCONSIN | | No |
| (16) ST CLARE HEALTH CARE FOUNDATION INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1940683 | FUNDRAISING | WI | 501(C)(3) | LINE 7 | SSM HEALTH CARE OF WISCONSIN | | No |
| (17) HOME HEALTH UNITED INC 2802 WALTON COMMONS LANE MADISON, WI 53718 39-1539827 | HEALTH CARE | WI | 501(C)(3) | LINE 9 | SSM HEALTH CARE OF WISCONSIN | | No |
| (18) HOME CARE UNITED INC 2802 WALTON COMMONS LANE MADISON, WI 53718 39-1776340 | HEALTH CARE | WI | 501(C)(3) | LINE 9 | SSM HEALTH CARE OF WISCONSIN | | No |
| (19) HHU XTRA CARE INC 2802 WALTON COMMONS LANE MADISON, WI 53718 39-1705111 | HEALTH CARE | WI | 501(C)(3) | LINE 9 | SSM HEALTH CARE OF WISCONSIN | | 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 |
| (21) HOME HEALTH UNITED - VNS FOUNDATION INC 2802 WALTON COMMONS LANE MADISON, WI 53718 39-1839309 | FUNDRAISING | WI | 501(C)(3) | LINE 11B, II | N/A | | No |
| (1) ST FRANCIS HOSPITAL FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1099253 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM REGIONAL HEALTH SERVICES | Yes | |
| (2) ST MARY'S HEALTH CENTER JEFFERSON CITY MISSOURI FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1575307 | FUNDRAISING | MO | 501(C)(3) | LINE 11B, II | N/A | | No |
| (3) GOOD SAMARITAN REGIONAL HEALTH CENTER 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-0653587 | HEALTH CARE | IL | 501(C)(3) | LINE 3 | SSM REGIONAL HEALTH SERVICES | Yes | |
| (4) ST MARY'S HOSPITAL CENTRALIA ILLINOIS 10101 WOODFIELD LANE ST LOUIS, MO 63132 37-0662580 | HEALTH CARE | IL | 501(C)(3) | LINE 3 | SSM REGIONAL HEALTH SERVICES | Yes | |
| (5) ST MARY'S - GOOD SAMARITAN INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 36-4170833 | HEALTH CARE | IL | 501(C)(3) | LINE 11A, I | SSM REGIONAL HEALTH SERVICES | Yes | |
| (6) GOOD SAMARITAN REGIONAL HEALTH CENTER FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 26-2884795 | FUNDRAISING | IL | 501(C)(3) | LINE 7 | ST MARY'S-GOOD SAMARITAN INC | | No |
| (7) ST MARY'S HOSPITAL FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 36-4636691 | FUNDRAISING | IL | 501(C)(3) | LINE 7 | ST MARY'S-GOOD SAMARITAN INC | | No |
| (8) ST MARY'S HOSPITAL AUXILIARY 400 N PLEASANT CENTRALIA, IL 62801 23-7126345 | FUNDRAISING | IL | 501(C)(3) | LINE 9 | ST MARY'S HOSPITAL FOUNDATION | | No |
| (9) SSM HEALTH BUSINESSES 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1333488 | HEALTH CARE | MO | 501(C)(3) | LINE 9 | SSM HEALTH CARE CORPORATION | | No |
| (10) SSM HEALTH CARE ST LOUIS 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1343281 | HEALTH CARE | MO | 501(C)(3) | LINE 3 | SSM HEALTH CARE CORPORATION | | No |
| (11) CENTRALIA MEDICAL SERVICES BLDG ASSOC 10101 WOODFIELD LANE ST LOUIS, MO 63132 23-7408025 | MOB | IL | 501(C)(3) | LINE 11B, II | N/A | | No |
| (12) ST MARY'S JANESVILLE FOUNDATION INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 27-3439133 | FUNDRAISING | WI | 501(C)(3) | LINE 7 | SSM HEALTH CARE OF WISCONSIN | | No |
| (13) FRANCISCAN SISTERS OF MARY 3221 MCKELVEY ROAD SUITE 107 BRIDGETON, MO 63044 43-1012492 | RELIGIOUS ORGANIZATION | MO | 501(C)(3) | LINE 1 | N/A | | No |
| (14) LEE DEWEY CORPORATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 73-1279603 | MOB | OK | 501(C)(3) | LINE 11A, I | SSM HEALTH CARE OF OKLAHOMA | | No |
| (15) SSM HOSPICE & HOME CARE FOUNDATION 10101 WOODFIELD LANE ST LOUIS, MO 63132 30-0012246 | FUNDRAISING | MO | 501(C)(3) | LINE 7 | SSM HEALTH BUSINESSES | | No |
| (16) ST MARY'S HOSPITAL AUXILIARY 100 ST MARYS MEDICAL PLAZA JEFFERSON CITY, MO 65101 43-6049878 | FUNDRAISING | MO | 501(C)(3) | LINE 11B, II | N/A | | No |
| (17) GOOD SAMARITAN HOSPITAL AUXILIARY 1 GOOD SAMARITAN WAY MOUNT VERNON, IL 62864 23-7049599 | FUNDRAISING | IL | 501(C)(3) | LINE 11C, III-FI | N/A | | No |
| (18) ST ANTHONY SHAWNEE HOSPITAL INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 45-5055149 | HEALTH CARE | OK | 501(C)(3) | LINE 3 | SSM HEALTH CARE OF OKLAHOMA | | No |
| (19) SSM AUDRAIN HEALTH CARE INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1550298 | HEALTH CARE | MO | 501(C)(3) | LINE 3 | SSM REGIONAL HEALTH SERVICES | Yes | |

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) AUDRAIN MEDICAL CENTER FOUNDATION INC 620 E MONROE ST MEXICO, MO 65265 43-1265060 | FUNDRAISING | MO | 501(C)(3) | LINE 11A, I | SSM AUDRAIN HEALTH CARE INC | Yes | |

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

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 |
| SSM MANAGED CARE ORGANIZATION LLC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1708511 | HEALTH PROMOTION | MO | N/A | C | | | | | No |
| FPP INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1465174 | HEALTH CARE | MO | N/A | C | | | | | No |
| DIVERSIFIED HEALTH SERVICES CORP 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1369305 | MEDICAL EQUIPMENT | MO | N/A | C | | | | | No |
| SSM CARDIO AND THORACIC SERVICES INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 26-0286559 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| SSM PROPERTIES INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1462486 | PROPERTY SERVICES | MO | N/A | C | | | | | No |
| SSM DEPAUL MEDICAL GROUP INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1715106 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| SSM ST CHARLES CLINIC MED GROUP INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-0626408 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| HEALTH FIRST PHYS MANAGEMENT SERVICES INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 73-1534336 | MEDICAL SERVICES | OK | N/A | C | | | | | No |
| SSMHCS LIABILITY TRUST II 10101 WOODFIELD LANE ST LOUIS, MO 63132 81-6128118 | INSURANCE | MO | N/A | C | | | | | No |
| SSM NEUROSCIENCES INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 26-3413981 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| SSM MEDICAL GROUP INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 43-1664107 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| SSMHC INSURANCE COMPANY 10101 WOODFIELD LANE ST LOUIS, MO 63132 03-0310431 | INSURANCE | CA | N/A | C | | | | | No |
| SSM ORTHOPEDIC INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 27-1557033 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| SSM CANCER CARE INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 27-1557324 | PHYSICIAN OFFICES | MO | N/A | C | | | | | No |
| PHYSICIANS SERVICES CORP OF SOUTHERN ILLINOIS INC 10101 WOODFIELD LANE ST LOUIS, MO 63132 36-4161526 | PHYSICIAN OFFICES | IL | N/A | C | | | | | No |

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? |
|--|-------------------------|--|----------------------------------|--|------------------------------|------------------------------------|-----------------------------|--|
| | | | | | | | | |
| DEAN HEALTH SYSTEMS INC 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 39-1128616 | PHYSICIAN OFFICES | WI | N/A | C | | | | <div>YesNo</div> No |
| DEAN HEALTH INSURANCE INC PO BOX 56099 MADISON, WI 53705 39-1830837 | INSURANCE | WI | N/A | C | | | | No |
| DEAN HEALTH PLAN INC PO BOX 56099 MADISON, WI 53705 39-1535024 | INSURANCE | WI | N/A | C | | | | No |
| ST MARY'S DEAN VENTURES INC 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 39-1628491 | PHYSICIAN OFFICES | WI | N/A | C | | | | No |
| DEAN RETAIL SERVICES INC 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 39-1717636 | PROPERTY MANAGEMENT | WI | N/A | C | | | | No |
| TEN TWENTY FIVE REGENT STREET 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 39-1089309 | MOB | WI | N/A | C | | | | No |
| DEAN SOLUTIONS INC 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 39-1876092 | MANAGEMENT | WI | N/A | C | | | | No |
| DEANCARE INSURANCE AGENCY INC PO BOX 56099 MADISON, WI 53705 39-1637828 | INSURANCE | WI | N/A | C | | | | No |
| NAVITUS HOLDINGS LLC 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 80-0968174 | PHARMACY BENEFITS | WI | N/A | C | | | | No |

SSM Health Care

Consolidated Financial Statements as of and for the
Years Ended December 31, 2013 and 2012,
Additional Information as of and for the Years Ended
December 31, 2013 and 2012, and
Independent Auditors' Report

SSM HEALTH CARE

TABLE OF CONTENTS

| | Page |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT | 1–2 |
| CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 | |
| Balance Sheets | 3 |
| Statements of Operations and Changes in Net Assets | 4–5 |
| Statements of Cash Flows | 6 |
| Notes to Consolidated Financial Statements | 7–50 |
| SSM HEALTH CARE SUPPLEMENTARY CONSOLIDATING INFORMATION AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 | 51 |
| Consolidating Schedules — Balance Sheet Information | 52–53 |
| Consolidating Schedules — Statement of Operations Information | 54–55 |
| Notes to Additional Information | 56 |

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SSM Health Care
St Louis, Missouri

We have audited the accompanying consolidated financial statements of SSM Health Care Corporation and its subsidiaries (the "Organization"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations and 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

Auditors' 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 Organization'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 Organization'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 SSM Health Care Corporation and its subsidiaries as of December 31,

2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Report on Supplementary Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information on pages 52–56 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the Organization's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our 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, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Deloitte Touche LLP".

April 9, 2014

SSM HEALTH CARE

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2013 AND 2012 (In thousands)

| | 2013 | 2012 |
|---|--------------------|--------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 68.175 | \$ 27.580 |
| Short-term investments | 155.644 | 121.172 |
| Current portion of assets limited as to use | 279.369 | 250.495 |
| Patient accounts receivable, less allowance for uncollectible accounts of \$145.955 in 2013 and \$120.927 in 2012 | 527.906 | 518.809 |
| Premium receivable, less allowance for uncollectible accounts of \$1.000 in 2013 | 6.665 | - |
| Other receivables | 121.657 | 23.568 |
| Inventories, prepaid expenses, and other | 96.022 | 77.447 |
| Estimated third-party payor settlements | 11.795 | 12.035 |
| Total current assets | <u>1,267.233</u> | <u>1,031.106</u> |
| ASSETS LIMITED AS TO USE OR RESTRICTED — Excluding current portion | <u>2,205.677</u> | <u>1,812.981</u> |
| PROPERTY AND EQUIPMENT — Net | <u>1,861.258</u> | <u>1,579.052</u> |
| OTHER ASSETS | | |
| Deferred financing costs — net | 6.373 | 6.753 |
| Goodwill | 127.254 | 31.955 |
| Intangibles — net | 311.389 | 68.556 |
| Investments in unconsolidated entities | 78.126 | 196.077 |
| Other | 10.095 | 5.710 |
| Total other assets | <u>533.237</u> | <u>309.051</u> |
| TOTAL | <u>\$5,867.405</u> | <u>\$4,732.190</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Revolving line of credit | \$ 85.225 | \$ 37.225 |
| Current portion of long-term debt | 51.201 | 41.313 |
| Accounts payable and accrued expenses | 666.284 | 365.536 |
| Notes payable | 400.000 | - |
| Unearned premiums | 39.683 | - |
| Payable under securities lending agreements | 207.345 | 197.188 |
| Estimated third-party payor settlements | 133.404 | 44.524 |
| Total current liabilities | <u>1,583.142</u> | <u>685.786</u> |
| LONG-TERM DEBT — Excluding current portion | <u>1,336.895</u> | <u>1,279.255</u> |
| ESTIMATED SELF-INSURANCE OBLIGATIONS | <u>68.070</u> | <u>72.674</u> |
| UNFUNDED PENSION LIABILITY | <u>667.307</u> | <u>893.057</u> |
| OTHER LIABILITIES | <u>244.507</u> | <u>234.799</u> |
| Total liabilities | <u>3,899.921</u> | <u>3,165.571</u> |
| NET ASSETS | | |
| Unrestricted | | |
| Noncontrolling interest in subsidiaries | 20.323 | 19.232 |
| SSM Health Care unrestricted net assets | <u>1,882.118</u> | <u>1,487.644</u> |
| Total unrestricted net assets | <u>1,902.441</u> | <u>1,506.876</u> |
| Temporarily restricted | 42.756 | 40.743 |
| Permanently restricted | 22.287 | 19.000 |
| Total net assets | <u>1,967.484</u> | <u>1,566.619</u> |
| TOTAL | <u>\$5,867.405</u> | <u>\$4,732.190</u> |

See notes to consolidated financial statements

SSM HEALTH CARE

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 (In thousands)

| | 2013 | 2012 |
|---|------------------|------------------|
| OPERATING REVENUES AND OTHER SUPPORT | | |
| Net patient service revenues before provision for doubtful accounts | \$ 3,317,151 | \$ 3,218,777 |
| Less provision for doubtful accounts | <u>(204,694)</u> | <u>(157,230)</u> |
| Net patient service revenues | 3,112,457 | 3,061,547 |
| Premiums earned | 360,880 | 10,370 |
| Investment income | 70,311 | 31,167 |
| Other revenue | 265,315 | 220,637 |
| Net assets released from restrictions | <u>5,675</u> | <u>3,431</u> |
| Total operating revenues and other support | <u>3,814,638</u> | <u>3,327,152</u> |
| OPERATING EXPENSES | | |
| Salaries and benefits | 2,031,947 | 1,779,786 |
| Medical claims | 141,988 | - |
| Supplies | 615,335 | 557,111 |
| Professional fees and other | 857,457 | 737,534 |
| Interest | 46,686 | 37,683 |
| Depreciation and amortization | 188,811 | 156,875 |
| Impairment loss | <u>6,735</u> | <u>-</u> |
| Total operating expenses | <u>3,888,959</u> | <u>3,268,989</u> |
| INCOME (LOSS) FROM OPERATIONS | <u>(74,321)</u> | <u>58,163</u> |
| NONOPERATING GAINS AND (LOSSES) | | |
| Investment income | 140,744 | 147,097 |
| Loss from early extinguishment of debt | - | (1,125) |
| Other — net | <u>372</u> | <u>1,835</u> |
| Total nonoperating gains and (losses) — net | <u>141,116</u> | <u>147,807</u> |
| EXCESS OF REVENUES OVER EXPENSES BEFORE CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS AND INCOME TAXES | 66,795 | 205,970 |
| CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS | <u>61,539</u> | <u>306</u> |
| EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES | 128,334 | 206,276 |
| INCOME TAXES | <u>1,672</u> | <u>-</u> |
| EXCESS OF REVENUES OVER EXPENSES | <u>126,662</u> | <u>206,276</u> |

(Continued)

SSM HEALTH CARE

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 (In thousands)

| | 2013 | 2012 |
|---|---------------------|---------------------|
| UNRESTRICTED NET ASSETS | | |
| Excess of revenues over expenses | \$ 126,662 | \$ 206,276 |
| Gains (losses) on investments — net | (1,610) | 595 |
| Pension-related changes other than net periodic pension cost | 268,606 | 22,969 |
| Net assets released from restrictions for property acquisitions | 3,909 | 2,261 |
| Other — net | <u>(2,002)</u> | <u>2,561</u> |
| Increase in unrestricted net assets | <u>395,565</u> | <u>234,662</u> |
| TEMPORARILY RESTRICTED NET ASSETS | | |
| Contributions for charity care and other programs | 7,930 | 9,324 |
| Gains on investments — net | 3,454 | 3,028 |
| Net assets released from restrictions for operations | (5,675) | (3,431) |
| Net assets released from restrictions for property acquisitions | (3,909) | (2,261) |
| Other — net | <u>213</u> | <u>(7)</u> |
| Increase in temporarily restricted net assets | <u>2,013</u> | <u>6,653</u> |
| PERMANENTLY RESTRICTED NET ASSETS | | |
| Contributions for charity care and other programs | 343 | 916 |
| Gains on investments — net | 1,120 | 534 |
| Other — net | <u>1,824</u> | <u>-</u> |
| Increase in permanently restricted net assets | <u>3,287</u> | <u>1,450</u> |
| CHANGE IN NET ASSETS | 400,865 | 242,765 |
| NET ASSETS — Beginning of year | <u>1,566,619</u> | <u>1,323,854</u> |
| NET ASSETS — End of year | <u>\$ 1,967,484</u> | <u>\$ 1,566,619</u> |
| See notes to consolidated financial statements | | (Concluded) |

