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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

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

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

C Name of organization
BANNER HEALTH

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1441 NORTH 12TH STREET
Suite

City or town, state or province, country, and ZIP or foreign postal code
PHOENIX, AZ 85006

D Employer identification number
45-0233470

E Telephone number
(602) 747-4000

G Gross receipts $ 8,581,481,374

F Name and address of principal officer
PETER FINE
1441 NORTH 12TH STREET
PHOENIX,AZ 85006

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 ▶ 3017

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

J Website: ▶ WWW BANNERHEALTH COM

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

L Year of formation 1938

M State of legal domicile AZ

Part I Summary

1 Briefly describe the organization's mission or most significant activities
BANNER HEALTH'S NONPROFIT MISSION IS TO MAKE A DIFFERENCE IN PEOPLE'S LIVES THROUGH EXCELLENT PATIENT CARE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	37,470
6	Total number of volunteers (estimate if necessary)	**6**	7,069
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	26,691,764
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	14,773,031

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	14,847,853	36,768,576
9	Program service revenue (Part VIII, line 2g)	4,128,747,604	4,264,081,117
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	104,238,034	157,807,736
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,830,250	3,895,437
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,252,663,741	4,462,552,866
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	14,281,057	1,511,239
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2,084,283,100	2,117,948,286
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1,741,674,361	1,860,829,482
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	3,840,238,518	3,980,289,007
19	Revenue less expenses Subtract line 18 from line 12	412,425,223	482,263,859

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	7,161,870,437	7,822,359,332
21	Total liabilities (Part X, line 26)	3,825,559,627	3,597,255,039
22	Net assets or fund balances Subtract line 21 from line 20	3,336,310,810	4,225,104,293

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

▶ DENNIS DAHLEN CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BRENDA D GRIESEMER				P00264669
Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
Firm's address ▶ TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004			Phone no	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

BANNER HEALTH'S NONPROFIT MISSION IS TO MAKE A DIFFERENCE IN PEOPLE'S LIVES THROUGH EXCELLENT PATIENT CARE

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 $ 3,585,929,306 including grants of $ 1,511,239) (Revenue $ 4,264,081,117)

SEE SCHEDULE O

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** ▶ 3,585,929,306

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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	8,732		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	37,470		
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		Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	15		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶ DAVID BIXBY 1441 N 12TH STREET
PHOENIX,AZ 85006 (602)747-4000

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								30,279,028	397,704	6,213,721

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 ▶ 1,449

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MCCARTHY BUILDING COMPANIES INC, 80 RIO SALADO PARKWAY SUITE 130 TEMPE AZ 85281	GENERAL CONTRACTOR	72,104,648
DPR CONSTRUCTION INC, 3020 E CAMELBACK ROAD SUITE 100 PHOENIX AZ 85016	GENERAL CONTRACTOR	34,148,180
KITCHELL CONTRACTORS INC, 1707 EAST HIGHLAND PHOENIX AZ 85016	GENERAL CONTRACTOR	28,229,807
US FOODSERVICE INC, 2838 COLLECTIONS CENTER DRIVE CHICAGO IL 60693	FOOD SERVICES	24,860,221
CERNER CORPORATION, 2800 ROCKCREEK PARKWAY NORTH KANSAS CITY MO 64117	HEALTHCARE IT	21,464,311

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 ▶ 1,302

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	0			
	d	Related organizations . . .	1d	20,166,106			
	e	Government grants (contributions)	1e	12,540,703			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,061,767			
	g	Noncash contributions included in lines 1a-1f $		0			
	h	**Total.** Add lines 1a-1f . . . . . ▶		36,768,576			
Program Service Revenue			Business Code				
	2a	HEALTHCARE SERVICES	900099	4,225,504,696	4,225,504,696	0	0
	b	PARTNERSHIP INCOME	621500	27,917,893	11,884,657	16,033,236	0
	c	LABORATORY	621500	3,062,096	0	3,062,096	0
	d	PHARMACY	446110	4,691,036	0	4,691,036	0
	e	MANAGEMENT SERVICES	541610	2,905,396	0	2,905,396	0
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		4,264,081,117			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		66,929,027			66,929,027
	4	Income from investment of tax-exempt bond proceeds . . ▶		93			93
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	13,281,605				
	b	Less rental expenses	9,386,168				
	c	Rental income or (loss)	3,895,437	0			
	d	Net rental income or (loss) . . . . . ▶		3,895,437			3,895,437
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	4,195,401,165	5,019,791			
	b	Less cost or other basis and sales expenses	4,105,047,416	4,494,924			
	c	Gain or (loss)	90,353,749	524,867			
	d	Net gain or (loss) . . . . . ▶		90,878,616			90,878,616
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	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 . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		0			
	12	**Total revenue.** See Instructions . . . . . ▶		4,462,552,866	4,237,389,353	26,691,764	161,703,173

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	1,511,239	1,511,239		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	29,196,190	0	29,196,190	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	1,706,064,800	1,554,801,730	151,263,070	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	40,542,396	36,133,456	4,408,940	0
9 Other employee benefits	218,571,573	197,282,537	21,289,036	0
10 Payroll taxes	123,573,327	110,578,403	12,994,924	0
11 Fees for services (non-employees)				
a Management	3,548,540	3,025,507	523,033	0
b Legal	4,051,986	69,403	3,982,583	0
c Accounting	1,393,857	178,164	1,215,693	0
d Lobbying	571,828	571,828	0	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	24,149,406	0	24,149,406	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	179,650,895	158,717,059	20,933,836	0
12 Advertising and promotion	15,287,635	7,728,846	7,558,789	0
13 Office expenses	158,288,869	125,513,225	32,775,644	0
14 Information technology	49,421,116	46,905,697	2,515,419	0
15 Royalties . .	0	0	0	0
16 Occupancy	108,855,172	102,330,740	6,524,432	0
17 Travel	4,048,587	2,675,479	1,373,108	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	169,725	142,943	26,782	0
20 Interest	130,147,620	81,142,402	49,005,218	0
21 Payments to affiliates	0			0
22 Depreciation, depletion, and amortization	293,624,645	280,763,763	12,860,882	0
23 Insurance	64,363,120	61,690,029	2,673,091	0
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	637,474,378	637,474,378		
b PROVIDER TAX	86,348,205	86,348,205	0	0
c INCOME TAX	5,198,899	0	5,198,899	0
d DUES & SUBSCRIPTIONS	4,775,972	3,719,479	1,056,493	0
e All other expenses	89,459,027	86,624,794	2,834,233	
25 **Total functional expenses.** Add lines 1 through 24e	3,980,289,007	3,585,929,306	394,359,701	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		175,272,194	1	227,548,394
	2	Savings and temporary cash investments		64,645,127	2	82,298,429
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		512,517,673	4	607,707,937
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		54,924,612	7	33,221,735
	8	Inventories for sale or use		116,244,746	8	131,647,616
	9	Prepaid expenses and deferred charges		36,166,660	9	43,032,452
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 5,288,363,618			
	b	Less accumulated depreciation	10b 2,572,390,449	2,585,926,746	10c	2,715,973,169
	11	Investments—publicly traded securities		2,985,866,530	11	3,500,950,004
	12	Investments—other securities See Part IV, line 11		294,109,020	12	147,944,699
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		43,988,433	14	40,448,120
	15	Other assets See Part IV, line 11		292,208,696	15	291,586,777
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		7,161,870,437	16	7,822,359,332
Liabilities	17	Accounts payable and accrued expenses		602,218,309	17	605,404,893
	18	Grants payable		0	18	0
	19	Deferred revenue		6,340,209	19	3,806,128
	20	Tax-exempt bond liabilities		2,360,914,394	20	2,322,467,266
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		42,503,222	23	34,841,164
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		813,583,493	25	630,735,588
	26	**Total liabilities.** Add lines 17 through 25		3,825,559,627	26	3,597,255,039
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		3,244,115,274	27	4,119,811,372
	28	Temporarily restricted net assets		92,195,536	28	105,292,921
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		3,336,310,810	33	4,225,104,293
	34	Total liabilities and net assets/fund balances		7,161,870,437	34	7,822,359,332

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,462,552,866
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,980,289,007
3	Revenue less expenses Subtract line 2 from line 1	3	482,263,859
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,336,310,810
5	Net unrealized gains (losses) on investments	5	460,776,360
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	-54,246,736
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	4,225,104,293

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
PETER S FINE PRESIDENT & CEO	40 0 8 0	X		X				3,465,203	0	2,021,868
QUENTIN P SMITH JR CHAIRMAN AND DIRECTOR	6 0 0 0	X		X				40,500	0	0
RONALD J CREASMAN MD VICE-CHAIRMAN AND DIRECTOR	6 0 0 0	X		X				40,500	0	0
WILFORD A CARDON DIRECTOR	4 0 0 0	X						45,000	0	0
GILBERT DAVILA DIRECTOR	4 0 0 0	X						36,000	0	0
WILLIAM M DWYER DIRECTOR	4 0 0 0	X						36,000	0	0
SUSAN BARTLETT FOOTE DIRECTOR	4 0 0 0	X						36,000	0	0
MICHAEL J FRICK DIRECTOR (Thru 6/2013)	4 0 0 0	X						18,000	0	0
MICHAEL GARNREITER DIRECTOR	4 0 0 0	X						36,000	0	0
BARRY A HENDIN MD DIRECTOR	4 0 0 0	X						36,000	0	0
DAVID KIKUMOTO DIRECTOR	4 0 0 0	X						36,000	0	0
LARRY S LAZARUS DIRECTOR	4 0 0 0	X						36,000	0	0
MARTIN L SHULTZ DIRECTOR	4 0 4 0	X						36,000	0	0
MARK N SKLAR DIRECTOR	4 0 4 0	X						36,000	0	0
CHRISTOPHER VOLK DIRECTOR	4 0 0 0	X						36,000	0	0
CHERYL WENZINGER DIRECTOR	4 0 0 0	X						36,000	0	0
ELIZABETH AVANT ASSISTANT SECRETARY	40 0 8 0			X				84,185	0	24,260
DAVID BIXBY SVP/GENERAL COUNSEL/SECRETARY	40 0 8 0			X				820,373	0	675,217
PATRICIA BLOCK VP, TREASURY & TREASURER	40 0 8 0			X				326,327	0	18,456
KATHY BOLLINGER PRESIDENT - AZ WEST REGION	40 0 8 0			X				988,927	0	119,571
RONALD BUNNELL EXECUTIVE VICE-PRESIDENT & CAO	40 0 12 0			X				1,629,537	0	1,398,098
DENNIS DAHLEN SENIOR VICE-PRESIDENT & CFO	40 0 8 0			X				1,008,758	0	133,622
JAMES FERANDO PRESIDENT - WESTERN REGION	40 0 8 0			X				849,607	0	101,484
JOHN HENSING MD EXECUTIVE VICE-PRESIDENT & CMO	40 0 16 0			X				1,143,011	0	141,789
REBECCA KUHN PRESIDENT - AZ EAST REGION	40 0 8 0			X				1,406,792	0	116,133

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHARLES LEHN SVP NETWORK OPERATIONS	12 0 40 0			X				533,235	0	124,103
EDWARD OXFORD JR SENIOR VP CHIEF TALENT OFFICER	40 0 8 0			X				786,683	0	112,063
RYAN SMITH SENIOR VP, CIO (AS OF 10/1/13)	40 0 8 0			X				135,417	0	4,462
MICHAEL WARDEN SENIOR VP, CIO (thru 9/2013)	40 0 8 0			X				653,613	0	24,918
CHARLES BOWEN VP - SUPPLY CHAIN MANAGEMENT	40 0 8 0				X			474,866	0	35,823
DAVID CHENEY CEO - BANNER BOSWELL MED CTR	40 0 0 0				X			567,028	0	12,959
THOMAS DICKSON CEO - BANNER THUNDERBIRD MC	40 0 0 0				X			615,247	0	42,543
KIP EDWARDS VP - DEVELOPMENT/CONSTRUCTION	40 0 8 0				X			456,247	0	34,506
DEBRA FLORES CEO - BANNER DEL E WEBB MC	40 0 8 0				X			452,559	0	60,110
ROBERT GOULD CEO - BANNER ESTRELLA MED CTR	40 0 0 0				X			597,684	0	82,581
DAVID KAUBISCH VP FINANCE	40 0 8 0				X			482,019	0	52,070
DEBRA KRMPOTIC CEO-BANNER ESTRELLA MED CTR	40 0 0 0				X			458,330	0	28,337
ANUJ NARANG CEO-BANNER GOOD SAMARITIAN MC	40 0 0 0				X			450,537	0	47,513
PAMELA NENABER COO - PHARMACY SERVICES	10 0 30 0				X			125,591	397,704	29,516
MICHAEL POWERS CEO - FAIRBANKS MEMORIAL	40 0 0 0				X			520,732	0	22,545
ERIC REIMAN PRES CEO/CSO - BANNER RESEARCH	40 0 0 0				X			953,707	0	18,722
LAURA ROBERTSON CEO - BANNER BAYWOOD MED CTR	40 0 0 0				X			568,517	0	38,631
MARILYN SCHOCK CEO - MCKEE MEDICAL CENTER	40 0 0 0				X			638,435	0	41,107
DALE SCHULTZ VP - BUSINESS HEALTH	40 0 0 0				X			458,495	0	29,680
RICHARD SUTTON CEO - NORTH COLORADO MED CTR	40 0 0 0				X			671,319	0	38,204
LARRY VOLKMAR CEO - BANNER GOOD SAMARITAN MC	40 0 0 0				X			842,782	0	22,030
DAN WEINMAN VP - STRATEGY AND PLANNING	40 0 8 0				X			488,736	0	47,576
TODD WERNER CEO - BANNER DESERT MED CTR	40 0 0 0				X			612,730	0	39,464
JEFF BUERLE CFO AZ EAST REGION	40 0 0 0				X			428,745		32,557
EDGARDO RIVERA PHYSICIAN	40 0 0 0					X		758,557	0	125,734

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RICKY LATHAM PHYSICIAN	40 0 0 0					X		750,625	0	49,990
CARSON WEBB PHYSICIAN	40 0 0 0					X		734,099	0	41,071
ROMEL WRENN PHYSICIAN	40 0 0 0					X		711,976	0	44,533
ROBERT GROVES VP-HEALTH MANAGEMENT	40 0 0 0					X		586,334	0	66,390
DON EVANS CEO-BANNER BAYWOOD MEDICAL CTR	0 0 0 0						X	157,363	0	0
BETSY SULLIVAN VP REVENUE CYCLE	40 0 0 0						X	479,761	0	35,810
RHONDA ANDERSON CEO-CARDON CHILDRENS	40 0 0 0						X	443,640	0	26,580
DAVID LEDBETTER VP-ETHICS AND COMPLIANCE	40 0 0 0						X	420,699	0	51,095

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

14	Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	**14**
15	Public support percentage for 2012 Schedule A, Part II, line 14	**15**

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2013

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

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

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

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

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

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

Name of the organization	Employer identification number
BANNER HEALTH	45-0233470

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	0
d	Mailings to members, legislators, or the public?		No	0
e	Publications, or published or broadcast statements?		No	0
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		428,771
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?	Yes		143,057
j	Total Add lines 1c through 1i			571,828
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
OTHER LOBBYING ACTIVITIES	BANNER HEALTH ENGAGED SEVERAL INDEPENDENT CONTRACTORS TO PROVIDE GOVERNMENT RELATIONS AND POLITICAL CONSULTING SERVICES FOR BANNER HEALTH THESE CONTRACTORS WORKED WITH BOTH THE FEDERAL AND STATE GOVERNMENTS ON ISSUES IMPORTANT TO BANNER HEALTH'S CHARITABLE MISSION IN 2013, BANNER HEALTH PAID $428,771 FOR THESE SERVICES AND THESE AMOUNTS ARE REPORTED ON LINE 1G BANNER HEALTH MAINTAINS A GOVERNMENT RELATIONS DEPARTMENT $36,939 OF THE AMOUNT REPORTED ON LINE 1I IS RELATED TO THE SERVICES PROVIDED BY THE GOVERNMENT RELATIONS DEPARTMENT IN CONNECTION WITH STATE AND LOCAL LEGISLATIVE ACTIVITIES INCLUDING GENERAL LOBBYING AT THE STATE LEGISLATIVE LEVEL $106,118 OF THE AMOUNT REPORTED ON LINE 1I IS RELATED TO DUES PAID TO VARIOUS PROFESSIONAL MEDICAL ASSOCIATIONS IN WHICH BANNER HEALTH HOLDS MEMBERSHIP THESE ASSOCIATIONS HAVE MADE A DETERMINATION THAT A CERTAIN AMOUNT OF THE DUES PAID WERE USED FOR LOBBYING ACTIVITIES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	(b) (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
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		162,755,345		162,755,345
b Buildings		1,300,686,083	476,576,657	824,109,426
c Leasehold improvements		25,439,004	14,450,850	10,988,154
d Equipment		3,549,894,727	2,035,605,967	1,514,288,760
e Other		249,588,459	45,756,975	203,831,484
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				2,715,973,169

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

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

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
LONG-TERM SWAPS	215,630,988
LEASE OBLIGATION	168,986,200
SERP LIABILITY	45,570,289
PENSION PAYABLE	37,215,720
THIRD PARTY PAYOR SETTLEMENTS	36,806,614
SELF-INSURANCE LIABILITIES	34,643,555
CAP LEASE PAYABLE	21,504,828
MISC LIABILITIES	70,377,394
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	630,735,588

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

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

1	Total revenue, gains, and other support per audited financial statements			1	
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 XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

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

1 **(a)** Description of Liability	**(b)** Book Value
LONG-TERM SWAPS	215,630,988
LEASE OBLIGATION	168,986,200
SERP LIABILITY	45,570,289
PENSION PAYABLE	37,215,720
THIRD PARTY PAYOR SETTLEMENTS	36,806,614
SELF-INSURANCE LIABILITIES	34,643,555
CAP LEASE PAYABLE	21,504,828
MISC LIABILITIES	70,377,394

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

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

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Central America and the Caribbean			Investments		1,146,103,259
(2)					
(3)					
(4)					
(5)					
3a Sub-total					1,146,103,259
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					1,146,103,259

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

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

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

3 Enter total number of other organizations or entities . . . . . ▶

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

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	☑ Yes	☐ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*	☐ Yes	☑ No

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

Part V **Supplemental Information**

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

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☑ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 500 %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4		No
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			153,070,339	0	153,070,339	3 850 %
b Medicaid (from Worksheet 3, column a)			621,842,823	394,582,025	227,260,798	5 710 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			774,913,162	394,582,025	380,331,137	9 560 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			8,069,660	48,835	8,020,825	0 200 %
f Health professions education (from Worksheet 5)			52,568,329	29,156,752	23,411,577	0 590 %
g Subsidized health services (from Worksheet 6)			17,154,459	476,075	16,678,384	0 420 %
h Research (from Worksheet 7)			38,263,641	27,194,573	11,069,068	0 280 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,550,981		2,550,981	0 060 %
j **Total.** Other Benefits			118,607,070	56,876,235	61,730,835	1 550 %
k **Total.** Add lines 7d and 7j			893,520,232	451,458,260	442,061,972	11 110 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing			53,000		53,000	
2 Economic development			70,830		70,830	
3 Community support			14,713		14,713	
4 Environmental improvements			2,500		2,500	
5 Leadership development and training for community members			7,978		7,978	
6 Coalition building			285,976		285,976	0 010 %
7 Community health improvement advocacy						
8 Workforce development			1,699,107		1,699,107	0 040 %
9 Other						
10 **Total**			2,134,104		2,134,104	0 050 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 120,885,839			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 72,531,504			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	862,907,704
6	Enter Medicare allowable costs of care relating to payments on line 5	6	851,873,126
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	11,034,578
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 LOVELAND ENDOSCOPY	ENDOSCOPY CENTER	25 000 %		75 000 %
2 BANNER BAYWOOD PAIN	AMBULATORY SURGERY CENTER	51 000 %		49 000 %
3 BANNER CYN SPR SURG	AMBULATORY SURGERY CENTER	69 200 %		30 800 %
4 BANNER DESERT SURG	AMBULATORY SURGERY CENTER	63 500 %		36 500 %
5 SURGICENTER OF AMER	AMBULATORY SURGERY CENTER	70 400 %		29 600 %
6 UNION HILLS SURG CTR	AMBULATORY SURGERY CENTER	79 100 %		20 900 %
7 LOVELAND SURG ENTPR	AMBULATORY SURGERY CENTER	61 000 %		14 000 %
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?
24

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)

A

Name of hospital facility or facility reporting group _____

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SEE SCHEDULE H, PART V, SECTION C			
b	☐ Other website (list url) _____			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		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?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 500 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 500 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BANNER GOLDFIELD MEDICAL CENTER

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) 24

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1		No
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ___			
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		
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		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website (list url) _____			
b	☐ Other website (list url) _____			
c	☐ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
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		
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?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 500 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 500 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	12		No
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**		No

If "No," indicate why

- **a** ☐ The hospital facility did not provide care for any emergency medical conditions
- **b** ☐ The hospital facility's policy was not in writing
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☐ Other (describe in Part VI)

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- **a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- **b** ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- **c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- **d** ☑ Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No