SSM HEALTH CARE

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 (In thousands)

| | 2013 | 2012 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 400.865 | \$ 242.765 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Pension-related changes other than net periodic pension cost | (268.606) | (22.969) |
| Depreciation and amortization | 188.927 | 157.283 |
| Loss on early extinguishment of debt | - | 1.125 |
| Impairment loss | 6.735 | - |
| Provision for doubtful accounts and bad debts | 204.872 | 158.016 |
| Contributions restricted for long-term investment | (1.843) | (4.403) |
| Distributions (contributions) to/from noncontrolling owners — net | 3.608 | (3.239) |
| Gains and losses on investments — net | (178.672) | (139.598) |
| Equity in earnings of unconsolidated entities | (19.979) | (7.919) |
| Change in valuation of investments in unconsolidated entities | 123 | (114) |
| Change in market value of interest rate swaps | (61.539) | (306) |
| Gain on disposal of assets | 253 | (336) |
| Changes in assets and liabilities | | |
| Short-term investments | (30.257) | (9.534) |
| Patient accounts receivable | (154.911) | (236.751) |
| Other receivables, inventories, prepaid expenses, and other | (6.668) | (3.275) |
| Accounts payable, accrued expenses, and other liabilities | 10.565 | 42.128 |
| Estimated self-insurance obligations | (13.270) | (4.427) |
| Net cash provided by operating activities | <u>80.203</u> | <u>168.446</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (169.967) | (243.138) |
| Proceeds from disposal of property and equipment | 291 | 195 |
| Purchase of assets limited as to use or restricted | (2,231.523) | (2,974.997) |
| Proceeds from sales of assets limited as to use or restricted | 2,202.781 | 3,057.107 |
| Contributions to unconsolidated entities | (4.962) | (10.505) |
| Distributions from unconsolidated entities | 10.301 | 11.226 |
| Acquisition of hospitals and health care entities — net of cash received | (153.412) | (66.004) |
| Purchases of other assets | (44.757) | (36.572) |
| Proceeds from sales of other assets | 11.133 | (12.325) |
| Net cash used in investing activities | <u>(380.115)</u> | <u>(275.013)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of long-term debt | - | 283.265 |
| Payments on long-term debt | (45.222) | (213.281) |
| Debt issuance costs | (76) | (573) |
| Restricted contributions | 1.843 | 4.403 |
| Contributions from noncontrolling owners | 10 | 7.205 |
| Distributions to noncontrolling owners | (3.618) | (3.966) |
| Proceeds from notes payable | 400.000 | - |
| Proceeds from revolving line-of-credit | 50.000 | 37.225 |
| Payments on revolving line-of-credit | (62.430) | - |
| Net cash provided by financing activities | <u>340.507</u> | <u>114.278</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>40.595</u> | <u>7.711</u> |
| CASH AND CASH EQUIVALENTS — Beginning of year | <u>27.580</u> | <u>19.869</u> |
| CASH AND CASH EQUIVALENTS — End of year | <u>\$ 68.175</u> | <u>\$ 27.580</u> |

See notes to consolidated financial statements

SSM HEALTH CARE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 (DOLLARS IN THOUSANDS)

1. ORGANIZATION

SSM Health Care (SSMHC) is a multi-institutional health care system comprised of SSM Health Care Corporation (SSMHCC) as the principal not-for-profit corporation which holds membership or stock ownership in other affiliated corporations. SSMHCC has been established as the parent corporation. Through its affiliated corporations, SSMHC owns and operates 18 acute care hospitals, one children's hospital, two long-term care facilities, an extensive network of physician practice operations, and other health care businesses located primarily in Missouri, Oklahoma, Wisconsin, and Illinois. SSMHC also has exclusive affiliation agreements with certain acute care hospitals. SSMHCC and most of its affiliated subsidiary corporations are organizations described in Section 501(c)(3) of the Internal Revenue Code (IRC). As such, they are exempt from federal income tax on income from activities related to their exempt purposes under IRC Section 501(a).

On April 16, 2013, SSMHC and Dean Health Systems, Inc. (DHS) entered into a merger agreement whereby DHS would become a wholly owned subsidiary of SSMHC. The merger was finalized on September 1, 2013. DHS includes a large multi-specialty physician group, Dean Health Plan (DHP), a health maintenance organization, Navitus Health Solutions, LLC (Navitus), a national pharmacy benefit management company, and various subsidiary organizations. DHS is a taxable corporation under the IRC. See Note 11 for further discussion of the impact of this merger agreement and other merger/acquisition activity.

Prior to November 15, 2013, SSMHC was sponsored by the Franciscan Sisters of Mary (FSM). As of November 15, 2013, with Vatican approval, FSM transitioned sponsorship of SSMHC to SSM Health Ministries. SSM Health Ministries is an independent 6-member body comprised of three Franciscan Sisters of Mary and three lay people who collectively hold certain reserved powers over SSMHC.

2. SSMHCC SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation — The consolidated financial statements include the accounts of SSMHCC and all wholly owned, majority owned, and controlled entities, including the consolidated statements of SSMHC Liability Trust I and SSMHC Liability Trust II as described in Note 14. Operating consolidated results of DHS are included for the period September 1, 2013 through December 31, 2013 as further described in Note 11. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents — Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less when purchased.

Short-Term Investments — Short-term investments are measured at fair value and include liquid investments maintained for near-term cash flow purposes.

Financial Instruments — The carrying amounts of cash equivalents and unsettled investment transactions approximate fair value. Management's estimates of the fair value of other financial instruments are described elsewhere in the notes to the consolidated financial statements. Investments

reported as assets that are designated as limited as to use or restricted. short-term investments, and interest rate swaps are measured at fair value as described in Note 7 Long-term debt fair value is disclosed in Note 12 Due to the volatility of the U S economy and the financial markets, there is uncertainty regarding the long-term impact market conditions will have on SSMHC's investment portfolio

Patient Accounts Receivable — Patient accounts receivable are stated at estimated net realizable amounts from patients, third-party payors, and other insurers for services provided Management periodically reviews the adequacy of the allowance for uncollectible accounts based on historical experience, trends in health care coverage, and other collection indicators Reserves for charity and uncollectible amounts have been established and are netted against patient accounts receivable in the consolidated balance sheets

SSMHC's mission is to provide exceptional health care services to all persons regardless of their ability to pay After all payments, discounts and reasonable collection efforts have been exhausted, SSMHC follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by SSMHC Accounts placed with collection agencies are written off and excluded from patient accounts receivable and allowance for doubtful accounts

Premiums Receivable and Unearned Premiums — Premiums are recognized in the period for which services are covered Premiums receivable include amounts due from subscriber groups for premiums Premiums billed and due in advance of a coverage period are included in unearned premiums

Inventories — Inventories are stated at the lower of cost or market Cost is determined principally using the first-in, first-out method Supplies and pharmaceuticals are expensed when they are distributed for use SSMHC held inventories in the amount of \$62,189 and \$52,280 at December 31, 2013 and 2012, respectively These amounts are included in inventories, prepaid expenses, and other

Assets Limited as to use or Restricted — Assets limited as to use include investments and other assets set aside by the Board of Directors at their discretion for future capital improvements, medical insurance claims or for other purposes, and assets held in trust under bond indentures and self-insurance agreements Unsettled investment transactions include receivables and payables from investment sales which have been initiated prior to the consolidated balance sheet date that are not formally settled until the following year Assets restricted as to use include investments and other assets whose use is restricted by donors (temporarily or permanently)

Pooled Investments — SSMHC holds the majority of its investments in a pooled investment program which also includes the investments of its defined benefit plans as well as other smaller nonconsolidated entities The earnings are allocated proportionately according to ownership percentages as defined in pooled investment agreements The combined investments of SSMHC and its defined benefit plans account for over 99% of the pooled investments

SSMHC has elected the fair value option for financial investments in limited partnerships and limited liability corporations made through its centralized investment program that would otherwise be recorded using either the cost or equity methods SSMHC made this election in order to ensure that the accounting treatment of these investments was comparable between categories, regardless of the current organizational structure of the various investments

Derivative Instruments — It is SSMHC's policy to provide sound stewardship of fiscal resources by effectively managing both the level of outstanding debt and the proportion of variable to fixed rate debt

Accordingly, SSMHC periodically enters into derivative arrangements to manage interest rate risk related to variable rate debt

SSMHC records derivative instruments as either an asset or liability measured at its fair value (Note 7) The estimated fair value of interest rate swap instruments has been determined using available market information and valuation methodologies, primarily discounted cash flows This amount is reported in other noncurrent liabilities

The net change in the fair value is recorded as a nonoperating gain or loss The difference between the actual amount paid and the actual amount received on all interest rate swaps is accrued and recognized as an adjustment to interest expense

Securities Lending Program — SSMHC participates in securities lending transactions with its custodian whereby SSMHC lends a portion of its investments to various brokers in exchange for collateral for the securities loaned, usually on a short-term basis SSMHC maintains effective control of the loaned securities through its custodian during the term of the arrangement in that they may be recalled at any time Collateral received from brokers must equal at least 100% of the original market value of the securities on loan, and is subsequently adjusted for market fluctuations SSMHC must return to the borrower the original value of collateral received regardless of the impact of market fluctuations The collateral is invested in a pool maintained by the custodian Under the terms of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed

The securities on loan under this program are recorded as assets whose use is limited The market value of collateral held for loaned securities is reported as collateral held under securities lending program which is recorded in assets whose use is limited, and an obligation is recorded in current liabilities for repayment of collateral upon settlement of the lending transaction

Property and Equipment — Property and equipment acquisitions are recorded at cost or, if donated or impaired, at fair value at the date of receipt or impairment Depreciation expense is determined using the straight-line method over the estimated useful life of the asset 5 to 25 years for land improvements, 5 to 40 years for buildings, and 3 to 20 years for equipment Equipment under capital leases is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization expense Interest costs incurred on borrowed funds during construction periods are capitalized as a component of the asset cost

SSMHC periodically evaluates property and equipment to determine whether assets may have been impaired The evaluations address the estimated recoverability of the assets' carrying value Such analyses require various valuation techniques using management assumptions, including estimates of future cash flows As a result, there is at least a reasonable possibility that recorded estimates of fair value and impairment will change by a material amount

Deferred Financing Costs — Deferred financing costs are amortized using the effective interest rate method over the term of the related obligation

Goodwill — Goodwill represents the excess of costs over the fair value of assets of businesses acquired Goodwill acquired in business combinations is not amortized, but instead is subject to impairment tests performed at least annually Goodwill is evaluated for possible impairment at the reporting unit level at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable Goodwill is evaluated for possible impairment by comparing the fair value of a reporting unit with its carrying value, including the goodwill assigned to that reporting unit Fair value of a reporting unit is estimated using a combination of income-based and market-based

valuation methodologies. Under the income approach, forecasted cash flows of a reporting unit are discounted to a present value using a discount rate commensurate with the risks of those cash flows. Under the market approach, the fair value of a reporting unit is estimated based on the revenues and earnings multiples based on recent transactions involving comparable entities. An impairment charge is recorded if the carrying value of the goodwill exceeds its implied fair value. The determination of a reporting unit's fair value requires management to make significant assumptions regarding estimated future cash flows and long-term growth rates. As a result, there is at least a reasonable possibility that recorded estimates of fair value and impairment will change.

Intangibles — Intangible assets include capitalized computer software costs, tradenames, non-compete agreements and other intangible assets acquired from independent parties. Intangible assets with a definite life are amortized on a straight-line basis, with estimated useful lives ranging from one to 20 years. Amortization of intangibles is included in depreciation and amortization expense. SSMHC reviews the carrying value of its amortizable intangible assets only when impairment indicators are present. SSMHC evaluates intangible assets for impairment by comparing the estimates of undiscounted future cash flows to the carrying values of the related assets. Indefinite-lived intangible assets are evaluated for possible impairment at least annually or whenever events or changes in circumstances indicate the asset might be impaired. There were no impairments identified during 2013 or 2012.

Software Costs — Capitalized computer software costs include internally developed software. Costs incurred in developing and installing internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Capitalized software costs and related accumulated amortization expense are included in net intangible assets.

Investments in Unconsolidated Entities — Investments in unconsolidated entities, other than limited partnerships and limited liability corporations in the pooled investment program, are accounted for under the cost or equity method of accounting, as appropriate. SSMHC utilizes the equity method of accounting for its investments in unconsolidated entities over which it exercises significant influence. SSMHC's equity income or loss on these investments is recorded as other revenue. SSMHC evaluates these investments for other-than-temporary impairment in accordance with accounting standards for equity method investments.

Unfunded Pension Liability — Unfunded pension liability represents the value of the projected benefit obligation of SSMHC's pension plans over the fair value of the plans' assets. The pension plan obligations and plan assets are measured as of December 31. In 2013, SSMHC recorded \$268,606 to decrease other liabilities and increase unrestricted net assets due to recognition of the change in the underfunded status of the plan. The gain was a result of higher discount rates as well as strong investment returns. In 2012, SSMHC recorded \$22,969 to decrease other liabilities and increase unrestricted net assets due to recognition of the change in the underfunded status of the plan. The gain was a result of plan amendments as described in Note 13 offset by the impact of the declining discount rate.

Other Liabilities — Other liabilities include various deferred compensation plans, the fair value of interest rate swaps and various other noncurrent liabilities.

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by SSMHC has been limited by donors to a specific time period or purpose. These assets are restricted for funding a specific program, capital projects, and other purposes. Permanently restricted net assets have been restricted by donors to be maintained by SSMHC in perpetuity. They are generally restricted to provide ongoing income for a specific program.

Noncontrolling Interests — The consolidated financial statements include all assets, liabilities, revenue and expenses of less than 100% owned or controlled entities SSMHC controls in accordance with applicable accounting guidance. Accordingly, SSMHC has reflected a noncontrolling interest for the portion of net assets not owned or controlled by SSMHC separately on the consolidated balance sheets.

Net Patient Service Revenues — SSMHC recognizes net patient service revenue before provision for bad debt in the period in which services are provided. SSMHC has agreements with payors that provide for payments at amounts different from established charges. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement, and negotiated discounts from established charges.

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations. The differences between the estimated and actual adjustments are recorded as part of net patient service revenues in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews, and investigations.

Premiums Earned — SSMHC receives capitation insurance premiums based on the demographic characteristics of covered members in exchange for providing comprehensive medical services for those members. SSMHC recorded capitated revenues of \$360,880 and \$10,370 for the years ended December 31, 2013 and 2012, respectively. Capitation revenues are included in premium revenues.

Effective January 1, 2011, SSMHC and Dean Health Systems, Inc. entered into a risk sharing arrangement for certain health care services provided to members of Dean Health Insurance, Inc. (DHI) and Dean Health Plan, Inc. (DHP). Under the risk sharing arrangement, a percentage of the DHI and DHP premiums are paid into various pools for which SSMHC assumes a portion of the risk. Payments are made from the pools for certain covered services. SSMHC receives disbursements from the pools for their share of the accumulated surplus or pays into the pools for their share of the accumulated deficit. Total payments received during the eight month period ended August 31, 2013 and the year ended December 31, 2012 for services, net of accumulated deficits, were \$105,693 and \$133,612, respectively, which are included within net patient service revenues. Payments received subsequent to August 31, 2013 were eliminated on consolidation.

Medical Claims — Medical claims consist of payments to health care providers and are accrued as of the date of service and reported net of recoveries of \$5,294 for the period from September 1, 2013 to December 31, 2013. Recoveries consist mainly of drug company volume discounts, Centers for Medicare and Medicaid Services (CMS) risk-sharing, and subsidies and reinsurance.

Changes in estimates of claims costs resulting from an ongoing review process and differences between estimates and payments for claims are recognized in the period in which the estimates are changed or payments are made. The liability for unpaid medical claims for medical services purchased, which is included in accounts payable, is based on known amounts of reported claims and an estimate of incurred but not reported claims using past experience adjusted for current trends.

Investment Income — Most investment income is reported as nonoperating gains or losses. Investment income on funds held in trust for self-insurance purposes, funds held for insurance and pharmacy benefit purposes, and unrestricted funds held by foundations is included in other operating revenue. The cost of investments sold is based on the specific-identification method.

Investment income on investments of donor-restricted funds, other than endowments, is included in excess of revenues over expenses unless the income or loss is restricted by donors. Investment income

that is restricted by the donor is recorded directly to temporarily or permanently restricted net assets, in accordance with the donor-imposed restrictions

SSMHC values hedge funds, real estate investments, and partnership interests at fair value. Gains and losses on these investments are included in nonoperating investment income unless it is restricted by donors

SSMHC classifies its debt and equity securities as trading securities. Changes in the fair values of trading securities are recorded in the excess of revenues over expenses

The change in unrealized gains and losses on investments recorded as a change in unrestricted net assets includes the unrealized gains or losses related to investments available for sale at equity method investees

SSMHC reports investment income net of investment fees paid. Investment fees totaled \$10,603 and \$10,464 for the years ended December 31, 2013 and 2012, respectively

Contributions — Contributions, including unconditional promises to give, are recognized at their fair value at the time of receipt. For financial reporting purposes, SSMHC distinguishes between contributions that are unrestricted, temporarily restricted, or permanently restricted based on the restrictions placed on their use by the donors. Contributions restricted for additions to property and equipment are recorded as temporarily restricted assets. When the restrictions have been met, these temporarily restricted contributions are recorded as net assets released from restrictions for property acquisitions. Contributions temporarily restricted for other purposes are reported as temporarily restricted contributions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, they are reported as net assets released from restrictions and an increase to unrestricted net assets. Contributions of assets that donors have stipulated must be maintained permanently, with only the income earned thereon available for use, are classified as permanently restricted assets. Contributions for which donors have not stipulated restrictions are reported as other revenue

Endowment assets include donor-restricted funds that SSMHC must hold in perpetuity or for a donor-specified period. SSMHC preserves the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. SSMHC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and, if applicable, (c) accumulations to the permanent endowment made in accordance with specific donor instructions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the SSMHC entity that received the donation. SSMHC considers the following factors in making determinations to appropriate or accumulate donor-restricted endowment funds

- a State law
- b The duration and preservation of the fund
- c The purposes of the donor-restricted endowment funds and how they relate to SSMHC's priorities for carrying out its mission within the communities it serves
- d General economic conditions

- e The possible effects of inflation and deflation
- f The expected total return from income and the appreciation of investments
- g Other resources available to the entity and its beneficiary, if applicable
- h The investment policies of the entity

Electronic Health Record Incentives — Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians and certain other professionals (Providers) when they adopt, implement or upgrade (AIU) certified electronic health record (EHR) technology or become “meaningful users,” as defined under ARRA, of EHR technology in ways that demonstrate improved quality, safety and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four periods. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments, however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments, but not both. Hospitals that are meaningful users under the Medicare EHR incentive payment program are deemed meaningful users under the Medicaid EHR incentive payment program and do not need to meet additional criteria imposed by a state. Medicaid EHR incentive payments to Providers are 100% federally funded and administered by the states. The Centers for Medicare and Medicaid Services (CMS) established calendar year 2011 as the first year states could offer EHR incentive payments. Before a state may offer EHR incentive payments, the state must submit and CMS must approve the state’s incentive plan.

SSMHC recognizes Medicaid EHR incentive payments in its consolidated statements of operations for the first payment year when (1) CMS approves a state’s EHR incentive plan, and (2) its hospital or employed physician acquires certified EHR. Medicare and Medicaid EHR incentive payments for subsequent payment years are recognized in the period during which the specified meaningful use criteria are met. SSMHC recognizes Medicare EHR incentive when (1) the specified meaningful use criteria are met, and (2) contingencies in estimating the amount of the incentive payments to be received are resolved. During the years ended December 31, 2013 and 2012, certain of SSMHC’s entities satisfied the CMS AIU and/or meaningful use criteria. As a result, SSMHC recognized approximately \$3.799 and \$3.528 of Medicaid EHR incentive payments as other revenue for the years ended December 31, 2013 and 2012, respectively. SSMHC’s entities recognized \$13.408 and \$20.846 of Medicare EHR incentive payments as other revenue for the years ended December 31, 2013 and 2012, respectively.

Performance Indicator — The consolidated statements of operations and changes in net assets include excess of revenues over expenses as SSMHC’s performance indicator. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in unrealized gains and losses on investments related to available for sale investments held by equity investees, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), and pension related changes other than net periodic pension cost.

Consolidated Statements of Operations — For purpose of display, transactions deemed by management to be ongoing, major, or central to the provision of health care and related services are

reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.

Advertising Costs — SSMHC expenses advertising costs as they are incurred. Advertising expenses were \$13,110 and \$10,749 for the years ended December 31, 2013 and 2012, respectively, and are included in professional fees and other.

Income Taxes — SSMHC has established its status as an organization exempt from income taxes under IRC Section 501(c)(3) and the laws of the states in which it operates, and as such, is generally not subject to federal or state income taxes. However, SSMHC is subject to income taxes on net income derived from a trade or business, regularly carried on, which does not further the organization's exempt purpose. SSMHC is also subject to income tax on debt-financed investment income derived from various investments. No significant income tax provisions have been recorded in the financial statements for net income, if any, derived from any unrelated business or investment income as management has determined that such amounts are not material to the consolidated financial statements taken as a whole.

SSMHC's for-profit subsidiaries account for income taxes related to their operations. The for-profit subsidiaries recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of their assets and liabilities along with net operating losses that meet the more likely than not recognition criteria. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Penalties and interest incurred on income tax liabilities are included in income tax expense.

SSMHC evaluates its uncertain tax positions on an annual basis. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. There have been no uncertain tax positions recorded in 2013 or 2012.

Use of Estimates — The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Non-Cash Transactions — During the years ended December 31, 2013 and 2012, SSMHC had the following non-cash transactions:

| | 2013 | 2012 |
|--|-----------|-----------|
| Collateral received under securities lending program | \$ 10,157 | \$ 22,300 |
| Property and equipment purchases included in accounts payable | 12,367 | 19,618 |
| Acquisition of health care entities included in accounts payable | 4,762 | - |
| Investment in unconsolidated entities included in long-term debt | - | 8,648 |
| Acquisition of hospital and health care entities | 42,690 | - |

New Accounting Pronouncements — In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-04, *Liabilities (Topic 405), Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date* (ASU 2013-04). ASU 2013-04 requires SSMHC to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date as the sum of the amount SSMHC agreed to pay on the basis of its

arrangement amount the co-obligors and any additional amount that SSMHC expects to pay on behalf of its co-obligors. ASU 2013-04 is effective for SSMHC as of January 1, 2014, and is not expected to have a material impact on SSMHC's consolidated financial statements.

In January 2013, the FASB issued ASU No. 2013-01, *Balance Sheet (Topic 210), Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, (ASU 2013-01) to address implementation issues about the scope of ASU 2011-11 (*Balance Sheet (Topic 210), Disclosures about Offsetting Assets and Liabilities*). The amendments clarify the scope applies to certain derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset or subject to an enforceable master netting arrangement or similar agreement. The adoption of ASU 2013-01 was effective for fiscal years beginning on or after January 1, 2013 and resulted in additional disclosures at Note 17.

In October 2012, FASB issued ASU No. 2012-05, *Statement of Cash Flows (Topic 230), Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows* (ASU 2012-05) to address diversity in practice about how to classify cash receipts arising from the sale of certain donated financial assets, such as securities, in the statement of cash flows of not-for-profit entities. The adoption of ASU 2012-05 was effective prospectively for SSMHC as of January 1, 2013 and did not have a material impact on SSMHC's consolidated financial statements.

In July 2012, the FASB issued ASU 2012-02, *Intangibles – Goodwill and Other (Topic 350), Testing Indefinite-Lived Intangible Assets for Impairment*, (ASU 2012-02) which permits an entity to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test as described in Topic 350. The adoption of ASU 2012-02 was effective for SSMHC as of January 1, 2013, and did not have a material impact on SSMHC's consolidated financial statements.

In July 2011, FASB issued ASU No. 2011-06, *Other Expenses (Topic 720), Fees Paid to the Federal Government by Health Insurers* (ASU 2011-06) which provides guidance regarding how health insurers should recognize and classify fees mandated by the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, Health Insurance Reform Legislation). The Health Insurance Reform Legislation imposes a nondeductible annual fee on health insurers for each calendar year beginning on January 1, 2014. ASU 2011-06 requires that the liability for the fee should be estimated and recorded in full once SSMHC provides qualifying insurance coverage in the applicable calendar year in which the fee is payable, with a corresponding deferred cost that is amortized to expense over the calendar year. ASU 2011-06 is effective for SSMHC as of January 1, 2014.

Change in Presentation — Effective January 1, 2013, SSMHC reclassified net software acquisition costs to intangibles on the consolidated balance sheets. This change did not have a material impact on SSMHC's consolidated financial statements other than the reclassification of net software costs totaling \$51.515 from plant and equipment – net to intangibles – net for the year ended December 31, 2012.

Effective September 1, 2013, SSMHC reported premiums earned in the consolidated statement of operations and changes in net assets. This change did not have a material impact on SSMHC's consolidated financial statements other than the reclassification of premiums earned totaling \$10,370 from net patient service revenue to premiums earned for the year ended December 31, 2012.

3. UNCOMPENSATED CARE

In line with its mission, SSMHC provides services to patients without regard to their ability to pay for those services. For some of its patient services, SSMHC receives no payment or payment that is less than the full cost of providing the services.

SSMHC voluntarily provides free care to patients who are unable to pay for all or part of their health care expenses as determined by SSMHC's criteria for financial assistance. Because SSMHC does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenues.

In some cases, SSMHC does not receive the amount billed for patient services even though it did not receive information necessary to determine if the patients met the criteria for financial assistance.

The estimated cost of charity care and the cost of doubtful accounts are as follows. The estimated costs are calculated using the costs of providing patient care divided by gross patient service revenue. This ratio is then multiplied by the gross charity and doubtful charges to determine estimated costs.

| | 2013 | 2012 |
|---------------------------|----------|----------|
| Cost of charity care | \$92,871 | \$95,484 |
| Cost of doubtful accounts | 86,340 | 69,954 |

SSMHC also commits significant time and resources to activities and critical services that address unmet community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screenings and assessments, prenatal education and care, hospice, support for residences for homeless persons, trauma care, community health education and various support groups.

4. NET PATIENT SERVICE REVENUES

A significant portion of SSMHC's revenue is generated under agreements with Medicare and Medicaid. Payments for services covered by Medicare are based on federal regulations specific to the type of service provided. Medicare pays for most services at a prospective rate. Hospital facilities that meet certain requirements receive additional funds in partial payment for the cost of medical education and caring for the indigent. The rates for services covered by Medicaid are determined by the regulations of the state in which the beneficiary is a resident. Medicare and Medicaid regulations are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount.

SSMHC has an estimation process for recording Medicare net patient service revenue and estimated cost report settlements. Accruals are recorded to reflect the expected final cost report settlements. Accruals are based upon filed cost reports or an estimate of what is expected to be reported on cost reports not yet filed.

In addition, SSMHC has negotiated contracts with certain other third-party payors. Revenues under these contracts are based primarily on payment terms involving predetermined rates per diagnosis, per-diem rates, discounted fee-for-service rates and other similar contractual arrangements. SSMHC estimates the discounts for contractual allowances at the individual hospital level utilizing billing data on an individual patient basis. On a monthly basis, an estimate is made of the expected reimbursement for patients of managed care plans based on the applicable contract terms.

SSMHC provides discounts on charges for hospital services to all patients without insurance and who do not receive their health care services under Medicare, Medicaid or a public aid program. The discount varies by geographical location, primarily based on the discounts negotiated with SSMHC private third-party payors in that location. The total discounts provided to uninsured patients under this policy were \$214,638 and \$205,362 for the years ended December 31, 2013 and 2012, respectively, and are included as a reduction in net patient service revenues. If it is determined that an uninsured patient is eligible for a charity discount for hospital services, the charity discount will be taken after the discount for uninsured patients has been applied.

SSMHC participates in assessment programs in the four states in which it operates. For the year ended December 31, 2013, SSMHC recognized \$187,907 in revenue and \$137,466 in expenses relating to these programs. For the year ended December 31, 2012, SSMHC recognized \$191,375 in revenue and \$136,319 in expenses relating to these programs. The revenue is included in net patient service revenues and the expenses are included in professional fees and other expenses.

The table below shows the sources of net patient service revenue before provision for bad debt.

| | 2013 | 2012 |
|---|---------------------------|---------------------------|
| Medicare | \$ 895,907 | \$ 907,218 |
| Medicaid | 446,431 | 479,091 |
| Managed Care | 1,561,920 | 1,501,064 |
| Other | <u>412,893</u> | <u>331,404</u> |
| Net patient service revenue before provision for bad debt | <u>\$3,317,151</u> | <u>\$3,218,777</u> |

A summary of SSMHC's Medicare, Medicaid and managed care utilization percentages, based upon gross patient service revenues was as follows:

| | 2013 | 2012 |
|--------------|---------------------|---------------------|
| Medicare | 34 % | 33 % |
| Medicaid | 12 | 12 |
| Managed Care | 42 | 45 |
| Other | <u>12</u> | <u>10</u> |
| | <u>100 %</u> | <u>100 %</u> |

In 2013 and 2012, net patient service revenues (decreased) increased by (\$66,806) and \$32,466, respectively, relating to changes in estimates for prior years' settlements from Medicare, Medicaid and other programs. Of the 2013 decrease, \$61,244 was based upon an adverse ruling rendered by CMS. During a periodic cost report audit performed by the Medicare intermediary in Oklahoma, the intermediary identified potential issues with the calculation of the disproportionate share hospital (DSH) payments paid to SSMHC's Oklahoma facility. The specific issue identified was whether the care furnished for children and adolescents in an adolescent psychiatric program at SSMHC's Oklahoma facility is similar in acuity to services that are usually paid for under Medicare's inpatient hospital prospective payment system. As of December 31, 2013, CMS rendered a ruling for full repayment of the DSH payments received and recognized as revenue attributable to the adolescent psychiatric program for the year ended December 31, 2006. Management anticipates that this ruling will be applied to the remainder of the period 2004 – 2013. As a result, SSMHC has recorded a liability for full repayment for this period, of which \$61,244 related to prior years. In 2012, net patient service revenues increased by

\$24,236 in settlement of an appeal with CMS related to underpayments that occurred between 1998 and 2011 as a result of errors in the Medicare inpatient wage index calculation

5. CONCENTRATION OF CREDIT RISK

SSMHC provides health care services through its inpatient and outpatient care facilities located in their respective communities. SSMHC attempts to collect amounts due from patients, including co-payments and deductibles for patients with insurance, at the time of service while complying with all federal and state laws and regulations, including the Emergency Medical Treatment and Active Labor Act (EMTALA). Generally, as required by EMTALA, patients may not be denied emergency treatment due to the inability to pay. In non-emergency circumstances or for elective procedures, SSMHC's policy is to verify insurance prior to treatment, however, exceptions can occur. SSMHC generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, health maintenance organizations, and commercial insurance policies).

SSMHC records an allowance for uncollectible accounts by establishing an allowance to reduce the carrying value of receivables to their estimated net realizable value. This allowance is calculated on an individual hospital basis and is based upon the aging of accounts receivable by payor class, historical collection experience and other relevant factors. SSMHC has not changed its charity care allowance for uncollectible accounts or uninsured discount policies during the years ended December 31, 2013 and 2012. The allowance for uncollectible accounts increased \$25,028 from \$120,927 at December 31, 2012 to \$145,955 at December 31, 2013. Of this increase, \$4,524 was attributable to the acquisition of DHS entities. The remainder of the increase was primarily due to increased volumes of self-pay patients as well as co-payments and deductibles for patients with insurance.

The mix of net receivables from patients and third-party payors as of December 31, 2013 and 2012, was as follows:

| | 2013 | 2012 |
|--------------|--------------|--------------|
| Medicare | 22 % | 26 % |
| Medicaid | 11 | 15 |
| Managed Care | 40 | 43 |
| Other | <u>27</u> | <u>16</u> |
| | <u>100 %</u> | <u>100 %</u> |

Cash Concentrations — SSMHC has cash and cash equivalents deposited in financial institutions in which the balances exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250. No losses have been incurred to date, and management believes SSMHC is not exposed to any significant credit risk.

6. ASSETS LIMITED AS TO USE OR RESTRICTED

The SSMHC Board of Directors has designated the accumulation of certain funds for future replacement of property and equipment, other capital improvements, debt retirement, medical insurance claims, and other purposes. Additionally, under the terms of the indentures for various bond issues, funds held by trustees have been established and legally designated for debt service.

A summary of assets limited as to use or restricted as of December 31, 2013 and 2012, is as follows

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Assets limited as to use | | |
| Board designated for property and equipment, long-term employee benefit programs, and other | <u>\$ 1,981,683</u> | <u>\$ 1,610,955</u> |
| Reserves in regulated insurance company | <u>19,802</u> | <u>-</u> |
| Held by trustee | | |
| Bond funds | 5,995 | 4,254 |
| Self-insurance (Note 14) | 175,176 | 191,336 |
| Funds held in escrow (Note 11) | 30,002 | - |
| Collateral held under securities lending agreements | <u>207,345</u> | <u>197,188</u> |
| | <u>418,518</u> | <u>392,778</u> |
| Assets restricted by donor as to use | | |
| Temporarily restricted | 42,756 | 40,743 |
| Permanently restricted | <u>22,287</u> | <u>19,000</u> |
| | <u>65,043</u> | <u>59,743</u> |
| Total assets limited as to use or restricted | 2,485,046 | 2,063,476 |
| Less current portion | <u>279,369</u> | <u>250,495</u> |
| Noncurrent portion | <u>\$ 2,205,677</u> | <u>\$ 1,812,981</u> |

Assets limited as to use or restricted comprise the following asset classifications which include securities on loan

| | 2013 | 2012 |
|---|--------------------|--------------------|
| Cash and cash equivalents | \$ 232,790 | \$ 55,790 |
| Corporate obligations | 273,146 | 279,549 |
| Government securities | 243,330 | 199,026 |
| Mutual funds | | |
| Domestic | 424,125 | 366,088 |
| International | 230,510 | 184,166 |
| Fixed income | 15,833 | |
| Emerging markets | 57,249 | 61,538 |
| Equities | | |
| Small cap | 26,833 | 29,700 |
| Mid cap | 91,603 | 69,358 |
| Large cap | 253,885 | 223,440 |
| Partnership interests | 77,250 | 79,813 |
| Hedge funds | 188,995 | 177,050 |
| Real estate investments | 130,049 | 118,584 |
| Unsettled investment transactions (at cost) | 3,806 | (3,330) |
| Guaranteed fixed funds | 5,537 | 4,502 |
| Pooled separate accounts | 3,959 | 2,998 |
| Securities lending | | |
| Equities | 92,997 | 39,979 |
| Government securities | 100,059 | 136,111 |
| Corporate obligations | 14,289 | 21,098 |
| Other (at cost) | <u>18,801</u> | <u>18,016</u> |
| Total | <u>\$2,485,046</u> | <u>\$2,063,476</u> |

A summary of investment income for the years ended December 31, 2013 and 2012, is as follows

| | 2013 | 2012 |
|--|------------------|------------------|
| Interest and dividends | \$ 35,347 | \$ 42,823 |
| Realized and unrealized gains on investments — net | 144,342 | 139,598 |
| Unrealized gains on pre-existing interest in acquired entities | 23,571 | - |
| Realized gains on cost basis investments | <u>10,759</u> | <u>-</u> |
| Total | <u>\$214,019</u> | <u>\$182,421</u> |

Investment income (loss) is reported as follows

| | 2013 | 2012 |
|--|------------------|------------------|
| Operating investment income | \$ 70,311 | \$ 31,167 |
| Nonoperating investment income | 140,744 | 147,097 |
| Gains (losses) on investments — net — unrestricted net assets | (1,610) | 595 |
| Gains on investments — net — temporarily restricted net assets | 3,454 | 3,028 |
| Gains on investments — net — permanently restricted net assets | <u>1,120</u> | <u>534</u> |
| Total | <u>\$214,019</u> | <u>\$182,421</u> |

The collateral held for the securities loaned and related payable of equal value at December 31, 2013 and 2012, were \$207,345 and \$197,188, respectively

The securities on loan are included in the following classifications

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| Equity securities | \$ 91,238 | \$ 39,700 |
| Government securities | 97,955 | 133,306 |
| Corporate obligations | <u>13,970</u> | <u>20,704</u> |
| Total | <u>\$203,163</u> | <u>\$193,710</u> |

SSMHC recorded net investment income of \$571 and \$1,225 on these transactions for the years ended December 31, 2013 and 2012, respectively. Net investment income represents the amount received as investment income on the securities received as collateral, offset by the fees paid to the various brokers and the investment earnings on the securities loaned to the brokers

7. FAIR VALUE MEASUREMENTS

SSMHC defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including SSMHC's own credit risk.