If "Yes," explain in Part VI

22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No

If "Yes," explain in Part VI

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Add'l Data	

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? **171**

	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, LINE 3C	BANNER HEALTH (BANNER/BH) USES FPG DEDICATED TO PROVIDING QUALITY HEALTHCARE TO ALL PATIENTS REGARDLESS OF AGE, SEX, RACE, RELIGION, DISABILITY, VETERAN STATUS, NATIONAL ORIGIN AND/OR ABILITY TO PAY, DETERMINATIONS ARE MADE BASED UPON BANNER'S FINANCIAL ASSISTANCE POLICY BH'S FINANCIAL ASSISTANCE PROGRAM IS INTENDED TO ADDRESS THE DUAL INTERESTS OF PROVIDING ACCESS TO CARE TO THOSE WITHOUT THE ABILITY TO PAY (ECONOMIC INDIGENCE) AND TO OFFER A DISCOUNT FROM BILLED CHARGES FOR THOSE WHO ARE ABLE TO PAY A PORTION OF THE COSTS OF THEIR CARE (MEDICAL INDIGENCE) THIS POLICY ESTABLISHES TWO FINANCIAL ASSISTANCE PROGRAMS THE BASIC FINANCIAL ASSISTANCE PROGRAM AND THE ENHANCED ASSISTANCE PROGRAM UNDER THE BASIC FINANCIAL ASSISTANCE PROGRAM, UNINSURED PERSONS HAVING ANNUAL HOUSEHOLD INCOMES OF $125,000 OR LESS WILL QUALIFY FOR FINANCIAL ASSISTANCE IN THE FORM OF DISCOUNTED PRICING COMPARABLE TO THAT AVAILABLE TO COMMERCIAL INSURANCE PAYORS WITHOUT HAVING TO APPLY FOR MEDICAID ASSISTANCE UNDER THE ENHANCED FINANCIAL ASSISTANCE PROGRAM, UNINSURED PERSONS HAVING HOUSEHOLD INCOMES AT OR BELOW 500% OF THE FEDERAL POVERTY LINE WILL QUALIFY FOR FINANCIAL ASSISTANCE IN THE FORM OF SUBSTANTIAL DISCOUNTS OR FREE CARE, SUBJECT TO APPLICATION FOR MEDICAID ASSISTANCE BH MAKES EVERY EFFORT TO COMPLETE A FINANCIAL EVALUATION AT THE EARLIEST POSSIBLE POINT IN THE REGISTRATION/COLLECTION PROCESS FOR ALL PATIENTS INDICATING AN INABILITY TO MEET THEIR FINANCIAL OBLIGATIONS BANNER WILL PROVIDE A FINANCIAL ASSISTANCE PROGRAM APPLICATION AFTER ALL OTHER OPTIONS FOR REIMBURSEMENT HAVE BEEN EXHAUSTED SEE PART VI, LINE 3 FOR INFORMATION ON HOW PATIENTS ARE MADE AWARE OF BH'S FINANCIAL ASSISTANCE PROGRAM SCHEDULE H, PART I, LINE 6A BANNER HEALTH PREPARES AN ANNUAL SYSTEM REPORT OF COMMUNITY BENEFIT ACTIVITIES AS WELL AS AN ELECTRONIC BANNER HEALTH COMMUNITY UPDATE WHICH INCLUDES A COMMUNITY MESSAGE AND HIGHLIGHTS COMMUNITY LEADERSHIP AND SUPPORT THIS E-PUBLICATION CAN BE LOCATED AT HTTP //WWW BANNERHEALTH COM/ABOUT+US/COMMUNITY+UPDATE/COMMUNITY +UPDATE+HOME HTM
SCHEDULE H, PART I, LINE 7	1) FINANCIAL ASSISTANCE AT COST, MEDICAID AND OTHER MEANSTESTED GOVERNMENT PROGRAMS USING THE COST-TO-CHARGE METHODOLOGY DETERMINED BY THE COST ACCOUNTING SYSTEM, THE RATIO OF PATIENT CARE COST TO CHARGES OR RELATIVE VALUE UNITS IS APPLIED TO PATIENT ACCOUNTS TO CALCULATE THE ESTIMATED COST OF FINANCIAL ASSISTANCE THE COST ACCOUNT SYSTEM ADDRESS ALL PATIENT SEGMENTS AT THE ACUTE CARE FACILITIES THE COST ACCOUNTING APPLICATION IS NOT IMPLEMENTED AT THE HEALTH CENTERS, PHYSICIAN PRACTICES, HOME CARE, SURGICAL CENTERS, OR OCCUPATIONAL HEALTH 2) COMMUNITY HEALTH IMPROVEMENT BANNER USES THE CBISA, COMMUNITY BENEFIT INVENTORY TOOL TO COORDINATE AND ESTIMATE THE COSTS ASSOCIATED WITH COMMUNITY HEALTH IMPROVEMENT INITIATIVES 3) HEALTH PROFESSIONS EDUCATION, SUBSIDIZED HEALTH SERVICES, AND RESEARCH ACTUAL COST LESS REIMBURSEMENTS AS REPORTED IN THE GENERAL LEDGER ARE USED TO VALUE THESE ACTIVITIES WHICH OPERATED AT A LOSS PROVIDE INVALUABLE SERVICES TO BH COMMUNITIES 4) CASH AND IN-KIND CONTRIBUTIONS ACTUAL OR FAIR MARKET VALUE, IS USED TO VALUE THESE CONTRIBUTIONS OR ACTIVITIES SCHEDULE H, PART I, LINE 7G Subsidized health services reported in Section 7G includes among other things Alzheimer's memory disorder and residential treatment programs, poison and drug information services, palliative care clinics, trauma care, burn clinics, prescription assistance programs, behavioral health care, funded follow-up and continuing care for indigents, senior adult day care, community based prenatal program for under/uninsured mothers, school-based clinic activities, women's and children's services, free/reduced mammograms and bone density tests and programs for the chronic inebriate population Operated at a loss, respective BH communities would be deprived of these services if not for the organizations involvement

Form and Line Reference	Explanation
SCHEDULE H, PART II	In furtherance of its exempt mission, BH provides a broad range of benefits to the communities it serves These activities promoted the health, safety and well-being of local communities by providing advocacy services to its constituents through participation in local and national health campaigns, enhancing community workforce through recruitment for medically underserved areas, provision of leaders to develop local talent, provision of staff for community volunteerism, recognizing the employee volunteer base, participation in various community awareness programs, involvement in community economic development efforts and being a good corporate citizen The results of these efforts include but are not limited to - Promoting community health - Providing volunteer leadership to local boards and task forces thereby allowing the entity to channel resources to the community need instead of salaries - Providing Federal medically underserved areas with physicians - Providing disaster training and education to improve community safety and awareness for residents - Partnering with local blood banks to blood combat shortages - Providing meeting room, electronic teleconference technology and other space for various community groups Without these in-kind donations, these organizations would be required to expend funds, funds needed in support of their missions for space rental - Partnering with local United Way agencies to improve and enhance community initiatives - Support of community social service needs through employee food and clothing initiatives
SCHEDULE H, PART III, LINE 1	BH WRITES OFF BAD DEBT AS AN OPERATING EXPENSE (AS OPPOSED TO A REDUCTION IN ALLOWANCE) AND BAD DEBT RESERVES ARE EVALUATED MONTHLY THIS METHODOLOGY ALLOWS THE ORGANIZATION TO ARRIVE AT THE SAME POSITION AS STATEMENT 15 DESCRIBES WE DO NOT HOWEVER WRITE DOWN SELF-PAY ACCOUNTS USING A CONTRA REVENUE ACCOUNT UNLESS WE HAVE DEEMED IT FINANCIAL ASSISTANCE WHICH IS A VARIANCE FROM THE STATEMENT (WHICH REQUIRES A WRITE DOWN OF THE RECEIVABLE TO THE COLLECTIBLE AMOUNT USING A CONTRA REVENUE ACCOUNT)

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 2	THE PATIENT CARE COST TO CHARGES RATIO IS APPLIED TO THE BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS TO CALCULATE THE ESTIMATED COST OF BAD DEBT ATTRIBUTABLE TO ACCOUNTS/AMOUNTS REPORTED ON LINE 2 DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS ARE RECORDED AS AN ADJUSTMENT TO REVENUE, NOT BAD DEBT EXPENSE
SCHEDULE H, PART III, LINE 3	In 2006 the organization engaged a third party to assess the validity of accounts attributable to bad debt and to analyze what percent of bad debt could be/should be attributable to patients who would otherwise have qualified for financial assistance under the BH financial assistance policies Based on the study, BH estimates that in excess of 60% of the patient accounts comprising the organization's bad debt may have been eligible for financial assistance under BH policies Following this study, the organization endeavored to enhance efforts to inform patients of its financial assistance policies However, in order to ensure that the organization's enhanced financial assistance policy is utilized only by those persons who truly require such enhanced assistance, the policy requires that patients must first apply complete an application, provide supporting documentation and (with some exceptions) apply for Medicaid Despite encouragement by the organization, there are many times when the patient refuses or is unable to complete an application to BH, provide information to support qualification, or apply for Medicaid

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 4	FOOTNOTE PER AUDITED FINANCIAL STATEMENTS (PAGE 12) NET PATIENT ACCOUNTS RECEIVABLE FOOTNOTE NET PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICES REVENUES HAVE BEEN ADJUSTED TO THE ESTIMATED AMOUNTS EXPECTED TO BE RECEIVED BASED ON CONTRACTUAL RATES FOR SERVICES RENDERED THESE ESTIMATED AMOUNTS ARE SUBJECT TO FURTHER ADJUSTMENTS UPON REVIEW BY THIRD-PARTY PAYORS MANAGEMENT ESTIMATES THE PROVISION FOR DOUBTFUL ACCOUNTS AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR EACH MAJOR PAYOR BASED UPON HISTORICAL COLLECTION EXPERIENCE OF EACH FACILITY MANAGEMENT REGULARLY REVIEWS PAYMENT DATA FOR EACH MAJOR PAYOR IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS COSTING METHODOLOGY THE RATIO OF PATIENT CARE COST TO CHARGES IS APPLIED TO THE BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS TO CALCULATE THE ESTIMATED COST OF BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS THAT IS REPORTED ON LINE 2 DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS ARE RECORDED AS AN ADJUSTMENT TO REVENUE NOT BAD DEBT EXPENSE
SCHEDULE H, PART III, LINE 8	THE MEDICARE COST REPORTS THAT HOSPITALS ARE REQUIRED TO FILE DO NOT INCLUDE ALL OF THE COSTS REQUIRED TO TREAT MEDICARE PATIENTS USING A FINANCIAL STATEMENT COST-TO-CHARGE RATIO METHODOLOGY, THE 2013 RESULT IS A SURPLUS IN 2013 OF $11,034,578 THIS IS AN ISOLATED OCCURRENCE RESULTING FROM THE LAG IN MEDICARE COST REPORT COSTS AS COMPARED TO NET REVENUE THIS SITUATION IS NOT ANTICIPATED TO CONTINUE AND A RETURN TO A SHORTFALL POSITION IS PROJECTED AS CALCULATIONS REFLECTED ON THE COST REPORT DO NOT CUSTOMARILY TAKE INTO ACCOUNT ALL COSTS INCURRED BY THE ORGANIZATION AND DIFFERS FROM THE COST REFLECTED ON THE FINANCIAL STATEMENTS THESE MEDICARE SHORTFALLS THAT MORE TYPICALLY OCCUR SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE, ABSENT THIS PROGRAM, MANY INDIVIDUALS WOULD QUALIFY FOR FINANCIAL ASSISTANCE AND OTHER NEEDS BASED PROGRAMS BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF THE GOVERNMENT ARE RELIEVED AND THE AMOUNT SPENT TO COVER THE MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFIT NEEDS

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 9B	FINANCIAL ASSISTANCE FOR WHICH THE PATIENT HAS QUALIFIED IF THE ACCOUNT IS NOT WRITTEN OFF COMPLETELY, THE REDUCED BALANCE IS TREATED IN THE SAME MANNER AS ACCOUNTS FOR PATIENTS WITHOUT INSURANCE WHO DO NOT QUALIFY FOR FINANCIAL ASSISTANCE FOR THOSE PATIENTS WHO DO NOT QUALIFY FOR FINANCIAL ASSISTANCE AND FOR THE PORTION OF THE ACCOUNTS REMAINING AFTER APPLICATION OF THE FINANCIAL ASSISTANCE POLICIES FOR PATIENTS WHO QUALIFY FOR SUCH ASSISTANCE, ACCOUNT COLLECTION PROCESS IS AS FOLLOWS 1) THE PATIENT OR GUARANTOR WILL RECEIVE THREE STATEMENTS PRIOR TO THE ACCOUNT BEING PLACED WITH AN OUTSIDE AGENCY THE STATEMENT PROCESS INVOLVES THREE STATEMENT CYCLES FOR EACH ACCOUNT (1) ONE DAY AFTER FINAL BILL, (2) 36 DAYS AFTER FINAL BILL AND (3) 71 DAYS AFTER FINAL BILL THE PROCESS TAKES 105 DAYS TO COMPLETE THE ACCOUNT IS SENT TO COLLECTIONS FIVE DAYS AFTER THE FINAL STATEMENT CYCLE 2) ATTEMPTS ARE MADE TO VERIFY PHYSICAL LOCATION OF PATIENT AND ALSO TO DETERMINE IF THE PATIENT MAY BE ELIGIBLE FOR AHCCCS/MEDICAID COVERAGE IN ADDITION AN ATTEMPT IS MADE VIA PHONE BASED ON THE GUARANTOR'S PROPENSITY TO PAY AND A DETERMINED DOLLAR AMOUNT FOR THE TOP 50% OF OUR CUSTOMERS 3) ACCOUNTS ARE TURNED OVER TO AN OUTSIDE AGENCY UNDER CONTRACT WITH BH WHEN ALL EFFORTS HAVE BEEN EXHAUSTED 4) ONCE ASSIGNED TO AN OUTSIDE COLLECTION AGENCY, VARIOUS DEBT COLLECTION PRACTICES ARE UTILIZED IN DIFFERENT STATES, DEPENDING UPON LOCAL CUSTOM AND PRACTICE IN ALMOST ALL SITUATIONS, THE COLLECTION AGENCY ATTEMPTS TO OBTAIN PAYMENT FROM THE PATIENT BY MEANS OF DIRECT TELEPHONE CONTACT IF THIS IS UNSUCCESSFUL, FAILURE TO MAKE PAYMENT UPON AN ACCOUNT RESULTS IN A REPORT TO A CREDIT AGENCY IN CERTAIN STATES, THE COLLECTION AGENCY WILL FILE A COLLECTION LAWSUIT TO OBTAIN A JUDGMENT UPON THE UNPAID ACCOUNT, DEPENDING UPON THE ASSESSMENT OF THE AGENCY AS TO THE POTENTIAL COLLECTIBILITY OF THE ACCOUNT IN THE ORGANIZATION'S PRIMARY STATE, ARIZONA, LAWSUITS ARE RARELY INITIATED, TYPICALLY ONLY WHEN THERE IS REASON TO BELIEVE THAT THE PATIENT HAS SUFFICIENT NET ASSETS TO PAY THE ACCOUNT, AND REQUIRE THE PRIOR APPROVAL OF BH
SCHEDULE H, PART VI, LINE 2	BH utilizes its Strategy and Planning Team to continually identify areas in the communities BH serves where institutional clinical needs are not being satisfied especially for those within underserved, uninsured and minority populations It also leverages a multi-phased approach to understanding gaps in services provided to communities served by hospitals within the system as well as community resources through a combination of population growth and changing demographics analysis, detailed analysis of national, state and county data sources, healthcare services available through other hospital providers, physician supply in the BH service areas, new and more effective healthcare services that are becoming available that would elevate the quality of healthcare services provided to BH communities, and demand pressures experienced by existing BH facilities and physicians On a local basis, hospital management teams regularly consult with community leaders and partners, local community-based advisory boards, other service providers (including federally qualified health clinics) and businesses to identify unmet physician and hospital needs These findings are then prioritized based on system capital and operating resource availability, feasibility, availability of physicians to be recruited to the service area, and sustainability Based upon this prioritization, capital and operating resources are then integrated into the facility and System budgets and plans

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	POLICIES AND PROCEDURES EXIST TO EDUCATE OUR PATIENTS ON FINANCIAL ASSISTANCE ELIGIBILITY AND THEY ARE PROVIDED NUMEROUS OPPORTUNITIES FOR EDUCATION ON BANNER HEALTH FINANCIAL ASSISTANCE POLICIES THE FOLLOWING ARE EXAMPLES OF COMMUNICATION/EDUCATION AVAILABLE TO BH PATIENTS A SIGNAGE AND COLLATERAL IN BOTH ENGLISH AND SPANISH ARE POSTED PROMINENTLY IN PATIENT WAITING LOBBIES, INCLUDING THE EMERGENCY DEPARTMENTS, STATING THAT BANNER HAS FINANCIAL ASSISTANCE PROGRAMS FOR THOSE WHO DO NOT HAVE INSURANCE OR MAY BE UNABLE TO PAY FOR THEIR SHARE OF THE COST OF SERVICES B A TOLL FREE NUMBER IS PROVIDED FOR THE PATIENT'S/FAMILY'S CONVENIENCE C AFTER MEDICAL SCREENING, PATIENTS ARE VISITED BY STAFF AND INFORMED OF THE FINANCIAL POLICY STAFF ALSO ASSISTS POTENTIALLY ELIGIBLE PATIENTS TO APPLY FOR ENROLLMENT FOR MEDICAID/AHCCCS D A BRIGHTLY COLORED INSERT IS INCLUDED IN ALL OF OUR BILLING STATEMENTS TO PATIENTS THE INSERT AGAIN INFORMS PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE IN BOTH ENGLISH AND SPANISH AND PROVIDES TOLL-FREE ACCESS E DEPARTMENT REPRESENTATIVES AGAIN INFORM PATIENTS OF THE FINANCIAL ASSISTANCE POLICIES DURING THE SELF-PAY COLLECTION PROCESS F BANNER HEALTH WEBSITE PROVIDES INFORMATION IN BOTH ENGLISH AND SPANISH OF THE AVAILABILITY OF FINANCIAL ASSISTANCE THROUGHOUT THE PROCESS, STAFF CONTINUES TO ADVISE POTENTIALLY ELIGIBLE PATIENTS OF THE POSSIBILITY OF ENROLLMENT IN MEDICAID/AHCCCS AND OFFERS TO ASSIST IN SUCH ENROLLMENT
SCHEDULE H, PART VI, LINE 4	BANNER HEALTH HAD 24 HOSPITALS (AS OF DECEMBER 31, 2013), AND OPERATES OR LEASES NURSING HOMES, PHYSICIAN CLINICS, HOME HEALTH AGENCIES, AMBULATORY FACILITIES, AND DURABLE MEDICAL EQUIPMENT SERVICES IN SEVEN WESTERN STATES THESE RANGE FROM THE PHOENIX METROPOLITAN AREA (MOST OF WHICH IS LOCATED IN MARICOPA COUNTY), TO REMOTE RURAL AREAS THE FOLLOWING SETS FORTH PERTINENT DEMOGRAPHIC INFORMATION WITH RESPECT TO THE COMMUNITIES AND AREAS SERVED BY BH FACILITIES A ALASKA 1) STATE I) POPULATION 735,132 II) MEDIAN HOUSEHOLD INCOME $69,917 III) POPULATION BELOW POVERTY LEVEL 9 60% iv) Uninsured estimate of total population 20 50% v) Uninsured - Nonelderly Incomes up to 200% of FPL 23 00% vi) Annual point in time uninsured population 18 5% vii) Uninsured Population SAHIE 22 3% viii) Uninsured Rates Among the Nonelderly Greater than 16% 2) FAIRBANKS NORTHSTAR BOROUGH COUNTY I) POPULATION 100,439 II) MEDIAN HOUSEHOLD INCOME $69,485 III) POPULATION BELOW POVERTY LEVEL 8 00% IV) UNINSURED POPULATION SAHIE 21 1% B ARIZONA 1) STATE I) POPULATION 6,626,624 II) MEDIAN HOUSEHOLD INCOME $50,526 iii) Population below poverty level 17 20% iv) Uninsured estimate of total population 17 60% v) Uninsured - Nonelderly Incomes up to 200% of FPL 28 00% vi) Annual uninsured population 17 10% vii) Uninsured Population SAHIE 20 4% viii) Uninsured Rates Among the Nonelderly Greater than 16% 2) MARICOPA COUNTY I) POPULATION 4,009,412 II) MEDIAN HOUSEHOLD INCOME $54,385 III) POPULATION BELOW POVERTY LEVEL 15 80% IV) UNINSURED POPULATION SAHIE 20 0% 3) COCONINO COUNTY I) POPULATION 136,539 II) MEDIAN HOUSEHOLD INCOME $48,320 III) POPULATION BELOW POVERTY LEVEL 21 80% IV) UNINSURED POPULATION SAHIE 24 8% 4) PINAL COUNTY I) POPULATION 389,350 II) MEDIAN HOUSEHOLD INCOME $50,194 III) POPULATION BELOW POVERTY LEVEL 15 20% IV) UNINSURED POPULATION SAHIE 19 6% C CALIFORNIA 1) STATE I) POPULATION 38,332,521 II) MEDIAN HOUSEHOLD INCOME $61,400 III) POPULATION BELOW POVERTY LEVEL 15 30% IV) UNINSURED ESTIMATE OF TOTAL POPULATION 17 9% V) Uninsured - Nonelderly Incomes up to 200% of FPL 25 00% vi) Annual point in time uninsured population 17 20% vii) Uninsured Population SAHIE 20 00% viii) Uninsured Rates Among the Nonelderly Greater than 16% 2) LASSEN COUNTY I) POPULATION 32,163 II) MEDIAN HOUSEHOLD INCOME $51,921 III) POPULATION BELOW POVERTY LEVEL 115 40% IV) UNINSURED POPULATION SAHIE 13 4% D COLORADO 1) STATE I) POPULATION 5,268,367 II) MEDIAN HOUSEHOLD INCOME $58,244 III) POPULATION BELOW POVERTY LEVEL 12 9% iv) Uninsured estimate of total population 14 7% v) Uninsured - Nonelderly Incomes up to 200% of FPL 24 00% vi) Annual point in time uninsured population 16% vii) Uninsured Population SAHIE 16 7% viii) Uninsured Rates Among the Nonelderly 12-16% 2) LARIMER COUNTY I) POPULATION 315,988 II) MEDIAN HOUSEHOLD INCOME $57,927 III) POPULATION BELOW POVERTY LEVEL 13 70% IV) UNINSURED POPULATION SAHIE 14 8% 3) LOGAN COUNTY I) POPULATION 22,450 II) MEDIAN HOUSEHOLD INCOME $41,369 III) POPULATION BELOW POVERTY LEVEL 15 90% IV) UNINSURED POPULATION SAHIE 18 4% 4) MORGAN COUNTY I) POPULATION 28,404 II) MEDIAN HOUSEHOLD INCOME $42,829 III) POPULATION BELOW POVERTY LEVEL 14 60% IV) UNINSURED POPULATION SAHIE 21 8% 5) WELD COUNTY I) POPULATION 269,785 II) MEDIAN HOUSEHOLD INCOME $56,589 III) POPULATION BELOW POVERTY LEVEL 14 40% IV) UNINSURED POPULATION SAHIE 19 1% E NEBRASKA 1) STATE I) POPULATION 1,868,516 II) MEDIAN HOUSEHOLD INCOME $51,381 iii) Population below poverty level 12 4% iv) Uninsured estimate of total population 11 3% v) Uninsured - Nonelderly Incomes up to 200% of FPL 23% vi) Annual uninsured population 11 3% vii) Uninsured Population SAHIE 12 9% viii)Uninsured Rates Among the Nonelderly Less than 12% 2) KEITH COUNTY I) POPULATION 8,130 II) MEDIAN HOUSEHOLD INCOME $43,662 III) POPULATION BELOW POVERTY LEVEL 11 30% IV) POPULATION OF ALL UNINSURED 14 80% F NEVADA 1) STATE I) POPULATION 2,790,136 II) MEDIAN HOUSEHOLD INCOME $54,083 iii) Population below poverty level 14 2% iv) Uninsured estimate of total population 22 2% v) Uninsured - Nonelderly Incomes up to 200% of FPL 28 00% vi) Annual uninsured population 20 7% vii) Uninsured Population SAHIE 24 5% viii)Uninsured Rates Among the Nonelderly Greater than 16% 2) CHURCHILL COUNTY I) POPULATION 24,063 II) MEDIAN HOUSEHOLD INCOME $54,538 III) POPULATION BELOW POVERTY LEVEL 13 10% IV) UNINSURED POPULATION SAHIE 23 3% G WYOMING 1) STATE I) POPULATION 582,658 II) MEDIAN HOUSEHOLD INCOME $56,573 iii) Population below poverty level 11% iv) Uninsured estimate of total population 15 4% v) Uninsured - Nonelderly Incomes up to 200% of FPL 29 00% vi) Annual uninsured population 13 40% vii) Uninsured Population SAHIE 17 3% viii)Uninsured Rates Among the Nonelderly Greater than 16% 2) GOSHEN COUNTY I) POPULATION 13,612 II) MEDIAN HOUSEHOLD INCOME $43,401 III) POPULATION BELOW POVERTY LEVEL 18 30% IV) UNINSURED POPULATION SAHIE 17 6% 3) PLATTE COUNTY I) POPULATION 8,756 II) MEDIAN HOUSEHOLD INCOME $44,917 III) POPULATION BELOW POVERTY LEVEL 13 30% IV) UNINSURED POPULATION SAHIE 17 9% 4) WASHAKIE COUNTY I) POPULATION 8,463 II) AVERAGE HOUSEHOLD INCOME $44,519 III) POPULATION BELOW POVERTY LEVEL 11 50% IV) UNINSURED POPULATION SAHIE 18 8% H BANNER AVERAGE I) MEDIAN HOUSEHOLD INCOME $57,408 II) POPULATION BELOW POVERTY LEVEL 13 23% iii) Uninsured estimate of total population 17 09% iv) Annual point in time uninsured population 16 32% v) Uninsured - Nonelderly Incomes up to 200% of FPL 26 00% vi) Uninsured Rates Among the Nonelderly 18% and above Sources 2013 U S Census Bureau, 2013 American Community Survey, 2012 Small Area Health Insurance Estimate, 2013 Kaiser Family Foundation State Facts