The fair values of all assets and liabilities recognized or disclosed at fair value are classified based on the lowest level significant inputs. SSMHC used the following methods to determine fair value:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that SSMHC has the ability to access on the report date

Level 2 — Inputs (financial matrices, models, valuation techniques) other than quoted market prices included in Level 1, that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Such observable inputs include benchmarking prices for similar assets in active, liquid markets, quoted prices in markets that are not active and observable yields and spreads in the market. SSMHC's Level 2 assets and liabilities include investment securities with quoted prices

that are traded less frequently than exchange-traded instruments and derivative contracts whose values are determined using market standard valuation techniques. This category primarily includes corporate obligations and government securities, among others. Level 2 valuations are generally obtained from third party pricing services for identical or comparable assets or liabilities. Prices from services are validated through analytical reviews and assessment of current market activity. Interest rate swaps are valued using discounted future cash flows.

Level 3 — Inputs (such as professional appraisals, quoted prices from inactive markets that require adjustment based on significant assumptions or data that is not current, data from independent sources) that are unobservable for the asset or liability. SSMHC holds investments in real estate funds, hedge funds, and partnership interests. The real estate funds invest in real estate investment trusts and commercial real estate, diversified by geographical location and use. The hedge funds invest in funds that hold various types of debt and equity securities.

For the years ended December 31, 2013 and 2012, a majority of the hedge funds, real estate investments, and partnership interests are recorded at the net asset value (NAV), which is the estimated fair value of the investments.

Following is a summary of assets and liabilities measured at fair value on a recurring basis by the level of significant input.

| 2013 | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|-------------------|-------------------|---------------------|
| Assets | | | | |
| Cash and cash equivalents — restricted | \$ 232,790 | \$ - | \$ - | \$ 232,790 |
| Corporate obligations | - | 273,146 | - | 273,146 |
| Government securities | - | 243,330 | - | 243,330 |
| Mutual funds | | | | |
| Domestic | 579,769 | - | - | 579,769 |
| International | 152,181 | 78,329 | - | 230,510 |
| Fixed income | 15,833 | - | - | 15,833 |
| Emerging markets | 57,249 | - | - | 57,249 |
| Equities | | | | |
| Small cap | 26,833 | - | - | 26,833 |
| Mid cap | 91,603 | - | - | 91,603 |
| Large cap | 253,885 | - | - | 253,885 |
| Partnership interests | 57,998 | - | 19,252 | 77,250 |
| Hedge funds | - | - | 188,995 | 188,995 |
| Real estate investments | - | - | 130,049 | 130,049 |
| Guaranteed fixed funds | - | 5,537 | - | 5,537 |
| Pooled separate accounts | - | 3,959 | - | 3,959 |
| Securities lending | | | | |
| Equity securities | 92,997 | - | - | 92,997 |
| Government securities | - | 100,059 | - | 100,059 |
| Corporate obligations | - | 14,289 | - | 14,289 |
| Total assets | <u>\$ 1,561,138</u> | <u>\$ 718,649</u> | <u>\$ 338,296</u> | <u>\$ 2,618,083</u> |
| Liabilities — interest rate swaps | <u>\$ -</u> | <u>\$ 88,019</u> | <u>\$ -</u> | <u>\$ 88,019</u> |

| 2012 | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|-------------------|-------------------|---------------------|
| Assets | | | | |
| Cash and cash equivalents — restricted | \$ 55,790 | \$ - | \$ - | \$ 55,790 |
| Corporate obligations | - | 279,549 | - | 279,549 |
| Government securities | - | 199,026 | - | 199,026 |
| Mutual funds | | | | |
| Domestic | 487,260 | - | - | 487,260 |
| International | 113,046 | 71,120 | - | 184,166 |
| Emerging markets | 61,538 | - | - | 61,538 |
| Equities | | | | |
| Small cap | 29,700 | - | - | 29,700 |
| Mid cap | 69,358 | - | - | 69,358 |
| Large cap | 223,440 | - | - | 223,440 |
| Partnership interests | 61,564 | - | 18,249 | 79,813 |
| Hedge funds | - | - | 177,050 | 177,050 |
| Real estate investments | - | - | 118,584 | 118,584 |
| Guaranteed fixed funds | - | 4,502 | - | 4,502 |
| Pooled separate accounts | - | 2,998 | - | 2,998 |
| Securities lending | | | | |
| Equity securities | 39,979 | - | - | 39,979 |
| Government securities | - | 136,111 | - | 136,111 |
| Corporate obligations | - | 21,098 | - | 21,098 |
| Total assets | <u>\$ 1,141,675</u> | <u>\$ 714,404</u> | <u>\$ 313,883</u> | <u>\$ 2,169,962</u> |
| Liabilities — interest rate swaps | <u>\$ -</u> | <u>\$ 135,152</u> | <u>\$ -</u> | <u>\$ 135,152</u> |

It is SSMHC's policy that transfers between levels will occur when revised information regarding the lowest level of significant inputs becomes available. There were no transfers between levels during 2013 or 2012.

Changes related to the fair values based on Level 3 inputs for the years ended December 31, 2013 and 2012, are summarized as follows:

| | 2013 | 2012 |
|-------------------|-------------------|-------------------|
| Assets | | |
| Beginning balance | \$ 313,883 | \$ 332,810 |
| Total gains | 25,326 | 16,011 |
| Purchases | 441,389 | 15,696 |
| Sales | <u>(442,302)</u> | <u>(50,634)</u> |
| Ending balance | <u>\$ 338,296</u> | <u>\$ 313,883</u> |

Unrealized gains on Level 3 investments were \$2,439 and \$15,249 for 2013 and 2012, respectively, and are recorded as nonoperating investment income.

The hedge funds, real estate investments, and partnership interests are redeemable at NAV under the original terms of the agreements. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic

environment may significantly impact the net asset value of the funds and, consequently, the fair value of SSMHC's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if SSMHC were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. As such, SSMHC has classified these as Level 3 investments. In addition, the unfunded commitments to these funds are \$5,823 and \$8,830 at December 31, 2013 and 2012, respectively. Assets recorded at NAV at December 31, 2013, are as follows:

December 31, 2013

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|-----------------------------|-------------------|-----------------------------|---|---------------------------------|
| Hedge funds (a) | \$ 188,995 | \$ - | Quarterly | 30–100 days |
| Partnership interests (b) | 19,252 | - | Quarterly | 30–100 days |
| Real estate investments (c) | <u>130,049</u> | <u>5,823</u> | | |
| Total | <u>\$ 338,296</u> | <u>\$ 5,823</u> | | |

December 31, 2012

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|-----------------------------|-------------------|-----------------------------|---|---------------------------------|
| Hedge funds (a) | \$ 177,050 | \$ - | Quarterly | 30–100 days |
| Partnership interests (b) | 18,249 | - | Quarterly | 30–100 days |
| Real estate investments (c) | <u>118,584</u> | <u>8,830</u> | | |
| Total | <u>\$ 313,883</u> | <u>\$ 8,830</u> | | |

- (a) This category includes investments in hedge funds that maintain positions both long and short in equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques, and the managers can maintain net long or net short exposure levels based on market views. The strategy designs a diversified portfolio of managers and strategies with the objective of significantly lowering the risk and volatility of investing with an individual manager.
- (b) This category includes investments in a limited partnership interest that invests in multiple long-short, market-neutral equity hedge fund managers. The investment is designed to achieve consistent market returns across all market cycles and mitigate market directional portfolio risk through maintaining low net exposure.
- (c) This category includes investments in real estate funds that invest in the following underperforming and distressed real estate assets at well below potential replacement cost and which create significant value-added upside through extensive repositioning and capital improvements: distressed real estate and real estate-related debt, companies, securities, and other assets; high quality properties in major metropolitan areas; participating mortgages secured by core real estate properties. Investments in real estate are valued based upon independent appraisals using

a cost approach, market approach or income approach as well as consideration of other third party evidence

8. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2013 and 2012, is as follows

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Land and improvements | \$ 155,567 | \$ 116,761 |
| Buildings | 2,135,722 | 1,754,415 |
| Equipment | <u>1,075,423</u> | <u>949,157</u> |
| | 3,366,712 | 2,820,333 |
| Less accumulated depreciation | <u>1,663,488</u> | <u>1,562,734</u> |
| | 1,703,224 | 1,257,599 |
| Real estate held for future development | 9,081 | 9,140 |
| Construction in process | <u>148,953</u> | <u>312,313</u> |
| Total | <u>\$ 1,861,258</u> | <u>\$ 1,579,052</u> |

Operating depreciation expense for the years ended December 31, 2013 and 2012, totaled \$159,493 and \$123,283, respectively. Nonoperating depreciation or amortization expense for the years ended December 31, 2013 and 2012, totaled \$59 and \$60, respectively.

The book value of equipment under capital lease obligations at December 31, 2013 and 2012, totaled \$67,592 and \$66,869, respectively. The related accumulated depreciation totaled \$37,444 and \$32,822, respectively, at December 31, 2013 and 2012. These amounts are included in the above summary of property and equipment.

9. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table provides information on changes in the carrying amount of goodwill for the years ended December 31, 2013 and 2012

| | 2013 | 2012 |
|-----------------------------------|-------------------|------------------|
| Balance — beginning of the period | | |
| Goodwill | \$ 31,955 | \$ 8,987 |
| Accumulated impairment losses | <u>-</u> | <u>-</u> |
| | 31,955 | 8,987 |
| Goodwill acquired during the year | 102,034 | 22,968 |
| Impairment losses | <u>(6,735)</u> | <u>-</u> |
| | 95,299 | 22,968 |
| Balance — end of the period | | |
| Goodwill | 133,989 | 31,955 |
| Accumulated impairment losses | <u>(6,735)</u> | <u>-</u> |
| | <u>\$ 127,254</u> | <u>\$ 31,955</u> |

During the valuation of Audrain Health Care Inc., SSMHC determined that impairment indicators existed at the acquisition date. A goodwill impairment loss of \$6.735 was recognized. The fair value of the entity was estimated using the net present value of future cash flows.

The following table provides information regarding other intangible assets for the years ended December 31, 2013 and 2012.

| | 2013 | | 2012 | |
|-------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Amortized intangible assets | | | | |
| Software | \$ 263.659 | \$ 131.884 | \$ 165.688 | \$ 114.173 |
| Noncompete agreements | 1.353 | 1.152 | 13.678 | 756 |
| Tradenname | 119.742 | 3.647 | 2.642 | 727 |
| Customer contracts | 60.100 | 278 | | |
| Favorable leasehold interests | 3.630 | 332 | 1.321 | 52 |
| Certificates of need | 1.277 | 1.169 | 1.277 | 788 |
| Medical records | 876 | 845 | 876 | 523 |
| Other | 113 | 54 | 113 | 20 |
| Total | <u>\$ 450.750</u> | <u>\$ 139.361</u> | <u>\$ 185.595</u> | <u>\$ 117.039</u> |

The weighted-average amortization period for the intangible assets subject to amortization is approximately 8.5 years. There are no expected residual values related to these intangible assets. Amortization expense on these intangible assets was \$28.461 and \$32.826 during the years ended December 31, 2013 and 2012, respectively.

For the year ended December 31, 2013, the total amount assigned to intangible assets due to acquisitions was \$238.653, consisting of \$117.100 for tradenames, \$60.100 for customer contracts, \$59.144 for software, and \$2.309 for favorable leasehold assets. For the year ended December 31, 2012, the total amount assigned due to acquisitions was \$2.172 consisting of \$1.321 for favorable leasehold assets, \$236 for noncompete agreements and \$615 for medical records.

Estimated future amortization of intangibles with finite useful lives as of December 31, 2013 is as follows:

| Years Ending December 31 | |
|-------------------------------------|-----------|
| 2014 | \$ 48.520 |
| 2015 | 41.530 |
| 2016 | 35.202 |
| 2017 | 30.716 |
| 2018 | 21.017 |

10. INVESTMENTS IN UNCONSOLIDATED ENTITIES

Investments in Unconsolidated Affiliates — SSMHC included the following income from operations from equity method investments in health care joint ventures for the years ended December 31, 2013 and 2012, as other revenue

| | 2013 | 2012 |
|----------------------------|------------------|-----------------|
| Income from operations | \$ 25,851 | \$ 17,495 |
| Losses from operations | <u>(5,872)</u> | <u>(9,576)</u> |
| Net income from operations | <u>\$ 19,979</u> | <u>\$ 7,919</u> |

The total carrying amount of cost-method investments was \$6,967 and \$15,341 at December 31, 2013 and 2012, respectively

At December 31, 2012, SSMHC was a member owner of Premier, Inc., a national healthcare alliance. During 2013, Premier, Inc. issued an initial public offering (IPO). As a result of the IPO, Premier, Inc. acquired under a Unit Put/Call Agreement a portion of SSMHC's pre-IPO partnership units for \$11.133 and SSMHC's remaining investment in Premier, Inc. was converted to common units. This transaction reduced SSMHC's investment in Premier to \$1.967 at December 31, 2013, and resulted in a realized gain of \$10,759 which is included in operating investment income. SSMHC has recorded its common units and membership interest as a cost method investment in unconsolidated entities with a carrying amount of \$1.967 and \$2,341 at December 31, 2013 and 2012, respectively.

11. BUSINESS ACQUISITIONS

SSMHC entered into the following significant acquisition activities during the years ended December 31, 2013 and 2012

Dean Health Systems, Inc. — Effective April 16, 2013, SSMHC and DHS (a Wisconsin based company) entered into an Agreement and Plan of Merger with DHS and its subsidiaries becoming wholly owned subsidiaries of SSMHC on September 1, 2013. Prior to the acquisition, SSMHC owned 5% of the outstanding stock of DHS, accounted for under the cost method of accounting, 47% of the outstanding stock of DHI and 47% of Dean Health Holdings, LLC (DHH), both accounted for under the equity method of accounting, with DHS owning the remaining 53% interest.

In addition, SSMHC and DHS were previously joint venture partners, each owning 50% in St. Mary's Dean Ventures (SMDV), Wisconsin Integrated Information Technology and Telemedicine Systems, LLC (WIITTS), and Dean Clinic and St. Mary's Hospital Accountable Care Organization, LLC (ACO). Prior to the acquisition of DHS, SSMHC accounted for its interest in each joint venture under the equity method of accounting.

Prior to the acquisition, SSMHC reported its investment in all of the aforementioned entities within investments in unconsolidated entities in the consolidated balance sheets.

DHS's assets include more than 60 clinics in Wisconsin, DHP, Navitus, and various subsidiary organizations. The clinics and their 500 physicians provide primary, specialty and tertiary care. DHP is a provider-based health maintenance organization in South Central Wisconsin serving more than 300,000 members. Navitus provides pharmacy benefit administration services to a variety of clients on a national scale, including health plans and self-funded employer groups, covering over 2.6 million lives at

December 31, 2013. The primary purpose of the merger between SSMHC and DHS is to enhance the alignment of strategic initiatives, improve the delivery and efficiency of patient care, utilize the combined resources of both organizations more effectively and provide for greater financial strength.

SSMHC completed the acquisition of the outstanding stock of DHS for consideration of \$363,373. Consideration consisted of cash of \$315,921, escrow deposit of \$30,000, settlement of a non-compete agreement of \$11,914, accounts payable of \$4,762 and settlement of liabilities of \$776. Through the acquisition of DHS, SSMHC also acquired the remaining 53% of the outstanding stock of DHI and DHH and the remaining interest in all DHS subsidiary organizations. SSMHC recorded related goodwill of \$95,299.

The non-compete agreement of \$11,914 existed between SSMHC and SMDV prior to the acquisition. The settlement of liabilities of \$776 related to distributions from DHS to shareholders. Both of these pre-existing relationships are considered additional consideration when settled at the acquisition date.

SSMHC recorded a gain of \$23,571 related to the acquisition which is recorded in operating investment income. The acquisition-date fair value of previously held equity interests in DHS and its subsidiaries was \$160,133. The fair value of these interests was determined by applying a lack of control discount to the equity values for each pre-existing interest on a controlling marketable basis as determined by a discounted cash flow model. The gain consisted of a gain of \$28,038 due to the remeasurement of SSMHC's previous investments in DHS and its subsidiaries at their acquisition-date fair value. The gain also included unrealized gains on available for sale securities totaling \$1,571 and the loss from interest rate swaps totaling \$6,038 which were reclassified from unrestricted net assets. These are included in the calculation of the gain as of the acquisition date.

The acquisition related costs incurred by SSMHC in relation to the transaction are \$9,646 and are recorded in professional fees and other.

Summarized balance sheet information for DHS and its subsidiaries at September 1, 2013 is shown below:

| | |
|------------------------------|------------|
| Cash | \$ 161,109 |
| Current assets | 408,204 |
| Property and equipment | 250,432 |
| Goodwill | 95,299 |
| Intangible assets | 238,653 |
| Noncurrent assets | 4,470 |
| Current liabilities | (494,093) |
| Long-term debt | (106,921) |
| Other noncurrent liabilities | (33,647) |

Subsequent adjustments to the September 1, 2013 purchase price allocation may include adjustments to goodwill and deferred taxes for information not currently available which are not expected to be material.

At the acquisition date, the fair value of receivables approximated gross contractual amounts less provisions for doubtful accounts. The best estimate of the amounts that will not be collected is \$72,130.

Operating results for DHS and its subsidiaries for the period September 1, 2013 through December 31, 2013 include total unrestricted revenue of \$466,906, operating income of \$156 and excess of revenue over expenses of \$6,542.

Condensed financial information of DHI and subsidiaries and DHH as of August 31, 2013 and December 31, 2012, and for eight months and year then ended, respectively, is summarized below

| | 2013 | 2012 |
|------------------------------|-----------------|-------------------|
| Current assets | | \$ 167,982 |
| Noncurrent assets | | <u>162,630</u> |
| Total assets | | <u>\$ 330,612</u> |
| Current liabilities | | \$ 151,888 |
| Noncurrent liabilities | | <u>24,782</u> |
| Total liabilities | | 176,670 |
| Equity | | <u>153,942</u> |
| Total liabilities and equity | | <u>\$ 330,612</u> |
| Total revenues | \$ 749,465 | \$ 1,080,770 |
| Total expenses | <u>743,803</u> | <u>1,071,148</u> |
| Net income | <u>\$ 5,662</u> | <u>\$ 9,622</u> |

Prior to the acquisition, DHI classified its marketable securities as available for sale and included the change in unrealized gain (loss) on available-for-sale marketable securities outside of its performance indicator. SSMHC recorded its share of this activity as an increase (decrease) in unrestricted net assets outside of its performance indicator.

Audrain Health Care, Inc. — Effective April 1, 2013, SSMHC became the sole member of Audrain Health Care, Inc. (Audrain). Audrain consists of an 88-bed acute care hospital with 40 active physicians and nurse practitioners located in Mexico, Missouri and ten rural health clinics in Mexico, Missouri and the surrounding communities. SSMHC acquired Audrain and recorded related goodwill of \$6,735 and renamed the facility SSM Audrain Health Care, Inc. (SSM Audrain).

Summarized balance sheet information for SSM Audrain at April 1, 2013 is shown below

| | |
|-------------------------------------|----------|
| Cash | \$ 1,400 |
| Current assets | 10,151 |
| Property and equipment | 9,837 |
| Goodwill | 6,735 |
| Investment in unconsolidated entity | 455 |
| Liabilities | (28,578) |

At the acquisition date, the fair value of receivables approximated gross contractual amounts less provisions for doubtful accounts. The best estimate of the amounts that will not be collected is \$10,009.

Operating results of SSM Audrain for the period April 1, 2013 through December 31, 2013 included total unrestricted revenue of \$35,715, operating loss of \$11,475 and expenses over revenue of \$11,398. Operating results include a goodwill impairment of \$6,735.

Community Health Partners, Inc. d/b/a Unity Health Center — Effective June 30, 2012, SSMHC acquired the assets and liabilities of Community Health Partners, Inc. Unity Health Center, a 102-bed

hospital facility with approximately 60 physicians and 550 health-care professionals, is located in Shawnee, Oklahoma. SSMHC acquired Unity Health Center for \$58,895 in cash and recorded related goodwill of \$21,933 and renamed the facility St. Anthony Shawnee Hospital.

Summarized balance sheet information for St. Anthony Shawnee Hospital at June 30, 2012 is shown below:

| | |
|-------------------------------------|----------|
| Current assets | \$ 3,027 |
| Property and equipment | 39,628 |
| Goodwill | 21,933 |
| Intangible assets | 1,928 |
| Investment in unconsolidated entity | 833 |
| Liabilities | (8,454) |

Operating results of St. Anthony Shawnee Hospital for the period June 30, 2012 through December 31, 2012 included total unrestricted revenue of \$36,227, operating income of \$1,333 and excess of revenue over expenses of \$1,292.

Shawnee Medical Center Clinic, Inc. — Effective June 17, 2012, SSMHC acquired the assets and liabilities of Shawnee Medical Center Clinic, Inc. ("Clinic"). The Clinic is a multispecialty medical group with 27 physicians, 13 mid-level providers and 220 employees located primarily in Shawnee, Oklahoma. SSMHC acquired the Clinic for \$6,338 and recorded related goodwill of \$828.

Summarized balance sheet information for the Clinic at June 17, 2012 is shown below:

| | |
|------------------------|----------|
| Current assets | \$ 2,633 |
| Property and equipment | 3,074 |
| Goodwill | 828 |
| Intangible assets | 244 |
| Liabilities | (441) |

Operating results of the Clinic for the period June 17, 2012 through December 31, 2012 included total unrestricted revenue of \$13,589, operating income of \$1,727, and excess of revenue over expenses of \$1,727.

The pro-forma amount of SSMHC's revenue, earnings and changes in net assets had the above acquisitions occurred on January 1, 2012 are as follows:

| | Unaudited | |
|--|------------------|-------------|
| | 2013 | 2012 |
| Total operating revenues and other support | \$4,628,579 | \$4,627,258 |
| (Loss) income from operations | (80,793) | 61,717 |
| Excess of revenues over expenses | 125,516 | 199,805 |

12. DEBT

Debt at December 31, 2013 and 2012, consists of the following

| | 2013 | 2012 |
|--|---------------------|---------------------|
| Under the Master Indenture | | |
| Fixed rate | | |
| Series 2010A Bonds, 4.9%, due serially through 2034 (plus unamortized premium of \$2,468 and \$2,657 at December 31, 2013 and 2012, respectively) | \$ 119,884 | \$ 121,422 |
| Series 2010B Bonds, 4.8%, due serially through 2034 (plus unamortized premium of \$1,285 and \$1,383 at December 31, 2013 and 2012, respectively) | 154,255 | 154,353 |
| Series 2008A Bonds, 5.0%, due serially through 2036 (less unamortized discount of \$2,467 and \$2,589 at December 31, 2013 and 2012, respectively) | 101,533 | 101,411 |
| Series 2001 Hospital Revenue Bonds, 4.65% to 5.40%, due serially through 2016 | 3,860 | - |
| Series 1992A, 6.2%, due serially through 2015 (plus unamortized premium of \$185 and \$370 at December 31, 2013 and 2012, respectively) | 5,235 | 7,725 |
| Total fixed rate debt | <u>384,767</u> | <u>384,911</u> |
| Variable rate | | |
| Series 2012A Variable Rate Direct Loans, 0.57% at December 31, 2013, due serially through 2045 | 108,900 | 110,000 |
| Series 2012B Variable Rate Direct Loans, 0.76% at December 31, 2013, due serially through 2045 | 72,430 | 73,265 |
| Series 2010D Variable Rate Demand Bonds, 0.05% at December 31, 2013, due serially through 2045 | 110,570 | 111,060 |
| Series 2010E Variable Rate Demand Bonds, 0.03% at December 31, 2013, due serially through 2045 | 86,430 | 87,135 |
| Series 2005C Variable Rate Demand Bonds, 0.06% at December 31, 2013, due serially through 2033 | 157,380 | 157,500 |
| Series 2005D Variable Rate Demand Bonds, 0.08% at December 31, 2013, due serially through 2033 | 76,125 | 76,125 |
| Series 2002B, Auction Rate Bonds, 0.30% at December 31, 2013, term bonds due between 2013 and 2020 | 47,350 | 60,000 |
| Series 1998B, Auction Rate Bonds, 0.18% to 0.30% at December 31, 2013, due serially through 2019 | 73,950 | 77,150 |
| Total variable rate debt | <u>733,135</u> | <u>752,235</u> |
| Taxable debt — Fixed rate direct loan, 2.2% due in annual installments through 2019 | <u>96,953</u> | <u>100,000</u> |
| Other debt | | |
| Note payable to Felician Services, Inc. | 41,444 | 40,832 |
| Term loan, interest adjusted monthly, due serially through 2015 | 46,875 | - |
| Equipment loan, 1.37% at December 31, 2013, due in 2015 | 1,699 | - |
| Building construction loan, 1.37% at December 31, 2013, due in 2015 | 42,500 | - |
| Surplus notes, 0.15% at December 31, 2013, due in 2019 | 6,663 | - |
| Notes payable, due at various dates through 2029, interest at 4.00% to 9.12%, unsecured | 4,846 | 7,121 |
| Capital lease obligations, at varying rates from 3.00% to 6.13% collateralized by leased equipment | 29,214 | 35,469 |
| Total other | <u>173,241</u> | <u>83,422</u> |
| Total long-term debt | 1,388,096 | 1,320,568 |
| Less current portion | <u>51,201</u> | <u>41,313</u> |
| Total | <u>\$ 1,336,895</u> | <u>\$ 1,279,255</u> |

SSM Health Care Master Indenture — SSMHCC is a member of the SSM Health Care Credit Group (Credit Group) and the only Obligated Group Member pursuant to a Master Trust Indenture (amended and restated) dated May 15, 1998. SSMHC corporations not included in the Credit Group include a variety of entities consisting primarily of foundations, medical office building corporations, employed physician practices, and various other corporations involved in activities supporting SSMHC. As of December 31, 2013, DHS entities are not included in the Credit Group. Certain of SSMHC's affiliates are "Designated Affiliates" under the Master Trust Indenture. The net assets of the Designated Affiliates are available to SSMHCC to service all obligations under the Master Indenture. Various issuing authorities have issued tax-exempt revenue bonds under the Master Trust Indenture. The payment of Series 2002B, 1998B, and 1992A, which aggregate \$126,535 and \$144,875 at December 31, 2013 and 2012, respectively, is insured by municipal bond insurance policies. The remaining bonds are uninsured. All Master Indenture debt is subject to certain debt covenants, including, among other things, the maintenance of certain cash balances and other financial ratios. SSMHC was in compliance with all debt covenants as of December 31, 2013.

On July 26, 2012, SSMHC issued \$183,265 of direct tax-exempt loans through the Health and Educational Facilities Authority of the State of Missouri. The proceeds were used for the partial repayment of the Series 2005C bonds and the complete repayment of the 2005A and 2010C bonds. SSMHC recorded a loss on the extinguishment of debt of \$1,125 in connection with these transactions during the year ended December 31, 2012.

Taxable Debt — On June 27, 2012, SSMHC entered into a term loan agreement with a financial institution in the amount of \$100,000.

Revenue Bonds — On April 1, 2013, SSMHC became the sole member of Audrain and assumed all of Audrain's debt. This included the 2001 Hospital Refunding and Improvement Revenue Bonds which had a fair value of \$5,020 at acquisition. These bonds are secured by the net revenues of Audrain and the assets restricted under the bond indenture agreement. As of December 31, 2013, Audrain was in compliance with its financial covenants, with the exception of the Minimum Debt Service Coverage Ratio. SSMHC was granted a waiver by the lender as of December 31, 2013. In return for the waiver, SSMHC deposited \$2,611 into the Debt Service Fund at the Trustee in order to satisfy all remaining principal and interest payments. This deposit was made subsequent to year end.

Auction Rate Bonds — The debt includes \$121,300 and \$137,150 at December 31, 2013 and 2012, respectively, of variable auction rate bonds. The interest rates on these bonds are reset at regular intervals of 35 days. The bonds are bought and sold at the lowest bid rate at which all of the outstanding bonds can be sold. This rate varies based on market conditions. If there are insufficient orders to purchase all of the bonds available for sale, the rate is set at a maximum rate required by the bond agreement. The maximum rate for SSMHC's auction rate bonds is the higher of the 175% of the after-tax equivalent rate or the Kenny Index, but no more than 12%.

Variable Rate Bonds — The debt includes \$611,835 and \$615,085 at December 31, 2013 and 2012, respectively, of variable rate demand bonds. The interest rates on these bonds are reset at daily or weekly intervals. The bonds are supported by credit facilities for the full amount of the bonds.

Acquisition of DHS — As of August 31, 2013, SSMHC assumed \$106,921 in long-term debt upon the acquisition of DHS. As collateral for DHS's obligations under the term loan and senior secured notes, which are included in other long-term notes payable at \$1,539 at December 31, 2013, DHS and certain of its subsidiaries have granted a first priority lien on certain bank accounts, accounts receivable, marketable securities, and selected real and personal property currently owned or subsequently acquired. The term loan and senior secured notes provide for certain financial covenants and limit the additional

amounts that can be borrowed. Effective December 31, 2013, DHS was in compliance with its financial covenants.

The debt includes a building construction loan and an equipment loan in the aggregate amount of \$44,199 at December 31, 2013, which SMDV has entered into to finance the construction of an outpatient surgery facility and to purchase related equipment for the facility. The loans contain covenants with respect to certain financial ratios and operating matters. As of December 31, 2013, SMDV was in compliance with its financial covenants, with the exception of the Minimum Fixed Charge Coverage Ratio, as defined. SMDV has requested and received a waiver for this covenant violation from the lender.

During 2012, as part of a new third-party service agreement, DHI entered into a surplus note agreement in the amount of \$6.663. Principal and interest repayments must be approved by the Office of the Commissioner of Insurance (OCI) of the State of Wisconsin. Repayment of the note will not occur until the earlier of OCI approval or 18 months after the service agreement termination date of December 31, 2019. Interest is accrued on the outstanding principal balance at the one-year U.S. Treasury securities rate as set on the first business day of the calendar year. The annual interest rate for the period from September 1, 2013 to December 31, 2013 was 0.15%.

On February 28, 2014, SSMHC entered into a \$150,000 revolving line of credit agreement. This line replaced currently existing lines of credit totaling \$180,000. The total amount of the line of credit is available for the issuance of Letters of Credit. SSMHC pays interest based on LIBOR plus a spread. The line is secured under SSMHC's existing Master Trust Indenture. On March 28, 2014, SSMHC drew on the revolving line of credit in the amount of \$92,971 in order to fund the early pay-off of certain term loans and outstanding swaps.

Note Payable to FSI — On July 1, 2007, SSMHC entered into an installment note payable to the Felician Services, Inc. (FSI). Under the terms of the agreement, FSI may elect to convert the note to pay status on or after December 31, 2014. SSMHC will begin making twenty annual payments on the note, with the first one due one year after FSI has notified SSMHC of its election to convert the note to pay status. Under specified circumstances, SSMHC can issue a resolution which enables FSI to convert the note to pay status prior to December 31, 2014, with installments to begin two years from notice. The fixed interest rate will be equal to the 20-year municipal market data index plus 0.25 on the first day the note is in pay status.

Until the note is in pay status, the principal is adjusted annually based on a specified consumer price index. The principal of the note was adjusted \$612 and \$698 for the years ended December 31, 2013 and 2012, respectively, from the fair value at July 1, 2007, which is reflected in interest expense.

Liquidity Agreements — The Series 2005C, 2005D, 2010D, and 2010E Variable Rate Demand Bonds require remarketing agents to purchase and remarket any bonds tendered before the stated maturity date. To provide liquidity support for the timely payment of any bonds that are not successfully remarketed, SSMHC has liquidity agreements with five banking corporations. If the bonds are not successfully remarketed, SSMHC is required to pay an interest rate specified in the liquidity agreement. These agreements have terms that expire in 2014 through 2019 or require accelerated principal repayment terms in the event of a failed remarketing.