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	BH IS GOVERNED BY A COMMUNITY BOARD, DRAWN PRIMARILY FROM THE COMMUNITIES SERVED BY BH THIS BOARD ESTABLISHES BH PRIORITIES AND ENSURES THAT IT OPERATES IN A MANNER THAT WILL FURTHER ITS CHARITABLE, NONPROFIT PURPOSE TO IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES AS A NONPROFIT ENTITY, BH EXISTS TO PROVIDE HEALTH CARE SERVICES TO THE COMMUNITIES WE SERVE, NOT TO GENERATE PROFITS TO THAT END, EVERY DOLLAR EARNED IS REINVESTED IN NEW EQUIPMENT, NEW OR EXPANDED PATIENT CARE SERVICES, NEW TECHNOLOGIES, MAINTENANCE OF EXISTING EQUIPMENT AND FACILITIES AND NEW FACILITIES TO MEET MARKET NEEDS OR TO ENSURE THE LONG-TERM SUCCESS OF THE ORGANIZATION FOR EVERY $1 RECEIVED IN PAYMENT FOR PROVIDING CARE TO PATIENTS, WE SPEND ON AVERAGE $ 95 TO PAY OUR EXPENSES THESE EXPENSES ARE ALLOCATED AS FOLLOWS - SALARIES AND BENEFITS (49) - OPERATING EXPENSES SUCH AS UTILITIES, MAINTENANCE, REPAIRS AND INSURANCE (16) - SUPPLIES (16) - DEPRECIATION ON CAPITAL INVESTMENTS LIKE EQUIPMENT AND CONSTRUCTION (05) - INTEREST AND LEASE EXPENSE (04) - BAD DEBT EXPENSE FOR PATIENTS THAT ARE UNABLE OR UNWILLING TO PAY FOR THEIR CARE (05) IN PARTICULAR, BANNER'S HEAVY REINVESTMENT IN CLINICAL SYSTEMS AND HEALTH INFORMATION TECHNOLOGY ENABLES BH TO PROVIDE A UNIFORMLY HIGH QUALITY OF CARE THROUGHOUT THE SYSTEM, INCLUDING BH'S SMALL, RURAL, CRITICAL ACCESS HOSPITALS PHYSICIANS AND STAFF PRACTICING IN THESE SOLE COMMUNITY PROVIDERS HAVE THE SAME ELECTRONIC HEALTH RECORD SYSTEMS AND COMPUTERIZED PHYSICIAN ORDER ENTRY AND DECISION SUPPORT TOOLS AS ARE UTILIZED IN BH'S LARGEST TEACHING HOSPITAL IN ADDITION, BY MEANS OF REMOTE MONITORING AND TELEMEDICINE TECHNOLOGIES, THESE SMALL RURAL HOSPITALS HAVE ACCESS TO THE CLINICAL AND OPERATIONAL SUPPORT OF THE ENTIRE SYSTEM, THEREBY BRINGING A LEVEL OF SOPHISTICATED HEALTH CARE TO THESE COMMUNITIES THAT WOULD NOT OTHERWISE BE POSSIBLE EXCEPT IN LIMITED CIRCUMSTANCES WHERE NECESSARY TO ENSURE THE AVAILABILITY OF CONSISTENT AND EFFICIENT PHYSICIAN SERVICES, BH UTILIZES AN OPEN MEDICAL STAFF MODEL, THEREBY MAKING THE FACILITIES AVAILABLE TO LOCAL PHYSICIANS TO PROVIDE HIGH-QUALITY HOSPITAL SERVICES TO OUR COMMUNITIES IN ADDITION, BH IS AGGRESSIVELY PURSUING AN INTEGRATION STRATEGY INVOLVING NETWORKS OF EMPLOYED AND INDEPENDENT PHYSICIANS CAPABLE OF PROVIDING EFFICIENT, EVIDENCE-BASED AND HIGH-QUALITY CLINICAL CARE WITHIN AN INTEGRATED SYSTEM COVERING THE FULL CONTINUUM OF CARE THIS WILL ENABLE BH TO IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES WHILE LIMITING THE COSTS OF PROVIDING SUCH CARE
SCHEDULE H, PART VI, LINE 7	AS REQUIRED BY LAW, BANNER FILES A COMMUNITY BENEFIT REPORT IN CALIFORNIA BANNER ALSO REPORTS IN THOSE STATES WITH VOLUNTARY HOSPITAL ASSOCIATION REPORTING REQUIREMENTS (ALASKA, COLORADO AND NEBRASKA)

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

Form 990 Schedule H, Part V Section A. Hospital Facilities

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? **24** 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
1	BANNER GOOD SAMARITAN MEDICAL CENTER 1111 E MCDOWELL RD PHOENIX,AZ 85006 WWW BANNERHEALTH COM H0016	X	X		X			X			A
2	BANNER DESERT MEDICAL CENTER 1400 S DOBSON ROAD MESA,AZ 85202 WWW BANNERHEALTH COM H0137	X	X	X				X			A
3	BANNER BOSWELL MEDICAL CENTER 10401 W THUNDERBIRD ROAD SUN CITY,AZ 85351 WWW BANNERHEALTH COM H4436	X	X					X			A
4	BANNER THUNDERBIRD MEDICAL CENTER 5555 W THUNDERBIRD ST GLENDALE,AZ 85304 WWW BANNERHEALTH COM H0092	X	X					X			A
5	BANNER DEL E WEBB MEDICAL CENTER 14502 WEST MEEKER BLVD SUN CITY WEST,AZ 85375 WWW BANNERHEALTH COM H4434	X	X					X			A
6	BANNER BAYWOOD MEDICAL CENTER 6644 E BAYWOOD AVE MESA,AZ 85206 WWW BANNERHEALTH COM H0155	X	X					X			A
7	BANNER ESTRELLA MEDICAL CENTER 9201 W THOMAS ROAD PHOENIX,AZ 85037 WWW BANNERHEALTH COM H3690	X	X					X			A
8	NORTH COLORADO MEDICAL CENTER 1801 16TH STREET GREELEY,CO 80631 WWW BANNERHEALTH COM 10386	X	X		X			X			A
9	BANNER GATEWAY MEDICAL CENTER 1900 S HIGLEY ROAD GILBERT,AZ 85234 WWW BANNERHEALTH COM H4237	X	X					X			A
10	PLATTE CNTY MEM HOSP- CRITICAL ACCESS 201 14TH STREET WHEATLAND,WY 82201 WWW BANNERHEALTH COM 0713060	X	X			X		X			A
11	FAIRBANKS MEMORIAL HOSPITAL 1650 COWLES STREET FAIRBANKS,AK 99701 WWW BANNERHEALTH COM GACH-004	X	X					X			A
12	MCKEE MEDICAL CENTER 2000 BOISE AVE LOVELAND,CO 80538 WWW BANNERHEALTH COM 010340	X	X					X			A
13	BANNER CHURCHILL COMMUNITY HOSPITAL 801 E WILLIAMS AVE FALLON,NV 89406 WWW BANNERHEALTH COM 638RUH-29	X	X					X			A
14	STERLING REGIONAL MEDICAL CENTER 615 FAIRHURST STREET STERLING,CO 80751 WWW BANNERHEALTH COM 010140	X	X					X			A
15	BANNER BEHAVIORAL HEALTH HOSPITAL 7575 E EARLL DRIVE SCOTTSDALE,AZ 85251 WWW BANNERHEALTH COM SHO147	X									A
16	PAGE HOSPITAL-CRITICAL ACCESS 501 N NAVAJO PAGE,AZ 86406 WWW BANNERHEALTH COM H0086	X	X			X		X			A
17	OGALLALA COMM HOSP-CRITICAL ACCESS 2601 N SPRUCE STREET OGALLALA,NE 69153 WWW BANNERHEALTH COM 470001	X	X			X		X			A
18	WASHAKIE MED CENTER-CRITICAL ACCESS 400 S 15TH STREET WORLAND,WY 82401 WWW BANNERHEALTH COM 10250	X	X			X		X			A
19	BANNER IRONWOOD MEDICAL CENTER 37000 N GANTZEL ROAD SAN TAN VALLEY,AZ 85142 WWW BANNERHEALTH COM H4946	X	X					X			A
20	BANNER LASSEN MED CTR-CRITICAL ACCESS 1800 SPRING RIDGE DRIVE SUSANVILLE,CA 96130 WWW BANNERHEALTH COM 230000020	X	X			X		X			A
21	EAST MORGAN CNTY HOSP-CRITICAL ACCESS 2400 W EDISON ST BRUSH,CO 80723 WWW BANNERHEALTH COM 25017J	X	X			X		X			A
22	COMMUNITY HOSP-TORRINGTON-CRIT ACCESS 2000 CAMPBELL DRIVE TORRINGTON,WY 82240 WWW BANNERHEALTH COM 0713059	X	X			X		X			A
23	BANNER HEART HOSPITAL 6750 E BAYWOOD AVE MESA,AZ 85206 WWW BANNERHEALTH COM SH3034	X	X								A
24	BANNER GOLDFIELD MEDICAL CENTER 2050 W SOUTHERN AVE APACHE JUNCTION,AZ 85120 WWW BANNERHEALTH COM H5738	X	X					X			A