The 2005C, 2005D, 2010D, and 2010E Variable Rate Demand Bonds are classified between long-term borrowings and short-term borrowings based upon these accelerated terms. The contingent payments below reflect these accelerated terms. However, SSMHC's contractual payments do not reflect these accelerated terms. If any of these agreements are terminated and not replaced, extended, or renewed,

SSMHC can be required to purchase the tendered bonds at the specified bank rate in a short period of time

Contractual and Contingent Principal Repayments — Contractual and contingent principal repayments on long-term debt and capital lease obligations of SSMHC are as follows

| | Long-Term Debt | | Capital Lease Obligations |
|---|-----------------------------|----------------------------|----------------------------------|
| | Contractual Payments | Contingent Payments | |
| 2014 | \$ 39,645 | \$ 45,645 | \$ 7,539 |
| 2015 | 116,660 | 116,660 | 2,714 |
| 2016 | 33,218 | 33,218 | 2,596 |
| 2017 | 32,964 | 32,964 | 2,579 |
| 2018 | 30,782 | 30,782 | 2,620 |
| Thereafter | <u>1,104,142</u> | <u>1,098,142</u> | <u>34,225</u> |
| | <u>\$ 1,357,411</u> | <u>\$ 1,357,411</u> | 52,273 |
| Less amount representing interest under capital lease obligations | | | <u>23,059</u> |
| | | | <u>\$ 29,214</u> |

Revolving Line of Credit — At December 31, 2013, SSMHC had 4 line of credit agreements with banks. One line is at varying rates of interest through July 15, 2014 and permits SSMHC to borrow up to \$50,000. There was no outstanding balance under this agreement at December 31, 2013. The remaining lines are at varying rates of interest through February 26, 2014. Two of these permit SSMHC to borrow up to \$50,000 while the other permits borrowing up to \$30,000. There were no outstanding borrowings under these agreements at December 31, 2013. At December 31, 2012, SSMHC had outstanding borrowings of \$37,000 under line of credit agreements which expired in 2013.

DHS has a direct-pay letter of credit (LOC) facility to support a commercial paper program whereby DHS is the issuer and obligor. At December 31, 2013, the combined commercial paper annual interest rate and LOC spread in effect was 2.4% and the commitment fee charged on any unused portion of the LOC was 0.50%. The LOC is convertible to a loan and has a total amount available of \$100,000 at December 31, 2013. Both the LOC and combined term loan expire/mature in 2015 with annual renewals thereafter, at the discretion of the commitment issuer. The outstanding balance under this program at December 31, 2013, was \$85,000 which is included in revolving line of credit.

Note Payable — On August 29, 2013, SSMHC entered into a short-term taxable note payable agreement with a financial institution to provide interim financing in the principal amount of \$275,000. On November 15, 2013, SSMHC borrowed an additional \$125,000 under this same note agreement. The note carries a variable interest rate and is due on July 31, 2014.

Fair Value of Long-Term Debt — The valuation of the estimated fair value of long-term debt is completed by a third party service and accepted by management and takes into account a number of factors including, but not limited to, any one or more of the following: general interest rate and market conditions, macroeconomic and/or deal-specific credit fundamentals, valuations of other financial instruments which may be comparable in terms of rating, structure, maturity and/or covenant protection, investor opinions about the respective deal parties, size of the transaction, cash flow projections, which

in turn are based on assumptions about certain parameters that include, but are not limited to, default, recovery, prepayment and reinvestment rates, administrator reports, asset manager estimates, broker quotations and/or trustee reports, and comparable trades, where observable. Based on the inputs in determining the estimated fair value of debt this liability would be considered Level 2. The fair value approximated \$1,397,577 and \$1,341,457 at December 31, 2013 and 2012, respectively, compared to carrying amounts of \$1,388,096 and \$1,320,568, respectively.

Interest Rate Swaps — SSMHC utilizes interest rate swap agreements which effectively change SSMHC's interest exposure on its variable debt to fixed rates. None of these swaps has been designated as hedges of the interest payments on outstanding debt obligations for accounting purposes.

The following table shows the outstanding notional amount of derivative instruments measured at fair value as reported in other liabilities in the consolidated balance sheets as of December 31, 2013 and 2012.

| | Recorded on Balance Sheet | Maturity Date of Derivatives | Fixed Rate | Notional Amount Outstanding | Fair Value |
|--|------------------------------------|------------------------------------|---------------|-----------------------------------|---------------------|
| December 31, 2013 | | | | | |
| Derivatives not designated as hedges — interest rate swaps | Other liabilities | 2015–2035 | 2.90%–5.98% | \$ 701,774 | \$ (88,019) |
| Total | | | | <u>\$ 701,774</u> | <u>\$ (88,019)</u> |
| December 31, 2012 | | | | | |
| Derivatives not designated as hedges — interest rate swaps | Other liabilities | 2033–2035 | 3.36%–3.51% | \$ 613,600 | \$ (135,152) |
| Total | | | | <u>\$ 613,600</u> | <u>\$ (135,152)</u> |

Fair value is based on significant other observable inputs (Level 2) at December 31, 2013 and 2012. The gain (loss) related to derivative instruments has been recorded for the years ended December 31, 2013 and 2012, as follows:

| | | Gain (Loss) December 31, | |
|------------------|--|-----------------------------|--------------------|
| Recorded as | | 2013 | 2012 |
| Settled amounts | Operating interest expense | \$ (21,129) | \$ (19,431) |
| Unrealized gains | Change in fair value of interest rate swap | <u>61,539</u> | <u>306</u> |
| Total | | <u>\$ 40,410</u> | <u>\$ (19,125)</u> |

Cash Paid for Interest — Cash paid for interest totaled \$47,264 and \$37,848 for the years ended December 31, 2013 and 2012, respectively. SSMHC capitalized interest cost in the amounts of \$3,409 and \$6,342 in the years ended December 31, 2013 and 2012, respectively.

13. PENSION

SSMHC administers several qualified and non-qualified pension plans for its employees. As of March 31, 2012, SSMHC made changes to its retirement plans including a change in its final average benefit structure (beginning in 2013) and a lump sum feature for current and future employees (beginning in 2012 and phasing-in over the next several years). The result of the plan changes was a reduction in the plans' liabilities and improvement of the funded status of \$263,987, measured as of March 31, 2012. The reduction in liability was first used to reduce any current unrecognized prior service cost with the remainder recorded as a prior service credit.

On April 1, 2013, the Pension Plan of Audrain Medical Center was acquired along with the other assets and liabilities of Audrain. This acquisition resulted in an increase in benefit obligation of \$23,689 and an increase in the fair value of plan assets of \$11,467.

The following table summarizes the benefit obligations, the fair value of plan assets and the funded status at December 31, 2013 and 2012.

| | 2013 | 2012 |
|--|---------------------|---------------------|
| Change in projected benefit obligation | | |
| Projected benefit obligation — beginning of period | \$ 1,847,139 | \$ 1,746,127 |
| Service cost, benefits earned during the period | 62,921 | 61,774 |
| Interest costs on projected benefit obligation | 75,872 | 82,076 |
| Plan amendment | - | (263,987) |
| Actuarial (gain) loss | (164,451) | 296,609 |
| Acquisitions/divestitures | 23,689 | - |
| Benefits paid | <u>(71,545)</u> | <u>(75,460)</u> |
| Projected benefit obligation — end of period | <u>1,773,625</u> | <u>1,847,139</u> |
| Change in plan assets | | |
| Fair value of plan assets — beginning of period | 951,601 | 852,280 |
| Actual return on plan assets | 134,248 | 103,130 |
| Employer contributions | 78,233 | 71,651 |
| Acquisitions/divestitures | 11,467 | - |
| Benefits paid | <u>(71,545)</u> | <u>(75,460)</u> |
| Fair value of plan assets — end of period | <u>1,104,004</u> | <u>951,601</u> |
| Net amount recognized at end of period and funded status | <u>\$ (669,621)</u> | <u>\$ (895,538)</u> |
| Accumulated benefit obligation — end of period | <u>\$ 1,685,143</u> | <u>\$ 1,743,348</u> |

The following is a summary of the amounts recognized in the consolidated balance sheets for the years ended December 31, 2013 and 2012

| | 2013 | 2012 |
|--|---------------------|---------------------|
| Amounts recognized in the consolidated balance sheets consist of | | |
| Accounts payable and accrued expenses | \$ (2,314) | \$ (2,481) |
| Other liabilities | <u>(667,307)</u> | <u>(893,057)</u> |
| Net amount recognized | <u>\$ (669,621)</u> | <u>\$ (895,538)</u> |
| Amounts recognized in unrestricted net assets consist of | | |
| Beginning of year balance | \$ 613,012 | \$ 635,980 |
| Arising during current year | | |
| Net actuarial (gains)/loss | (221,479) | 270,756 |
| Prior service cost | - | (263,988) |
| Reclassified into net periodic benefit cost | | |
| Net actuarial loss | (75,671) | (50,946) |
| Prior service cost | <u>28,543</u> | <u>21,210</u> |
| End of year balance | <u>\$ 344,405</u> | <u>\$ 613,012</u> |

The net loss and prior service (credit) cost for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit costs over the next fiscal year are \$44,950 and (\$28,542), respectively

The following is a summary of the components of net periodic pension cost for the years ended December 31, 2013 and 2012

| | 2013 | 2012 |
|---|-------------------|------------------|
| Service cost, benefits earned during the period | \$ 62,921 | \$ 61,774 |
| Interest costs on projected benefit obligation | 75,872 | 82,076 |
| Expected return on plan assets | (77,220) | (77,277) |
| Amortization of unrecognized | | |
| Prior service costs | (28,543) | (21,210) |
| Net loss | <u>75,671</u> | <u>50,946</u> |
| Net periodic pension cost | <u>\$ 108,701</u> | <u>\$ 96,309</u> |

The following are the actuarial assumptions used by the pension plans to develop the components of pension expense for the years ended December 31, 2013 and 2012

| | 2013 | April 1– December 31, 2012 | January 1 – March 31, 2012 |
|--------------------------|-------------|---|---|
| Discount rates | 3.95 % | 4.70 % | 5.20 % |
| Rates of salary increase | 4.00 | 4.00 | 4.00 |
| Return on plan assets | 8.00 | 8.00 | 8.00 |

The following are the actuarial assumptions used by the pension plans to develop the components of the pension projected benefit obligation as of December 31, 2013 and 2012

| | 2013 | 2012 |
|--------------------------|--------|--------|
| Discount rates | 4.85 % | 3.95 % |
| Rates of salary increase | 3.75 | 4.00 |

SSMHC expects to contribute \$77.614 to its pension plans in 2014

Estimated Future Benefit Payments — The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

| | Pension Benefits |
|-----------------|------------------|
| 2014 | \$ 78,276 |
| 2015 | 90,952 |
| 2016 | 126,655 |
| 2017 | 118,509 |
| 2018 | 121,269 |
| Years 2019–2023 | 688,857 |

The actual plan asset allocations and the allocation goals comprise the following investment classifications at December 31, 2013 and 2012

| | 2013 | 2012 | Allocation Goals |
|--|--------------|--------------|------------------|
| Cash, cash equivalents, and short-term investments | 2 % | 1 % | 2 % |
| Equities | 48 | 48 | 47 |
| Fixed income | 20 | 21 | 21 |
| Real estate investments | 15 | 15 | 15 |
| Multi-strategy hedge funds | 15 | 15 | 15 |
| | <u>100 %</u> | <u>100 %</u> | <u>100 %</u> |

SSMHC's investment objective with respect to pension plans is to produce sufficient current income and capital growth through a portfolio of equity, real estate, hedge fund, and fixed income investments, which together with appropriate employer contributions is sufficient to provide for the pension benefit obligations. The assumed return on plan assets is intended to be a long-term rate expected on funds invested or to be invested in accordance with SSMHC's asset allocation policy to provide for benefits reflected in the plans' projected benefit obligation. In developing the assumptions, SSMHC evaluates input from its actuary and pension fund investment advisors. Pension assets are managed by outside investment managers in accordance with the investment policies and guidelines established by the pension trustees, and are diversified by investment style, asset category, sector, industry, issuer, geographical location, and maturity. Pension assets are rebalanced each quarter to the plan's asset allocation guidelines. SSMHC anticipates that its investment managers will continue to generate long-term returns equal to or in excess of its assumed rates.

Plan assets comprise the following asset classifications which include securities on loan

| | 2013 | 2012 |
|--|---------------------|-------------------|
| Assets valued at fair value | | |
| Cash and cash equivalents | \$ 35.902 | \$ 34.973 |
| Corporate obligations | 80.355 | 87.741 |
| Government securities | 65.925 | 56.442 |
| Mutual funds | | |
| Domestic | 90.375 | 76.575 |
| International | 187.996 | 139.920 |
| Emerging markets | 47.179 | 46.753 |
| Equities | | |
| Small cap | 21.976 | 22.564 |
| Mid cap | 72.581 | 52.695 |
| Large cap | 194.671 | 168.555 |
| Partnership interests | 22.129 | 21.103 |
| Hedge funds | 165.267 | 143.066 |
| Real estate investments | 119.098 | 100.992 |
| Securities lending | | |
| Equities | 76.820 | 30.358 |
| Government securities | 33.483 | 18.645 |
| Corporate obligations | <u>3.281</u> | <u>7.146</u> |
| | 1,217.038 | 1,007.528 |
| Assets valued at other than fair value — unsettled investment transactions | <u>550</u> | <u>222</u> |
| Total assets | 1,217.588 | 1,007.750 |
| Payable under security lending agreement | <u>(113.584)</u> | <u>(56.149)</u> |
| Fair value of plan assets | <u>\$ 1,104.004</u> | <u>\$ 951.601</u> |

Following is a summary of plan assets by the level of significant input. For description of levels, see Note 7.

| 2013 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|-------------------|---------------------|
| Assets | | | | |
| Cash and cash equivalents — restricted | \$ 35.902 | \$ - | \$ - | \$ 35.902 |
| Corporate obligations | - | 80.355 | - | 80.355 |
| Government securities | - | 65.925 | - | 65.925 |
| Mutual funds | | | | |
| Domestic | 90.375 | - | - | 90.375 |
| International | 123.167 | 64.829 | - | 187.996 |
| Emerging markets | 47.179 | - | - | 47.179 |
| Equities | | | | |
| Small cap | 21.976 | - | - | 21.976 |
| Mid cap | 72.581 | - | - | 72.581 |
| Large cap | 194.671 | - | - | 194.671 |
| Partnership interests | 22.129 | - | - | 22.129 |
| Hedge funds | - | - | 165.267 | 165.267 |
| Real estate investments | - | - | 119.098 | 119.098 |
| Securities lending | | | | |
| Equity securities | 76.820 | - | - | 76.820 |
| Government securities | - | 33.483 | - | 33.483 |
| Corporate obligations | - | 3.281 | - | 3.281 |
| Total assets | <u>\$ 684.800</u> | <u>\$ 247.873</u> | <u>\$ 284.365</u> | <u>\$ 1,217.038</u> |
| 2012 | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Cash and cash equivalents — restricted | \$ 34.973 | \$ - | \$ - | \$ 34.973 |
| Corporate obligations | - | 87.741 | - | 87.741 |
| Government securities | - | 56.442 | - | 56.442 |
| Mutual funds | | | | |
| Domestic | 76.575 | - | - | 76.575 |
| International | 85.886 | 54.034 | - | 139.920 |
| Emerging markets | 46.753 | - | - | 46.753 |
| Equities | | | | |
| Small cap | 22.564 | - | - | 22.564 |
| Mid cap | 52.695 | - | - | 52.695 |
| Large cap | 168.555 | - | - | 168.555 |
| Partnership interests | 21.103 | - | - | 21.103 |
| Hedge funds | - | - | 143.066 | 143.066 |
| Real estate investments | - | - | 100.992 | 100.992 |
| Securities lending | | | | |
| Equity securities | 30.358 | - | - | 30.358 |
| Government securities | - | 18.645 | - | 18.645 |
| Corporate obligations | - | 7.146 | - | 7.146 |
| Total assets | <u>\$ 539.462</u> | <u>\$ 224.008</u> | <u>\$ 244.058</u> | <u>\$ 1,007.528</u> |

It is SSMHC's policy that transfers between levels will occur when revised information regarding the lowest level of significant inputs becomes available. There were no transfers between levels in 2013 or 2012.

Changes related to the fair values based on Level 3 inputs, are summarized as follows:

| | 2013 | 2012 |
|---|-------------------|-------------------|
| Beginning balance | \$ 244,058 | \$ 215,838 |
| Actual return on plan assets — realized | 18,314 | 544 |
| Actual return on plan assets — unrealized | 1,942 | 10,901 |
| Purchases, sales, and settlements — net | <u>20,051</u> | <u>16,775</u> |
| Ending balance | <u>\$ 284,365</u> | <u>\$ 244,058</u> |

Unrealized gains on Level 3 investments were \$1,942 and \$10,901 for 2013 and 2012, respectively.

The hedge funds and real estate investments are redeemable at NAV under the original terms of the agreements. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of SSMHC's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if SSMHC were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. As such, SSMHC has classified these as Level 3 investments. In addition, the unfunded commitments to these funds are \$5,163 and \$7,345 at December 31, 2013 and 2012, respectively. Assets recorded at NAV at December 31, 2013, are as follows:

| December 31, 2013 | | | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|-----------------------------|-----------------------|---------------------------------|---|---|
| | Fair Value | Unfunded Commitments | | |
| Hedge funds (a) | \$ 165,267 | \$ - | Quarterly | 30–100 days |
| Real estate investments (b) | <u>119,098</u> | <u>5,163</u> | | |
| Total | <u>\$ 284,365</u> | <u>\$ 5,163</u> | | |
| December 31, 2012 | | | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
| | Fair Value | Unfunded Commitments | | |
| Hedge funds (a) | \$ 143,066 | \$ - | Quarterly | 30–100 days |
| Real estate investments (b) | <u>100,992</u> | <u>7,345</u> | | |
| Total | <u>\$ 244,058</u> | <u>\$ 7,345</u> | | |

- (a) This category includes investments in hedge funds that maintain positions both long and short in equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques, and the

managers can maintain net long or net short exposure levels based on market views. The strategy designs a diversified portfolio of managers and strategies with the objective of significantly lowering the risk and volatility of investing with an individual manager.

- (b) This category includes investments in real estate funds that invest in the following underperforming and distressed real estate assets at well below potential replacement cost and which create significant value-added upside through extensive repositioning and capital improvements, distressed real estate and real estate-related debt, companies, securities, and other assets, high quality properties in major metropolitan areas, participating mortgages secured by core real estate properties. Investments in real estate are valued based upon independent appraisals using a cost approach, market approach or income approach as well as consideration of other third party evidence.

Defined Contribution Plans — SSMHC also sponsors defined contribution plans covering employees (excluding DHS employees) who participate in the voluntary tax deferred annuity program and who meet age and service requirements. SSMHC's contributions to these plans are based on a percentage of employee compensation or employee contributions. Defined contribution pension expense for these plans was \$11,551 and \$10,684 for 2013 and 2012, respectively, and is included in salaries and benefits.

DHS and its subsidiaries sponsor several defined contribution plans covering substantially all employees of DHS. Total contributions to these plans for the period from September 1, 2013 to December 31, 2013 was \$3,067 which is included in salaries and benefits.

14. SELF-INSURANCE

Professional and General Liability Insurance — A majority of the members of SSMHC (excluding DHS) participate in the SSMHC Liability Trust I or SSMHC Liability Trust II (Trusts). Both Trusts are revocable grantor trusts. These Trusts, which cover primary limits of professional and general liability, require annual contributions by participating entities at actuarially determined amounts. All professional and general liability claims and workers' compensation claims are paid from the Trusts subject to certain liability limitations.

SSMHC's underlying self-insured retention for professional liability claims is as follows:

| | January 1, 2012 to December 31, 2013 |
|--|---|
| Per occurrence limits — Missouri, Oklahoma, and Illinois | \$ 5,000 |
| Annual aggregate | None |

SSMHC's hospitals and physicians located in Wisconsin are qualified healthcare providers as defined by Wisconsin state statutes regarding professional liability coverage and participate in the State of Wisconsin Injured Patients and Families Compensation Fund (PCF). As defined by Wisconsin state statute, these hospitals and physicians have separate professional liability limits of \$1,000 per claim and \$3,000 annual aggregate applied to each qualified provider. Losses in excess of these amounts are fully covered through mandatory participation in the PCF. SSMHC is commercially insured up to these limits for these hospitals and physicians.

SSMHC's underlying self-insured retention for general liability claims is as follows

| | January 1, 2012 to December 31, 2013 |
|--|---|
| Per occurrence limits — Missouri, Oklahoma, Wisconsin and Illinois | \$ 3,000 |
| Annual aggregate | None |

SSMHC maintains reinsurance through a wholly owned captive for professional and general liability claims exceeding the underlying self-insured retention. As of December 31, 2013, the reinsurance provides coverage up to the limits in the following table. The sublimits that apply are part of and not in addition to the overall policy aggregate limits.

| | All Locations |
|--------------------------------|------------------|
| Each loss event | \$ 135,000 |
| Annual aggregate, per location | 135,000 |
| Annual aggregate all locations | 160,000 |

The estimated professional and general liability obligation is recorded in the consolidated financial statements at the present value of future cash payments for both asserted and unasserted claims, using a discount rate of 3.0% at December 31, 2013 and 2012. The liability for self-insured reserves represents estimates of the ultimate net cost of all losses and related expenses, which are incurred but not paid at the balance sheet date based on an actuarial valuation. This estimated obligation is \$67,106 and \$77,520 at December 31, 2013 and 2012, respectively, of which \$18,095 and \$17,754 is recorded in accounts payable and accrued liabilities at December 31, 2013 and 2012, respectively.

The accumulated assets of the Trusts are not available to participating members except to pay covered professional liability claims or to reduce future contributions when warranted by claims experience. In the event the Trusts are ever depleted, the participating members would be required to fund deficiencies based on future actuarial determinations.

DHS retains deductible levels with respect to its professional liability program. For professional liability claims reported on or after July 1, 2004, the per-occurrence deductible level is \$1,000 per defendant, and the annual aggregate deductible level is \$3,000. DHS is contractually obligated to reimburse its insurance carriers for all claims paid under the professional liability policies. The PCF also provides unlimited insurance limits for amounts in excess of the deductibles. At December 31, 2013, DHS recognized a liability of \$9,500, of which \$1,662 is recorded in accounts payable and accrued expenses at December 31, 2013.

Workers' Compensation — A majority of the members of SSMHC participate in SSMHC's centralized self-insured workers' compensation program. Claims in excess of certain liability limitations are covered by commercial insurance. The estimated workers' compensation liability obligation is actuarially determined and recorded in the consolidated financial statements at the present value of future cash payments for both asserted and unasserted claims, using a discount rate of 1.0% at December 31, 2013 and 2012. DHS maintains a fully insured workers' compensation program through commercial insurance.

Employee Health Insurance — A majority of the members of SSMHC participate in the SSM Employee Health Care Plan (the "HC Plan"). Each participating member funds an actuarially determined amount for payment of covered benefits and related expenses, which are subject to certain

limitations. Claims paid by the HC Plan are included in salaries and benefits expense and include claims paid by the HC Plan to SSMHC entities were \$67,617 and \$62,119 for the years ended December 31, 2013 and 2012, respectively. DHS members are fully insured under DHP.

15. ASSET RETIREMENT OBLIGATIONS

SSMHC has recorded conditional asset retirement obligations and capitalized retirement costs related to the estimated cost of removing asbestos from its facilities. Federal and state regulations require the removal of asbestos when a building is demolished or, at a minimum, encapsulation of the asbestos when it would be exposed during renovation. The obligation is included in other liabilities, and the capitalized costs are included in property and equipment. The following summarizes the asset retirement obligations at December 31, 2013 and 2012.

| | 2013 | 2012 |
|-----------------------------------|-----------------|-----------------|
| Balance — beginning of the period | \$ 9,947 | \$ 10,152 |
| Retirements | (1,223) | (703) |
| Additions | 524 | 169 |
| Accretion expense | <u>306</u> | <u>329</u> |
| Balance — end of the period | <u>\$ 9,554</u> | <u>\$ 9,947</u> |

16. ENDOWMENTS

Endowments consist of approximately 50 individual funds established for a variety of purposes. They include both donor-restricted endowment funds and funds designated by the boards of trustees or governors of its 15 foundations to function as endowments (board-designated endowment funds). Net assets associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions and the nature of the restrictions, if any.

| Endowment Net Asset Composition by Type of Fund as of December 31, 2013 | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------|-----------------------------------|-----------------------------------|------------------|
| Donor-restricted endowment funds | \$ - | \$ 8,225 | \$ 22,287 | \$ 30,512 |
| Board-designated endowment funds | <u>14,309</u> | <u>-</u> | <u>-</u> | <u>14,309</u> |
| Total funds | <u>\$ 14,309</u> | <u>\$ 8,225</u> | <u>\$ 22,287</u> | <u>\$ 44,821</u> |

| Endowment Net Asset Composition by Type of Fund as of December 31, 2012 | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------|-----------------------------------|-----------------------------------|------------------|
| Donor-restricted endowment funds | \$ - | \$ 7,460 | \$ 19,000 | \$ 26,460 |
| Board-designated endowment funds | <u>15,606</u> | <u>-</u> | <u>-</u> | <u>15,606</u> |
| Total funds | <u>\$ 15,606</u> | <u>\$ 7,460</u> | <u>\$ 19,000</u> | <u>\$ 42,066</u> |

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2013

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-------------------------------|-------------------------------|------------------|
| Endowment net assets — beginning of year | <u>\$ 15,606</u> | <u>\$ 7,460</u> | <u>\$ 19,000</u> | <u>\$ 42,066</u> |
| Investment return | | | | |
| Investment income | 192 | 1,188 | 1,065 | 2,445 |
| Net depreciation (realized and unrealized) | <u>561</u> | <u>2</u> | <u>55</u> | <u>618</u> |
| Total investment return | <u>753</u> | <u>1,190</u> | <u>1,120</u> | <u>3,063</u> |
| Contributions | <u>-</u> | <u>-</u> | <u>343</u> | <u>343</u> |
| Appropriation of endowment assets for expenditure | <u>(466)</u> | <u>(425)</u> | <u>-</u> | <u>(891)</u> |
| Other changes - transfers in (out) | <u>(1,584)</u> | <u>-</u> | <u>1,824</u> | <u>240</u> |
| Endowment net assets — end of year | <u>\$ 14,309</u> | <u>\$ 8,225</u> | <u>\$ 22,287</u> | <u>\$ 44,821</u> |

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2012

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-------------------------------|-------------------------------|------------------|
| Endowment net assets — beginning of year | <u>\$ 14,820</u> | <u>\$ 5,608</u> | <u>\$ 17,550</u> | <u>\$ 37,978</u> |
| Investment return | | | | |
| Investment income | 321 | 374 | 485 | 1,180 |
| Net depreciation (realized and unrealized) | <u>612</u> | <u>1,001</u> | <u>49</u> | <u>1,662</u> |
| Total investment return | <u>933</u> | <u>1,375</u> | <u>534</u> | <u>2,842</u> |
| Contributions | <u>14</u> | <u>645</u> | <u>916</u> | <u>1,575</u> |
| Appropriation of endowment assets for expenditure | <u>(161)</u> | <u>(168)</u> | <u>-</u> | <u>(329)</u> |
| Endowment net assets — end of year | <u>\$ 15,606</u> | <u>\$ 7,460</u> | <u>\$ 19,000</u> | <u>\$ 42,066</u> |

Transfers in (out) include a reclassification of permanently restricted endowment earnings and new endowments acquired through acquisitions

Funds with Deficiencies — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or current law requires SSMHC to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2013 and 2012.

Return Objectives and Risk Parameters — SSMHC has investment and spending practices for endowment assets that intend to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that SSMHC must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The policy allows the endowment assets to be invested in a manner that is intended to produce results that exceed the price and yield results of the allocation index while assuming a moderate level of investment risk. SSMHC expects its endowment funds to provide a rate of return that preserves the gift and generates earnings to achieve the endowment purpose.

Strategies Employed for Achieving Objectives — To satisfy its long-term rate-of-return objectives, SSMHC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and interest and dividend income. SSMHC uses a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints to preserve capital.

Spending Policy and how the Investment Objectives Relate to Spending Policy — SSMHC has a practice of distributing the major portion of current year earnings on the endowment funds, if the restrictions have been met. Some of the donor-restricted endowments require a portion of the earnings to increase the corpus of the endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

17. BALANCE SHEET OFFSETTING

SSMHC's interest rate swap agreements allow for net settlements of payment in the normal course as well as offsetting of all contracts with a given counterparty in the event of default or bankruptcy of one of the two parties of the transaction. As of December 31, 2013 and 2012, there was no collateral posted for the interest rate swaps. In addition, SSMHC's security lending agreement allows for the sale of the collateral to settle securities lending activities should a deficit arise.

The net presentation of SSMHC's financial instruments subject to rights of offset are summarized as follows:

| Description | Gross Amounts of Recognized Liabilities | Gross Amounts Offset in the Consolidated Balance Sheets | Net Amounts Presented in the Consolidated Balance Sheets | Gross Amounts Not Offset in the Consolidated Balance Sheets | Net Amount |
|-------------------------------|--|--|---|--|---------------|
| As of December 31, 2013 | | | | | |
| Derivatives | \$ 88,019 | \$ - | \$ 88,019 | \$ - | \$ 88,019 |
| Securities lending agreements | 207,345 | - | 207,345 | 207,345 | - |
| As of December 31, 2012 | | | | | |
| Derivatives | 135,152 | - | 135,152 | - | 135,152 |
| Securities lending agreements | 197,188 | - | 197,188 | 197,188 | - |

18. INCOME TAXES

The components of income tax expense for the years ended December 31, 2013 and 2012 are as follows

| | 2013 | 2012 |
|--------------------------------|-----------------|-------------|
| Current tax expense | | |
| Federal | \$ 1,692 | \$ - |
| State | <u>(20)</u> | <u>-</u> |
| | 1,672 | - |
| Deferred tax expense — Federal | <u>-</u> | <u>-</u> |
| | <u>\$ 1,672</u> | <u>\$ -</u> |

Deferred income taxes reflect the tax impact of carry forwards and temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities. Deferred tax assets and liabilities are classified as either current or non-current based on the classification of the related liability or asset for financial reporting. A deferred tax asset or liability that is not related to an asset or liability for financial reporting, including deferred taxes related to carry forwards, is classified according to the expected reversal date of the temporary differences as of the end of the year. The components of deferred taxes are as follows

| | 2013 | 2012 |
|--|------------------|------------------|
| Current | | |
| Accrued employee compensation | \$ 10,167 | \$ 970 |
| Doubtful accounts | 3,940 | 3,782 |
| Other non-deductible liabilities | 4,688 | 487 |
| Other | (1,466) | (90) |
| Valuation allowance | <u>(17,329)</u> | <u>(5,149)</u> |
| Net current | <u>-</u> | <u>-</u> |
| Long-term | | |
| Net operating loss and credit carry forwards | 332,916 | 179,329 |
| Depreciable and amortizable assets | (97,943) | 1,252 |
| Other noncurrent non-deductible liabilities | 7,508 | 145 |
| Unrealized (gains) losses | (3,490) | 54 |
| Investment in subsidiaries | (19,100) | (13) |
| Other | 2,004 | 906 |
| Valuation allowance | <u>(221,895)</u> | <u>(181,673)</u> |
| Net long-term | <u>-</u> | <u>-</u> |
| Net deferred income tax assets | <u>\$ -</u> | <u>\$ -</u> |
| Deferred tax assets | \$ 365,912 | \$ 187,084 |
| Deferred tax liabilities | (126,688) | (262) |
| Less valuation allowance | <u>(239,224)</u> | <u>(186,822)</u> |
| Net deferred taxes | <u>\$ -</u> | <u>\$ -</u> |

As of December 31, 2013 and 2012, the deferred income tax benefits were recorded net of a valuation allowance of \$239,224 and \$186,822 primarily due to net operating loss (NOL) carry forwards available related to its for-profit subsidiaries which expire between 2014 and 2034. A valuation allowance was provided because it is more likely than not that the net operating losses will expire unutilized. During the year ended December 31, 2013, SSMHC increased the valuation allowance by an additional \$26,323 based on 2013 net losses and \$26,079 for tax losses generated due to acquisitions. During the year ended December 31, 2012, SSMHC increased the valuation allowance by an additional \$16,953 based on 2012 net losses.

A reconciliation of expected income tax expense, computed by applying the statutory federal income tax rate (34%) to income before income taxes is as follows:

| | 2013 | 2012 |
|---|-----------------|-----------------|
| Income tax expense at statutory rate | \$ 43,634 | \$ 70,134 |
| Reduction in income tax resulting from: | | |
| Tax exempt income | (13,232) | (51,059) |
| State taxes | (2,407) | (2,122) |
| Change in valuation allowance on net operating loss | <u>(26,323)</u> | <u>(16,953)</u> |
| | <u>\$ 1,672</u> | <u>\$ -</u> |

SSMHC files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions. SSMHC is no longer subject to U.S. or state income tax examinations by tax authorities for years before 2009. Tax returns for DHS for the years ended 2010 and 2011 are currently under examination by the IRS. The settlement of the tax examination is not expected to have a material impact on the consolidated financial statements.

Cash Paid for Income Taxes — Cash paid for income taxes totaled \$1,603 and \$0 for the periods ended December 31, 2013 and 2012, respectively.

19. NET ASSETS

SSMHC reports the noncontrolling interest in the net assets of consolidated subsidiaries as a separate component of the appropriate class of net assets. The reconciliation of noncontrolling interest reported in unrestricted net assets is as follows:

| | Total | SSMHC Unrestricted Net Assets | Noncontrolling Interest |
|---|--------------|--|------------------------------------|
| Unrestricted net assets — January 1, 2012 | \$ 1,272,214 | \$ 1,260,018 | \$ 12,196 |
| Excess of revenues over expenses | 210,226 | 206,276 | 3,950 |
| Distributions to noncontrolling owners | (3,966) | - | (3,966) |
| Contributions | 14,410 | 7,205 | 7,205 |
| Other — net | 13,992 | 14,145 | (153) |
| Change in unrestricted net assets | 234,662 | 227,626 | 7,036 |
| Unrestricted net assets — December 31, 2012 | 1,506,876 | 1,487,644 | 19,232 |
| Excess of revenues over expenses | 131,361 | 126,662 | 4,699 |
| Distributions to noncontrolling owners | (3,618) | - | (3,618) |
| Contributions | 20 | 10 | 10 |
| Other — net | 267,802 | 267,802 | - |
| Change in unrestricted net assets | 395,565 | 394,474 | 1,091 |
| Unrestricted net assets — December 31, 2013 | \$ 1,902,441 | \$ 1,882,118 | \$ 20,323 |

20. FUNCTIONAL EXPENSES

SSMHC provides general health care services to residents within its geographic locations. Expenses related to providing these services are as follows:

| | 2013 | 2012 |
|----------------------------|--------------------|--------------------|
| Health care services | \$3,586,442 | \$3,054,404 |
| General and administrative | 292,708 | 205,336 |
| Fundraising | 9,809 | 9,249 |
| Total expenses | <u>\$3,888,959</u> | <u>\$3,268,989</u> |

21. COMMITMENTS AND CONTINGENT LIABILITIES

Leases for property and equipment that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operating expense on a straight-line basis over the term of the lease.