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

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

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

	Name and address	Type of Facility (describe)
1	SONORA QUEST LABORATORIES LLC 1255 W WASHINGTON ST TEMPE,AZ 85281	LABORATORY
2	BANNER MD ANDERSON CANCER CENTER 2946 E BANNER GATEWAY DRIVE GILBERT,AZ 85304	LABORATORY
3	BANNER HOME CARE 13950 W MEEKER BLVD STE 101 SUN CITY,AZ 85375	LABORATORY
4	HORIZON LABORATORY LLC 2555 E 13TH ST STE 115 LOVELAND,CO 80537	LABORATORY
5	DENALI CENTER 1510 19TH AVE FAIRBANKS,AK 99701	LABORATORY
6	BANNER DESERT SURGERY CENTER LP 1500 S DOBSON RD SUITE 101 MESA,AZ 85202	LABORATORY
7	BANNER BOSWELL MEDICAL CENTER REHABILITA 10601 WEST SANTA FE DR SUN CITY,AZ 85351	LABORATORY
8	BANNER BOSWELL MEDICAL CENTER - BANNER L 10474 W THUNDERBIRD BLVD STE 100 SUN CITY,AZ 85351	LABORATORY
9	BANNER HOSPICE 275 E GERMANN STE 110N GILBERT,AZ 85297	LABORATORY
10	SURGICENTERS OF AMERICA LP 1040 E MCDOWELL RD PHOENIX,AZ 85006	LABORATORY
11	GOSHEN COUNTY EVERGREEN COURT 2010 EAST F STREET TORRINGTON,WY 82240	LABORATORY
12	SKYLINE SURGERY CENTERLOVELAND SURG ENT 2555 E 13TH ST STE 200 LOVELAND,CO 80537	LABORATORY
13	BANNER BOSWELL MEDICAL CENTER - WOUND CE 13203 N 103RD AVENUE STE I-1 SUN CITY,AZ 85351	LABORATORY
14	BANNER GATEWAY SURGERY CENTER SURGERY CE 2940 E BANNER GATEWAY DRIVE STE 1 GILBERT,AZ 85234	LABORATORY
15	FAIRBANKS MEMORIAL HOSPITAL PHARMACYDEN 1650 COWLES STREET FAIRBANKS,AK 99701	LABORATORY
16	BANNER FAMILY PHARMACY 1111 E MCDOWELL ROAD PHOENIX,AZ 85006	LABORATORY
17	BANNER THUNDERBIRD SURGERY CENTER (FNA B 5555 B W THUNDERBIRD ROAD GLENDALE,AZ 85304	LABORATORY
18	BANNER BRI-CORE ORTHOPEDIC RESEARCH LAB 14420 W MEEKER BLVD STE 300 SUN CITY WEST,AZ 85375	LABORATORY
19	BANNER ESTRELLA SURGERY CENTER (FNA BANN 9301 W THOMAS ROAD PHOENIX,AZ 85037	LABORATORY
20	BANNER HOME MEDICAL EQUIPMENT COLORADO 1990 59TH AVE STE 300 GREELEY,CO 80634	LABORATORY
21	LOVELAND ENDOSCOPY CENTER LLC 2555 E 13TH ST STE 210 LOVELAND,CO 80537	LABORATORY
22	MOUNTAIN VISTA ORTHOPAEDIC SURGERY CENTE 5890 W 13TH ST STE 102 GREELEY,CO 80634	LABORATORY
23	BANNER HOSPICE HOUSE - MESA 7231 E BROADWAY MESA,AZ 85208	LABORATORY
24	FAIRBANKS MEMORIAL HOSPITAL HOME CARE 1302 21ST AVENUE FAIRBANKS,AK 99701	LABORATORY
25	BANNER THUNDERBIRD BEHAVIORAL HEALTH CEN 5555 W THUNDERBIRD ROAD GLENDALE,AZ 85306	LABORATORY
26	BANNER DEL WEBB SURGERY CENTER (FNA UNIO 18301 N 79TH AVENUE SUITE E150 GLENDALE,AZ 85308	LABORATORY
27	ATRIUM APOTHECARYNCMC PHARMACY 1801 16TH STREET GREELEY,CO 80361	LABORATORY
28	SUMMIT VIEW PHARMACY 2001 70TH AVE GREELEY,CO 80634	LABORATORY
29	BANNER HOME CARE COLORADO 5628 W 19TH ST STE 1 GREELEY,CO 80634	LABORATORY
30	BANNER THUNDERBIRD MEDICAL CENTER - CARD 5601 W EUGIE ST STE 211A 211B GLENDALE,AZ 85304	LABORATORY
31	BANNER HOSPICE HOUSE - SUN CITY WEST 14505 W GRANITE VALLEY DR SUN CITY WEST,AZ 85375	LABORATORY
32	BANNER BOSWELL CARDIAC CENTER 10415 E THUNDERBIRD BLVD SUN CITY,AZ 85351	LABORATORY
33	BANNER HOSPICE HOUSE - PEORIA 8977 WEST ATHENS PEORIA,AZ 85382	LABORATORY
34	WINDSOR COMMUNITY PHARMACY 1300 MAIN STREET WINDSOR,CO 80550	LABORATORY
35	GOSHEN CARE CENTER 2009 LARAMIE STREET TORRINGTON,WY 82240	LABORATORY
36	BANNER ALZHEIMER'S RESIDENCE 12750 N PLAZA DEL RIO BLVD PEORIA,AZ 85381	LABORATORY
37	BANNER GOOD SAMARITAN PALLIATIVE MEDICIN 1300 N 12TH STREET STE 616 PHOENIX,AZ 85006	LABORATORY
38	BANNER GOOD SAMARITAN SURGICAL ASSOCIATE 1300 N 12TH STREET STE 616 PHOENIX,AZ 85006	LABORATORY
39	BANNER SPECIAL ADULTS RESIDENCE 12810 N PLAZA DEL RIO BLVD PEORIA,AZ 85381	LABORATORY
40	BDMC - JEWELS GARDEN ONCOLOGY BOUTIQUE 1432 S DOBSON RD STE 105 MESA,AZ 85202	LABORATORY
41	BANNER HOME CARE COLORADO 320 N CLEVELAND AVENUE LOVELAND,CO 80537	LABORATORY
42	BANNER BAYWOOD PAIN CENTER LP 6424 E BROADWAY ROAD STE 102 MESA,AZ 85206	LABORATORY
43	BANNER SCHOOL-BASED WELLNESS 1010 N COUNTRY CLUB DR MESA,AZ 85201	LABORATORY
44	SONORA QUEST LABORATORIES LLC 10238 E HAMPTON AVE STE 101 MESA,AZ 85208	LABORATORY
45	SONORA QUEST LABORATORIES LLC 1030 N SAN FRANCISCO ST STE 110 FLAGSTAFF,AZ 86001	LABORATORY
46	SONORA QUEST LABORATORIES LLC 10450 E RIGGS ROAD STE 109 SUN LAKES,AZ 85248	LABORATORY
47	BANNER BOSWELL WEST OUTPATIENT DIAGNOSTI 10503 W THUNDERBIRD BLVD SUN CITY,AZ 85351	LABORATORY
48	SONORA QUEST LABORATORIES LLC 10503 W THUNDERBIRD BLVD STE 110 SUN CITY,AZ 85351	LABORATORY
49	BANNER RESEARCH INSTITUTE 10515 W SANTA FE DR SUN CITY,AZ 85351	LABORATORY
50	THE CLEO ROBERTS CENTER 10515 WEST SANTA FE DR 1ST FLR SUN CITY,AZ 85351	LABORATORY
51	SONORA QUEST LABORATORIES LLC 10900 N SCOTTSDALE RD STE 204 SCOTTSDALE,AZ 85254	LABORATORY
52	BANNER GOOD SAMARITAN CENTER - ESRD 1111 E MCDOWELL ROAD SUITE 9-B PHOENIX,AZ 85006	LABORATORY
53	BANNER GOOD SAMARITAN SURGICENTER 1111-B E MCDOWELL RD PHOENIX,AZ 85006	LABORATORY
54	SONORA QUEST LABORATORIES LLC 11209 N TATUM BLVD STE 1 PHOENIX,AZ 85028	LABORATORY
55	SONORA QUEST LABORATORIES LLC 1150 S HIGHWAY 92 STE E SIERRA VISTA,AZ 85635	LABORATORY
56	SONORA QUEST LABORATORIES LLC 1151 S LA CANADA DR STE 206 GREEN VALLEY,AZ 85614	LABORATORY
57	SONORA QUEST LABORATORIES LLC 117 E MAIN ST BUILDING C STE 20 PAYSON,AZ 85541	LABORATORY
58	HORIZON LABORATORY LLC 1230 14TH STREET SW LOVELAND,CO 80537	LABORATORY
59	SONORA QUEST LABORATORIES LLC 1275 W WASHINGTON ST STE 109 TEMPE,AZ 85281	LABORATORY
60	SONORA QUEST LABORATORIES LLC 130 S 63RD ST STE 107 MESA,AZ 85206	LABORATORY
61	BANNER GOOD SAM TRANSPLANT SVS 1300 N 12TH ST STE 404 PHOENIX,AZ 85006	LABORATORY
62	SONORA QUEST LABORATORIES LLC 1300 N 12TH ST STE 503 PHOENIX,AZ 85006	LABORATORY
63	BANNER GOOD SAM CAVANAGH HEART CLINIC 1300 N 12TH STREET STE 407 PHOENIX,AZ 85006	LABORATORY
64	BANNER GOOD SAM O AND G - WOMEN'S CNTR 1300 N 12TH STREET STE 407 PHOENIX,AZ 85006	LABORATORY
65	BANNER BBMC SCHOOL BASED CLINIC 1300 N 12TH STREET STE 500 PHOENIX,AZ 85006	LABORATORY
66	BANNER GOOD SAMARITAN LIVER DISEASE CENT 1300 N 12TH STREET STE 500 PHOENIX,AZ 85006	LABORATORY
67	BANNER GOOD SAMARITAN OBSTETRICS AND GYN 1300 N 12TH STREET STE 500 PHOENIX,AZ 85006	LABORATORY
68	BANNER GOOD SAMARITAN FAMILY MEDICINE 1300 N 12TH STREET STE 605 PHOENIX,AZ 85006	LABORATORY
69	BANNER BOSWELL MC - PAIN CENTER 13203 NORTH 103RD AVENUE STE H-5 SUN CITY,AZ 85351	LABORATORY
70	BANNER AMBULATORY CARE 13460 N 94TH DR J-2 PEORIA,AZ 85381	LABORATORY
71	SONORA QUEST LABORATORIES LLC 13460 N 94TH DR STE K5 PEORIA,AZ 85381	LABORATORY
72	SONORA QUEST LABORATORIES LLC 13620 N SAGUARO BLVD STE 150 FOUNTAIN HILLS,AZ 85268	LABORATORY
73	SONORA QUEST LABORATORIES LLC 13657 W MCDOWELL RD STE 100 GOODYEAR,AZ 85338	LABORATORY
74	BANNER HEALTH'S SCHOOL-BASED MOBILE UNIT 1400 S DOBSON ROAD MESA,AZ 85202	LABORATORY
75	BANNER DESERT OUTPATIENT PHARMACY 1432 S DOBSON RD STE 101 MESA,AZ 85202	LABORATORY
76	SONORA QUEST LABORATORIES LLC 1432 S DOBSON RD STE202 MESA,AZ 85202	LABORATORY
77	SONORA QUEST LABORATORIES LLC 1440 W VALENCIA STE 130 TUCSON,AZ 85746	LABORATORY
78	BANNER HEALTH 1441 N 12TH STREET PHOENIX,AZ 85006	LABORATORY
79	BANNER DEL E WEBB MEDICAL CENTER - OUTPA 14418 W MEEKER BLVD STE 103 SUN CITY,AZ 85375	LABORATORY
80	BANNER DEL E WEBB MEDICAL CENTER - OUTPA 14418 W MEEKER BLVD STE 301 SUN CITY,AZ 85375	LABORATORY
81	BANNER SUN HEALTH MRI CENTER 14420 W MEEKER BLVD STE 102 SUN CITY WEST,AZ 85375	LABORATORY
82	BANNER WEBB OUTPATIENT INFUSION 14420 W MEEKER BLVD STE 200 SUN CITY WEST,AZ 85375	LABORATORY
83	BANNER DEL E WEBB MEDICAL CENTER-OUTPATI 14420 W MEEKER BLVD SUITE A101 SUN CITY,AZ 85375	LABORATORY
84	SONORA QUEST LABORATORIES LLC 14420 W MEEKER RD STE A109 SUN CITY WEST,AZ 85375	LABORATORY
85	SONORA QUEST LABORATORIES LLC 1450 S DOBSON RD STE A-104 MESA,AZ 85202	LABORATORY
86	SONORA QUEST LABORATORIES LLC 14674 W MOUNTAIN VIEW BLVD SURPRISE,AZ 85374	LABORATORY
87	SONORA QUEST LABORATORIES LLC 1515 E CEDAR BLVD BLDG F FLAGSTAFF,AZ 86004	LABORATORY
88	BANNER DESERT MEDICAL CENTER CARDIAC PUL 1520 S DOBSON ROAD MESA,AZ 85202	LABORATORY
89	BANNER GOOD SAMARITAN LIVER DISEASE CNTR 1521 W TANGERINE RD STE 299 TUCSON,AZ 85737	LABORATORY
90	SONORA QUEST LABORATORIES LLC 15317 W BELL RD BLDG C STE 10 SURPRISE,AZ 85374	LABORATORY
91	HORIZON LABORATORY LLC 1600 23RD AVENUE GREELEY,CO 80631	LABORATORY
92	BANNER BEHAVIORAL HEALTH OUTPATIENT CLIN 1600 W CHANDLER BLVD SUITE 180 CHANDLER,AZ 85225	LABORATORY
93	SONORA QUEST LABORATORIES LLC 16515 S 40TH ST BLDG 3 STE 113 PHOENIX,AZ 85048	LABORATORY
94	SONORA QUEST LABORATORIES LLC 1740 BEVERLY AVE STE B KINGMAN,AZ 86401	LABORATORY
95	SONORA QUEST LABORATORIES LLC 1773 W ST MARYS RD STE 101 TUCSON,AZ 85745	LABORATORY
96	SONORA QUEST LABORATORIES LLC 1848 E INNOVATION PARK ORO VALLEY,AZ 85737	LABORATORY
97	SONORA QUEST LABORATORIES LLC 1860 E SALK DR STE A-1 CASA GRANDE,AZ 85222	LABORATORY
98	SONORA QUEST LABORATORIES LLC 1915 MCCULLOCH BLVD N STE 106 LHC,AZ 86403	LABORATORY
99	BANNER GATEWAY WEIGHT LOSS CENTER 1920 N HIGLEY RD STE 306 GILBERT,AZ 85234	LABORATORY
100	BANNER NORTH COLORADO EMERGENCY CARE 2000 70TH AVE GREELEY,CO 80634	LABORATORY
101	SONORA QUEST LABORATORIES LLC 2000 E SOUTHERN AVE STE 101 TEMPE,AZ 85282	LABORATORY
102	SONORA QUEST LABORATORIES LLC 2000 HWY 95 STE 204 BULLHEAD,AZ 86442	LABORATORY
103	HORIZON LABORATORY LLC 2001 70TH AVE GREELEY,CO 80634	LABORATORY
104	BANNER HOSPICE PHOENIX OFFICE 202 E EARL DRIVE SUITE 160 PHOENIX,AZ 85012	LABORATORY
105	SONORA QUEST LABORATORIES LLC 203 S CANDY LANE STE 4B COTTONWOOD,AZ 86326	LABORATORY
106	SONORA QUEST LABORATORIES LLC 20414 N 27TH AVE STE 140 PHOENIX,AZ 85027	LABORATORY
107	SONORA QUEST LABORATORIES LLC 2080 W SOUTHERN AVE STE B-6 APACHE JUNCTION,AZ 85220	LABORATORY
108	SONORA QUEST LABORATORIES LLC 2081 W FRYE RD STE 107 CHANDLER,AZ 85224	LABORATORY
109	SONORA QUEST LABORATORIES LLC 2095 W PECOS RD STE 5 CHANDLER,AZ 85224	LABORATORY
110	SONORA QUEST LABORATORIES LLC 20950 N TATUM BLVD STE 290 PHOENIX,AZ 85050	LABORATORY
111	SONORA QUEST LABORATORIES LLC 210 SUNSET DRIVE STE C SEDONA,AZ 86336	LABORATORY
112	SONORA QUEST LABORATORIES LLC 21300 N JOHN WAYNE PKWY STE 116 MARICOPA,AZ 85239	LABORATORY
113	SONORA QUEST LABORATORIES LLC 21803 N SCOTTSDALE RD STE A-210 SCOTTSDALE,AZ 85255	LABORATORY
114	BANNER DESERT MEDICAL CENTER REHABILITAT 2225 W SOUTHERN AVE 1300 BUILDING MESA,AZ 85202	LABORATORY
115	BANNER DESERT MEDICAL CENTER SLEEP CENTE 2225 W SOUTHERN AVE 1400 BUILDING MESA,AZ 85202	LABORATORY
116	SONORA QUEST LABORATORIES LLC 2270 S RIDGEVIEW DRIVE STE 306 YUMA,AZ 85364	LABORATORY
117	SONORA QUEST LABORATORIES LLC 22707 S ELLSWORTH RD STE H105 QUEEN CREEK,AZ 85142	LABORATORY
118	SONORA QUEST LABORATORIES LLC 2330 N 75TH AVE STE 110 PHOENIX,AZ 85035	LABORATORY
119	SONORA QUEST LABORATORIES LLC 2450 E SHOW LOW LAKE RD STE 3B SHOW LOW,AZ 85901	LABORATORY
120	SONORA QUEST LABORATORIES LLC 2640 W BASELINE ROAD STE 115 PHOENIX,AZ 85041	LABORATORY
121	BANNER HOME CARE 275 E GERMANN STE 110S GILBERT,AZ 85297	LABORATORY
122	HORIZON LABORATORY LLC 2923 GINNALA DRIVE LOVELAND,CO 80538	LABORATORY
123	SONORA QUEST LABORATORIES LLC 2940 E BANNER GATEWAY DR STE 325 GILBERT,AZ 85234	LABORATORY
124	BANNER GATEWAY MEDICAL CENTER - WOMEN'S 2940 E BANNER GATEWAY DRIVE STE 1 GILBERT,AZ 85234	LABORATORY
125	SONORA QUEST LABORATORIES LLC 3003 HWY 95 STE H-81 BULLHEAD,AZ 86442	LABORATORY
126	HORIZON LABORATORY LLC 303 COLLAND DRIVE FORT COLLINS,CO 80525	LABORATORY
127	SONORA QUEST LABORATORIES LLC 3161 N WINDSONG PRESCOTT VALLEY,AZ 86314	LABORATORY
128	MCKEE MEDICAL CENTER - HEALTH BEGINNING 320 N CLEVELAND AVE LOVELAND,CO 80537	LABORATORY
129	SONORA QUEST LABORATORIES LLC 3201 W PEORIA AVE STE A202 PHOENIX,AZ 85029	LABORATORY
130	SONORA QUEST LABORATORIES LLC 3483 MERCY RD BLDG 4 STE 104 GILBERT,AZ 85297	LABORATORY
131	SONORA QUEST LABORATORIES LLC 3624 W ANTHEM WY STE C114 ANTHEM,AZ 85086	LABORATORY
132	SONORA QUEST LABORATORIES LLC 37100 N GANTZEL RD STE 114 QUEEN CREEK,AZ 85240	LABORATORY
133	SONORA QUEST LABORATORIES LLC 3805 E BELL RD STE 1500 PHOENIX,AZ 85032	LABORATORY
134	SONORA QUEST LABORATORIES LLC 4350 N 19TH AVE STE 105 PHOENIX,AZ 85015	LABORATORY
135	SONORA QUEST LABORATORIES LLC 448 N STATE ROUTE 89 CHINO VALLEY,AZ 86323	LABORATORY
136	SONORA QUEST LABORATORIES LLC 4524 N MARYVALE PARKWAY STE 120 PHOENIX,AZ 85031	LABORATORY
137	BANNER PEDIATRIC GASTROENTEROLOGY 5310 W THUNDERBIRD 200 GLENDALE,AZ 85306	LABORATORY
138	BANNER THUNDERBIRD MEDICAL CENTER - BANN 5601 W EUGIE ST STE 212 GLENDALE,AZ 85304	LABORATORY
139	SONORA QUEST LABORATORIES LLC 5605 W EUGIE AVE STE 104 GLENDALE,AZ 85306	LABORATORY
140	BANNER THUNDERBIRD REHABILITATION SERVIC 5605 W EUGIE ST STE 206 GLENDALE,AZ 85304	LABORATORY
141	BANNER THUNDERBIRD MEDICAL CENTER - REHA 5605 W EUGIE ST STE 215 GLENDALE,AZ 85304	LABORATORY
142	SONORA QUEST LABORATORIES LLC 5656 S POWER RD STE 121 GILBERT,AZ 85236	LABORATORY
143	SONORA QUEST LABORATORIES LLC 5757 W THUNDERBIRD RD STE E454 GLENDALE,AZ 85306	LABORATORY
144	SONORA QUEST LABORATORIES LLC 603 N WILMOT STE 141 TUCSON,AZ 85710	LABORATORY
145	BANNER BEHAVIORAL HLTH OUTPATIENT 604 W WARNER RD STE B1 CHANDLER,AZ 85225	LABORATORY
146	SONORA QUEST LABORATORIES LLC 6106 E BROWN ROAD STE 101 MESA,AZ 85206	LABORATORY
147	SONORA QUEST LABORATORIES LLC 6130 N LA CHOLLA STE B205 TUCSON,AZ 85704	LABORATORY
148	SONORA QUEST LABORATORIES LLC 630 N ALVERNON WAY STE 200 TUCSON,AZ 85711	LABORATORY
149	SONORA QUEST LABORATORIES LLC 6320 W UNION HILLS DR STE 160 GLENDALE,AZ 85308	LABORATORY
150	SONORA QUEST LABORATORIES LLC 6565 E CARONDELET STE 255A TUCSON,AZ 85007	LABORATORY
151	BANNER HEALTH SCHOOL BASED HEALTH CENTER 6625 N 56TH AVE CLINIC EXAM ROOM GLENDALE,AZ 85301	LABORATORY
152	BANNER BAYWOOD JOHN J RHODES REHABILITAT 6644 E BAYWOOD AVENUE MESA,AZ 85206	LABORATORY
153	SONORA QUEST LABORATORIES LLC 6707 N 19TH AVE STE 105 PHOENIX,AZ 85015	LABORATORY
154	HORIZON LABORATORY LLC 702 W DRAKE ROAD BUILDING A FORT COLLINS,CO 80526	LABORATORY
155	SONORA QUEST LABORATORIES LLC 7281 E EARLL DR STE 2 SCOTTSDALE,AZ 85251	LABORATORY
156	SONORA QUEST LABORATORIES LLC 7388 N LA CHOLLA TUCSON,AZ 85704	LABORATORY
157	BANNER PSYCHIATRIC CENTER 7575 E EARLL DRIVE BLDG 500 SCOTTSDALE,AZ 85251	LABORATORY
158	BANNER BEHAVIORAL HEALTH OUTPATIENT CLIN 7575 E EARLL DRIVE BLDG 500 526- SCOTTSDALE,AZ 85251	LABORATORY
159	BANNER BEHAVIORAL HEALTH INPATIENT SERVI 7575 E EARLL DRIVE BLDG 600 SCOTTSDALE,AZ 85251	LABORATORY
160	SONORA QUEST LABORATORIES LLC 7757 W DEER VALLEY ROAD STE 265 PEORIA,AZ 85382	LABORATORY
161	BANNER HEALTH SCHOOL BASED HEALTH CENTER 777 EAST GALVESTON CHANDLER,AZ 85225	LABORATORY
162	BANNER HEALTH SCHOOL BASED HEALTH CENTER 855 W 8TH AVE MESA,AZ 85210	LABORATORY
163	BANNER BEHAVIORAL HEALTH OUTPATIENT CLIN 8722 E SAN ALBERTO DRIVE STE 100 SCOTTSDALE,AZ 85258	LABORATORY
164	SONORA QUEST LABORATORIES LLC 880 W 4TH STREET STE 3 BENSON,AZ 85602	LABORATORY
165	BANNER ALZHEIMER'S INSTITUTE 901 E WILLETTA ST 3RD FLOOR PHOENIX,AZ 85006	LABORATORY
166	HORIZON LABORATORY LLC 909 E RAILROAD AVE FORT MORGAN,CO 80701	LABORATORY
167	BANNER GOOD SAMARITAN MEDICAL CENTER BGS 925 E MCDOWELL RD 3RD FLOOR PHOENIX,AZ 85006	LABORATORY
168	SONORA QUEST LABORATORIES LLC 9305 W THOMAS RD STE 300 PHOENIX,AZ 85037	LABORATORY
169	BANNER ESTRELLA WEIGHT LOSS CENTER 9305 W THOMAS ROAD SUITE 360 PHOENIX,AZ 85037	LABORATORY
170	SONORA QUEST LABORATORIES LLC 9700 N 91ST ST STE A-103 SCOTTSDALE,AZ 85258	LABORATORY
171	SONORA QUEST LABORATORIES LLC 980 WILLOW CREEK RD PRESCOTT,AZ 86305	LABORATORY

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 20

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 2

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

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

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

Return Reference	Explanation
SCHEDULE I, PART I, LINE 2	THE OFFICE OF GRANT STRATEGY DEVELOPMENT AND ADMINISTRATION MANAGES ALL RESEARCH AND FEDERALLY FUNDED GRANTS FOR BANNER HEALTH ALL AWARDS ARE MANAGED IN ACCORDANCE WITH THE FEDERAL OMB A-133 COMPLIANCE SUPPLEMENT BANNER HEALTH ALSO MAINTAINS RECORDS AND SCHEDULES OF ALL FEDERAL AND NON-FEDERAL AWARDS AND THEIR EXPENDITURES, AND WE DO MONITOR OUR SUB RECIPIENTS FOR THEIR COMPLIANCE AS WELL BANNER HEALTH'S GUIDELINES REGARDING CHARITABLE CONTRIBUTIONS TO OUTSIDE ORGANIZATIONS DIRECT US TO MAKE CONTRIBUTIONS TO OTHER ORGANIZATIONS WHOSE CHARITABLE MISSIONS ALIGN WITH BANNER HEALTH'S MISSION "TO MAKE A DIFFERENCE IN PEOPLE'S LIVES THROUGH EXCELLENT PATIENT CARE" IN SELECTED CIRCUMSTANCES WHEN A CONTRIBUTION IS NOT DIRECTLY LINKED TO PATIENT CARE, IT SERVES TO BETTER SUPPORT OUR COMMUNITY'S NEEDS