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

| | |
|------------------------------|-------------------|
| 2014 | \$ 46.249 |
| 2015 | 40.874 |
| 2016 | 33.122 |
| 2017 | 26.071 |
| 2018 | 20.822 |
| Thereafter | <u>38.716</u> |
| Total minimum lease payments | <u>\$ 205.854</u> |

Total rental expense was approximately \$51.208 and \$46.083 in 2013 and 2012, respectively

SSMHC has outstanding letters of credit of \$15.419 and \$12.605 at December 31, 2013 and 2012, respectively. There were no outstanding draws on these letters of credit

At December 31, 2013, SSMHC has entered into construction projects for new facilities and capital improvements to existing facilities. The commitments for these projects totaled approximately \$232.398. As of December 31, 2013, SSMHC has unmet commitments of approximately \$143.322, which will be financed with board-designated assets, project funds or cash generated from operations. Of this amount, \$15.000 will be reimbursed by a third party upon payment.

As part of acquisition agreements in Wisconsin and Missouri, SSMHC has committed an additional \$80.000 for facility improvements to be paid out from 2014 to 2018.

SSMHCC has guaranteed that certain lease payments will be made by some of its equity investments. The amount of future lease payments guaranteed by SSMHCC totaled \$78 and \$109 at December 31, 2013 and 2012, respectively. In addition, SSMHC has entered into certain other income guarantees with outside entities to be paid out from 2014 through 2018 which totaled \$95.250 at December 31, 2013.

Certain of SSMHC's hospitals are part of a nationwide investigation to determine if implantable cardioverter defibrillator (ICD) procedures from 2002 to 2010 complied with Medicare coverage requirements. In August 2012, the Department of Justice (DOJ) released the patient conditions and criteria for the medical necessity of the implantation of ICDs in Medicare beneficiaries and how the DOJ will enforce the repayment obligations of hospitals. As of December 31, 2013, management has established a reserve of \$5.700 to reflect the current estimate of probable liability.

SSMHC is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, it is management's opinion that these matters will be resolved without a material adverse effect on SSMHC's consolidated financial position or consolidated results of operations.

22. SUBSEQUENT EVENTS

For the year ended December 31, 2013, SSMHC has evaluated subsequent events for potential recognition and disclosure through April 9, 2014, the date the financial statements were available for issuance.

* * * * *

SSM HEALTH CARE ADDITIONAL INFORMATION

SSM HEALTH CARE

CONSOLIDATING SCHEDULE — BALANCE SHEET INFORMATION AS OF DECEMBER 31, 2013 (In thousands)

| | Credit Group | Other Entities | Eliminations | Total |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 13.550 | \$ 54.625 | \$ - | \$ 68.175 |
| Short-term investments | 111.445 | 44.199 | - | 155.644 |
| Current portion of assets limited as to use | 231.319 | 48.050 | - | 279.369 |
| Patient accounts receivable — less allowance for uncollectible accounts | 485.539 | 64.454 | (22.087) | 527.906 |
| Premium receivable — less allowance for uncollectible accounts | - | 6.665 | - | 6.665 |
| Other receivables | 24.858 | 102.571 | (5.772) | 121.657 |
| Inventories, prepaid expenses, and other | 75.345 | 22.751 | (2.074) | 96.022 |
| Estimated third-party pavor settlements | 11.795 | - | - | 11.795 |
| Total current assets | <u>953.851</u> | <u>343.315</u> | <u>(29.933)</u> | <u>1,267.233</u> |
| ASSETS LIMITED AS TO USE OR RESTRICTED — Excluding current portion | <u>1,757.216</u> | <u>448.461</u> | <u>-</u> | <u>2,205.677</u> |
| PROPERTY AND EQUIPMENT — Net | <u>1,568.973</u> | <u>292.285</u> | <u>-</u> | <u>1,861.258</u> |
| OTHER ASSETS | | | | |
| Deferred financing costs — net | 6.261 | 112 | - | 6.373 |
| Goodwill | 28.312 | 98.942 | - | 127.254 |
| Intangibles — net | 78.264 | 233.125 | - | 311.389 |
| Investments in unconsolidated entities | 228.535 | 16.175 | (166.584) | 78.126 |
| Other | 29.413 | 4.093 | (23.411) | 10.095 |
| Total other assets | <u>370.785</u> | <u>352.447</u> | <u>(189.995)</u> | <u>533.237</u> |
| TOTAL | <u>\$4,650.825</u> | <u>\$1,436.508</u> | <u>\$(219.928)</u> | <u>\$5,867.405</u> |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES | | | | |
| Revolving line of credit | \$ - | \$ 85.225 | \$ - | \$ 85.225 |
| Current portion of long-term debt | 40.184 | 11.552 | (535) | 51.201 |
| Accounts payable and accrued expenses | 299.817 | 396.076 | (29.609) | 666.284 |
| Notes payable | 400.000 | - | - | 400.000 |
| Unearned premiums | - | 39.683 | - | 39.683 |
| Payable under securities lending agreements | 206.438 | 907 | - | 207.345 |
| Estimated third-party pavor settlements | 133.396 | 8 | - | 133.404 |
| Total current liabilities | <u>1,079.835</u> | <u>533.451</u> | <u>(30.144)</u> | <u>1,583.142</u> |
| LONG-TERM DEBT — Excluding current portion | <u>1,241.679</u> | <u>118.628</u> | <u>(23.412)</u> | <u>1,336.895</u> |
| ESTIMATED SELF-INSURANCE OBLIGATIONS | <u>51.409</u> | <u>16.661</u> | <u>-</u> | <u>68.070</u> |
| UNFUNDED PENSION LIABILITY | <u>667.307</u> | <u>-</u> | <u>-</u> | <u>667.307</u> |
| OTHER LIABILITIES | <u>183.664</u> | <u>60.843</u> | <u>-</u> | <u>244.507</u> |
| Total liabilities | <u>3,223.894</u> | <u>729.583</u> | <u>(53.556)</u> | <u>3,899.921</u> |
| NET ASSETS | | | | |
| Unrestricted | | | | |
| Noncontrolling interest in subsidiaries | 17.445 | 2.878 | - | 20.323 |
| SSM Health Care unrestricted net assets | <u>1,350.810</u> | <u>647.688</u> | <u>(116.380)</u> | <u>1,882.118</u> |
| Total unrestricted net assets | <u>1,368.255</u> | <u>650.566</u> | <u>(116.380)</u> | <u>1,902.441</u> |
| Temporarily restricted | <u>36.389</u> | <u>42.440</u> | <u>(36.073)</u> | <u>42.756</u> |
| Permanently restricted | <u>22.287</u> | <u>13.919</u> | <u>(13.919)</u> | <u>22.287</u> |
| Total net assets | <u>1,426.931</u> | <u>706.925</u> | <u>(166.372)</u> | <u>1,967.484</u> |
| TOTAL | <u>\$4,650.825</u> | <u>\$1,436.508</u> | <u>\$(219.928)</u> | <u>\$5,867.405</u> |

SSM HEALTH CARE

CONSOLIDATING SCHEDULE — BALANCE SHEET INFORMATION AS OF DECEMBER 31, 2012 (In thousands)

| | Credit Group | Other Entities | Eliminations | Total |
|--|-----------------|-------------------|--------------|-------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 17.846 | \$ 9.734 | \$ - | \$ 27.580 |
| Short-term investments | 77.572 | 43.600 | - | 121.172 |
| Current portion of assets limited as to use | 221.095 | 29.400 | - | 250.495 |
| Patient accounts receivable — net | 499.891 | 18.918 | - | 518.809 |
| Other receivables | 23.140 | 4.501 | (4.073) | 23.568 |
| Inventories, prepaid expenses, and other | 72.880 | 6.932 | (2.365) | 77.447 |
| Estimated third-party pavor settlements | 12.035 | - | - | 12.035 |
| Total current assets | 924.459 | 113.085 | (6.438) | 1,031.106 |
| ASSETS LIMITED AS TO USE OR RESTRICTED — Excluding current portion | 1,661.872 | 151.109 | - | 1,812.981 |
| PROPERTY AND EQUIPMENT — Net | 1,539.554 | 39.498 | - | 1,579.052 |
| OTHER ASSETS | | | | |
| Deferred financing costs — net | 6.753 | - | - | 6.753 |
| Goodwill | 28.442 | 3,513 | - | 31.955 |
| Intangibles — net | 68.462 | 94 | - | 68.556 |
| Investments in unconsolidated entities | 315.415 | 12.505 | (131.843) | 196.077 |
| Other | 28.577 | 293 | (23.160) | 5,710 |
| Total other assets | 447.649 | 16.405 | (155.003) | 309.051 |
| TOTAL | \$4,573.534 | \$320.097 | \$(161.441) | \$4,732.190 |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES | | | | |
| Revolving line of credit | \$ 37.000 | \$ 225 | \$ - | \$ 37.225 |
| Current portion of long-term debt | 41.144 | 764 | (595) | 41.313 |
| Accounts payable and accrued expenses | 272.578 | 99,020 | (6,062) | 365,536 |
| Payable under securities lending agreements | 195.165 | 2,023 | - | 197,188 |
| Estimated third-party pavor settlements | 44.522 | 2 | - | 44,524 |
| Total current liabilities | 590.409 | 102,034 | (6,657) | 685,786 |
| LONG-TERM DEBT — Excluding current portion | 1,272.314 | 30,096 | (23,155) | 1,279,255 |
| ESTIMATED SELF-INSURANCE OBLIGATIONS | 63.635 | 9,039 | - | 72,674 |
| UNFUNDED PENSION LIABILITY | 890.629 | 2,428 | - | 893,057 |
| OTHER LIABILITIES | 225.917 | 8,882 | - | 234,799 |
| Total liabilities | 3,042.904 | 152,479 | (29,812) | 3,165,571 |
| NET ASSETS | | | | |
| Unrestricted | | | | |
| Noncontrolling interest in subsidiaries | 16.579 | 2,653 | - | 19,232 |
| SSM Health Care unrestricted net assets | 1,460.117 | 112,866 | (85,339) | 1,487,644 |
| Total unrestricted net assets | 1,476.696 | 115,519 | (85,339) | 1,506,876 |
| Temporarily restricted | 34.934 | 40,413 | (34,604) | 40,743 |
| Permanently restricted | 19.000 | 11,686 | (11,686) | 19,000 |
| Total net assets | 1,530.630 | 167,618 | (131,629) | 1,566,619 |
| TOTAL | \$4,573.534 | \$320.097 | \$(161.441) | \$4,732.190 |

SSM HEALTH CARE

CONSOLIDATING SCHEDULE — STATEMENT OF OPERATIONS INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2013 (In thousands)

| | Credit Group | Other Entities | Eliminations | Total |
|---|-------------------|--------------------|--------------------|-------------------|
| OPERATING REVENUES AND OTHER SUPPORT | | | | |
| Net patient service revenues before provision for doubtful accounts | \$3,108,070 | \$275,147 | \$ (66,066) | \$3,317,151 |
| Less provision for doubtful accounts | <u>(190,118)</u> | <u>(14,576)</u> | <u>-</u> | <u>(204,694)</u> |
| Net patient service revenues | 2,917,952 | 260,571 | (66,066) | 3,112,457 |
| Premiums earned | 9,882 | 359,933 | (8,935) | 360,880 |
| Investment income | 52,672 | 17,639 | - | 70,311 |
| Other revenue | 204,280 | 277,111 | (216,076) | 265,315 |
| Net assets released from restrictions | <u>174</u> | <u>5,501</u> | <u>-</u> | <u>5,675</u> |
| Total operating revenues and other support | <u>3,184,960</u> | <u>920,755</u> | <u>(291,077)</u> | <u>3,814,638</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 1,654,643 | 547,260 | (169,956) | 2,031,947 |
| Medical claims | - | 208,054 | (66,066) | 141,988 |
| Supplies | 557,580 | 57,759 | (4) | 615,335 |
| Professional fees and other | 742,135 | 156,700 | (41,378) | 857,457 |
| Interest | 43,230 | 4,332 | (876) | 46,686 |
| Depreciation and amortization | 171,319 | 17,492 | - | 188,811 |
| Impairment loss | <u>6,735</u> | <u>-</u> | <u>-</u> | <u>6,735</u> |
| Total operating expenses | <u>3,175,642</u> | <u>991,597</u> | <u>(278,280)</u> | <u>3,888,959</u> |
| INCOME (LOSS) FROM OPERATIONS | <u>9,318</u> | <u>(70,842)</u> | <u>(12,797)</u> | <u>(74,321)</u> |
| NONOPERATING GAINS AND (LOSSES) | | | | |
| Investment income | 134,072 | 6,672 | - | 140,744 |
| Loss from early extinguishment of debt | - | - | - | - |
| Other — net | <u>496</u> | <u>(124)</u> | <u>-</u> | <u>372</u> |
| Total nonoperating gains and (losses) — net | <u>134,568</u> | <u>6,548</u> | <u>-</u> | <u>141,116</u> |
| EXCESS OF REVENUES OVER EXPENSES BEFORE CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS AND INCOME TAXES | 143,886 | (64,294) | (12,797) | 66,795 |
| CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS | <u>60,512</u> | <u>1,027</u> | <u>-</u> | <u>61,539</u> |
| EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES | 204,398 | (63,267) | (12,797) | 128,334 |
| INCOME TAXES (BENEFITS) | <u>1,714</u> | <u>(42)</u> | <u>-</u> | <u>1,672</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENSES | <u>\$ 202,684</u> | <u>\$ (63,225)</u> | <u>\$ (12,797)</u> | <u>\$ 126,662</u> |

SSM HEALTH CARE

CONSOLIDATING SCHEDULE — STATEMENT OF OPERATIONS INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2012 (In thousands)

| | Credit Group | Other Entities | Eliminations | Total |
|--|-------------------|--------------------|-------------------|-------------------|
| OPERATING REVENUES AND OTHER SUPPORT | | | | |
| Net patient service revenues before provision for doubtful accounts | \$ 3,044,915 | \$ 173,862 | \$ - | \$ 3,218,777 |
| Less provision for doubtful accounts | <u>(148,805)</u> | <u>(8,425)</u> | <u>-</u> | <u>(157,230)</u> |
| Net patient service revenues | 2,896,110 | 165,437 | - | 3,061,547 |
| Premiums earned | 8,971 | 1,399 | - | 10,370 |
| Investment income | 17,952 | 13,215 | - | 31,167 |
| Other revenue | 173,067 | 229,570 | (182,000) | 220,637 |
| Net assets released from restrictions | <u>123</u> | <u>3,308</u> | <u>-</u> | <u>3,431</u> |
| Total operating revenues and other support | <u>3,096,223</u> | <u>412,929</u> | <u>(182,000)</u> | <u>3,327,152</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 1,556,987 | 364,667 | (141,868) | 1,779,786 |
| Supplies | 539,330 | 17,781 | - | 557,111 |
| Professional fees and other | 678,131 | 93,527 | (34,124) | 737,534 |
| Interest | 37,015 | 1,639 | (971) | 37,683 |
| Depreciation and amortization | <u>154,137</u> | <u>2,738</u> | <u>-</u> | <u>156,875</u> |
| Total operating expenses | <u>2,965,600</u> | <u>480,352</u> | <u>(176,963)</u> | <u>3,268,989</u> |
| INCOME (LOSS) FROM OPERATIONS | <u>130,623</u> | <u>(67,423)</u> | <u>(5,037)</u> | <u>58,163</u> |
| NONOPERATING GAINS AND (LOSSES) | | | | |
| Investment income | 146,489 | 608 | - | 147,097 |
| Loss from early extinguishment of debt | (1,125) | - | - | (1,125) |
| Other — net | <u>1,850</u> | <u>(15)</u> | <u>-</u> | <u>1,835</u> |
| Total nonoperating gains and (losses) — net | <u>147,214</u> | <u>593</u> | <u>-</u> | <u>147,807</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS | 277,837 | (66,830) | (5,037) | 205,970 |
| CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS | <u>306</u> | <u>-</u> | <u>-</u> | <u>306</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENSES | <u>\$ 278,143</u> | <u>\$ (66,830)</u> | <u>\$ (5,037)</u> | <u>\$ 206,276</u> |

SSM HEALTH CARE

NOTES TO CONSOLIDATING ADDITIONAL INFORMATION AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. PRINCIPLES OF INCLUSION

The Credit Group is made up of SSM Health Care Corporation and its wholly owned Designated Affiliates as defined in the Master Trust Indenture, including the activities, assets, and liabilities of wholly owned and partially owned subsidiaries that are consolidated under generally accepted accounting principles. The Credit Group does not include DHS, SSMHC's physician group practices, charitable foundations, and the interests of SSMHC in various other minor subsidiaries and ancillary joint ventures that are referred to herein as Other Entities. In 2013 and 2012, the assets of the Credit Group represented 76% and 93% of the consolidated total, and the total operating revenues represented 78% and 88% of the consolidated total, respectively.

2. PRESENTATION

Entities included in the Credit Group do not reflect their equity interest in Other Entities on their balance sheets, except for beneficial interest in foundations.

3. OBLIGATIONS

Included in Other Entities are certain entities with negative net assets totaling \$58,148 and \$39,472 at December 31, 2013 and 2012, respectively. The Credit Group may be required to provide operating capital to these entities to ensure their solvency.

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