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY 2929 E THOMAS ROAD PHOENIX,AZ 85016	84-1316555	501(c)(3)	316,703	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ALZHEIMER'S ASSOCIATION 1028 E MCDOWELL ROAD PHOENIX,AZ 85006	13-3039601	501(c)(3)	13,750	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION 2929 S 48TH STREET TEMPE,AZ 85282	13-5613797	501(c)(3)	70,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN LIVER FOUNDATION 4545 E SHEA BLVD STE 164 PHOENIX,AZ 85028	36-2883000	501(c)(3)	28,800	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ARIZONA NURSES FOUNDATION 1850 E SOUTHERN AVE TEMPE,AZ 85282	26-3341660	501(c)(3)	9,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ARIZONA STATE UNIVERSITY FOUNDATION PO BOX 2260 TEMPE,AZ 85280	86-6051042	501(c)(3)	15,000	0			2012 SURPRISE RECREATION CAMPUS SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BANNER HEALTH FOUNDATION 1441 N 12TH STREET PHOENIX,AZ 85006	94-2545356	501(c)(3)	23,650	0			CAPITAL IMPROVEMENT FOR THE BENEFIT OF THE HOSPITAL

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CITY OF SURPRISE 15960 N BULLARD AVENUE SURPRISE,AZ 85374	86-6007796	GOVT	57,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREATER PHOENIX ECONOMIC COUNCIL 2 N CENTRAL AVE STE 2500 PHOENIX,AZ 85004	86-0539979	501(c)(3)	20,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREELEY DOWNTOWN DEVELOPMENT AUTHORITY 802 9TH STREET GREELEY,CO 80631	86-6000593	GOVT	10,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREELEYWELD ECONOMIC DEVELOPMENT 822 7TH STREET SUITE 550 GREELEY,CO 80631	84-1071701	501(c)(6)	10,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
JUVENILE DIABETES RESEARCH FOUNDATION INTL 4343 E CAMELBACK RD PHOENIX,AZ 85018	23-1907729	501(c)(3)	10,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LOVELAND CHAMBER OF COMMERCE 5400 STONE CREEK STE 200 LOVELAND,CO 80538	84-0254565	501(c)(6)	24,625	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MARCH OF DIMES 1616 E INDIAN SCHOOL RD PHOENIX,AZ 85016	13-1846366	501(c)(3)	8,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MCKEE FOUNDATION 1805 E 18TH STREET LOVELAND,CO 80539	74-2182919	501(c)(3)	5,750	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NORTH COLORADO MEDICAL CENTER FOUNDATION 1801 16TH STREET GREELEY,CO 80631	84-0718355	501(c)(3)	45,253	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NORTHERN COLORADO ECONOMIC DEVELOPMENT CORP 3553 CLYDESDALE PKWY LOVELAND,CO 80538	84-1012341	501(c)(3)	10,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SUN HEALTH FOUNDATION PO BOX 2012 SUN CITY,AZ 85372	27-7107959	501(c)(3)	27,500	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SUNRISE COMMUNITY HEALTH 2930 11TH AVENUE EVANS,CO 80620	84-0613289	501(c)(3)	500,000	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNITED WAY OF LARIMER COUNTY INC 424 PINE STREET SUITE 102 FORT COLLINS,CO 80524	84-6031503	501(c)(3)	5,621	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNITED WAY OF WELD COUNTY PO BOX 1944 GREELEY,CO 80632	84-6011918	501(c)(3)	18,314	0			GENERAL DONATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNIVERSITY OF ALASKA PO BOX 92330 ANCHORAGE,AK 99509	92-6000147	501(C)(3)	200,000	0			GENERAL DONATION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PART I, LINE 1A	RYAN SMITH RECIEVED A ONE TIME PAYMENT FOR RELOCATION EXPENSES, WHICH INCLUDED A GROSS UP THIS AMOUNT IS TAXABLE AND IS INCLUDED IN SCHEDULE J, PART II, COL B(III) Schedule J, Part I, Line 4a MARILYN SCHOCK RECEIVED $42,400 IN SEVERANCE PAY LARRY VOLKMER RECEIVED $263,424 IN SEVERANCE PAY
Schedule J, Part I, Line 4b	1 SERP II - COVERED 3 EXECUTIVES (FINE, BUNNELL, BIXBY) THIS SERP IS HELD IN A RABBI TRUST AT NORTHERN TRUST COMPANY EXEC 457(B) - COVERED APPROXIMATELY 231 FORMER AND CURRENT EXECUTIVES THIS NONQUALIFIED PLAN IS HELD AT FIDELITY INVESTMENTS AND IS 100% VESTED TAXATION OCCURS UPON DISTRIBUTION THE ONLY CONTRIBUTIONS ALLOWED ARE EMPLOYER CONTRIBUTIONS CONTRIBUTIONS ARE CALCULATED BASED ON ACTUARILY DETERMINED FACTORS EMPLOYER CONTRIBUTIONS TO SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (INCLUDED IN COL C AS DEFERRED COMPENSATION) PETER S FINE - $1,577,844 RONALD BUNNELL - $1,093,594 DAVID BIXBY - $562,424 2 EXEC 457(F) - COVERED APPROXIMATELY 50 FORMER AND CURRENT EXECUTIVES THIS NONQUALIFIED PLAN IS HELD AT FIDELITY INVESTMENTS VESTING OCCURS UPON MEETING VESTING REQUIREMENTS (SUBJECT TO A SUBSTANTIAL RISK OF FORFEITURE) - EARLIER OF AGE 62, 5 YEARS FROM DATE OF DEPOSIT, OR RULE OF 80 TAXATION OCCURS UPON DISTRIBUTION (IF VESTED) THE ONLY CONTRIBUTIONS ALLOWED ARE EMPLOYER CONTRIBUTIONS PAYOUT AMOUNTS ARE TAXABLE AND INCLUDED IN SCHEDULE J, PART II, COL B(III) DEPOSIT AMOUNTS ARE INCLUDED IN SCHEDULE J, PART II, COL (C) NAME 457(F) PAYOUT EMPLOYER 457(F) DEPOSIT KATHY BOLLINGER $93,868 $0 DENNIS DAHLEN $85,448 $0 JOHN HENSING $107,242 $0 BECKY KUHN $511,457 $0 EDWARD OXFORD JR $0 $22,660 CHARLES LEHN $0 $33,731 MICHAEL WARDEN $49,980 $0 RHONDA ANDERSON $21,490 $0 PATRICIA BLOCK $4,619 $0 CHARLES D BOWEN $269 $0 DAVID CHENEY $46,839 $0 ROBERT GOULD $0 $43,238 PAMELA NENABER $35,358 $0 MIKE POWERS $31,102 $0 ERIC REIMAN $156,853 $0 MARILYN SCHOCK $148,829 $19,351 THOMAS DICKSON $0 $4,395 DALE SCHULTZ $15,807 $0 BETSY SULLIVAN $9,386 $0 RICHARD SUTTON $45,816 $0 DAN WEINMAN $2,652 $11,784 DAVID KAUBISCH $8,495 $23,565 DEBRA KRMPOTIC $30,612 $0 DEBRA FLORES $0 $32,199 ANUJ NARANG $0 $33,863 EDGARDO RIVERA $0 $88,416 ROBERT GROVES $0 $39,018 DAVID LEDBETTER $243 $11,409 JEFF BUERLE $5,720 $15,042 The amount in column b(iii) ALSO includes a 457(b) payout for the following individual LARRY VOLKMAR $127,775
SCHEDULE J, PART I, LINE 7	1 PETER FINE, RONALD BUNNELL, JAMES FERANDO, DAVID BIXBY, JOHN HENSING, EDWARD OXFORD, DENNIS DAHLEN, KATHY BOLLINGER, REBECCA KUHN, CHARLES LEHN AND MICHAEL WARDEN PARTICIPATE IN A LONG-TERM INCENTIVE PLAN (LTIP) COVERING A THREE-YEAR CYCLE FROM 2013-2015 THE LTIP WAS DESIGNED AT THE INITIATIVE OF THE BANNER BOARD OF DIRECTORS WITH THE ASSISTANCE OF TOWERS WATSON, AND ALL COMPONENTS WERE APPROVED BY THE BOARD THE PLAN HAS THREE AREAS OF PERFORMANCE TARGETS OPERATING MARGINS, ACCOUNTABLE CARE ORGANIZATION (ACO) QUALITY PERFORMANCE AND COVERED LIVES (POPULATION HEALTH MANAGEMENT) AWARDS ARE CALCULATED AS A PERCENTAGE OF AVERAGE BASE SALARY DURING THE THREE-YEAR CYCLE, AND OPPORTUNITY VARIES BY POSITION LEVEL THE PLAN REQUIRES A THRESHOLD LEVEL OF FINANCIAL PERFORMANCE BEFORE ANY AWARDS CAN BE MADE, AND THE AMOUNT OF THE AWARDS VARIES WITH THE DEGREE OF ACHIEVEMENT OF THE TARGETS THE MAXIMUM LTIP PAYOUT OPPORTUNITY RANGES FROM 75% TO 45% OF THE AVERAGE THREE-YEAR BASE SALARY AWARDS HAVE BEEN ACCRUED UNDER THE LTIP, BUT NO PAYMENTS ARE MADE UNTIL AFTER YEAR-END AND ACHIEVEMENT IS VERIFIED BY THE BANNER HEALTH BOARD COMPENSATION COMMITTEE AND APPROVED BY THE FULL BOARD OF DIRECTORS OF BANNER HEALTH ALL LTIP COMPENSATION PAYMENTS ARE REPORTED IN THE INCENTIVE AND BONUS COMPENSATION SHOWN IN SCHEDULE J, PART II, COL B (II) AMOUNTS ACCRUED FOR 2013 FOR THE 2013-2015 CYCLE (TO BE PAID OUT IN 2016) ARE REPORTED IN SCHEDULE J, PART II, COLUMN C AS DEFERRED COMPENSATION 2 BANNER HEALTH HAS A MANAGEMENT INCENTIVE PLAN (MIP) WHICH IS BASED ON COMPANY ACHIEVEMENT OF BASE AND STRETCH TARGETS FOR SEVERAL FINANCIAL AND NON-FINANCIAL/CLINICAL QUALITY METRICS THAT ARE ESTABLISHED ANNUALLY BY THE BANNER HEALTH BOARD OF DIRECTORS AWARDS ARE GRANTED AS A PERCENTAGE OF THE PARTICIPANT'S BASE SALARY AND VARY WITH THE POSITION LEVEL OF THE PARTICIPATING EMPLOYEE, RANGING FROM 24% TO 80% OF BASE SALARY IN 2013, THERE WERE 780 MIP PARTICIPANTS THE MIP WAS ACCRUED IN 2012 FOR THE 2013 MIP, AND PAYOUTS ON THE 2013 MIP WERE PAID IN 2014 MIP COMPENSATION IS INCLUDED IN SCHEDULE J, PART II, COL B (II) 3 CLINICAL PHYSICIANS EMPLOYED BY BANNER ARE TYPICALLY PAID ON THE BASIS OF A COMPENSATION SYSTEM THAT INCORPORATES A BASE SALARY AND A NON-FIXED PRODUCTIVITY COMPONENT THAT IS BASED UPON THE PHYSICIAN'S PRODUCTIVITY THREE OF THE INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE 1A, RICKY LATHAM, M D , CARSON WEBB, M D , AND ROMEL WRENN, M D , ARE PRACTICING INTERVENTIONAL CARDIOLOGISTS AT FAIRBANKS MEMORIAL HOSPITAL, FAIRBANKS, ALASKA, AND HAVE A COMPONENT OF COMPENSATION THAT IS NON-FIXED EQUAL TO THE NET REVENUES GENERATED BY THE PHYSICIAN FOR PROFESSIONAL SERVICES PERSONALLY PERFORMED BY THE PHYSICIAN THAT ARE IN EXCESS OF THE PRACTICE EXPENSES FAIRLY ALLOCATED TO THE PHYSICIAN, INCLUDING THE PHYSICIAN'S BASE SALARY, PRODUCTIVITY AND ALL OTHER COMPENSATION, SUBJECT TO A MAXIMUM LIMIT EQUAL TO 130% OF THE 90TH PERCENTILE OF THE COMPENSATION FOR INTERVENTIONAL CARDIOLOGISTS, BASED UPON NATIONAL COMPENSATION SURVEYS THE RESPECTIVE NON-FIXED COMPONENT OF COMPENSATION FOR DRS LATHAM, WEBB AND WRENN WAS $954, $65,119 and $21,078 RESPECTIVELY THESE AMOUNTS ARE INCLUDED IN SCHEDULE J, PART II, COL B (II)
SCHEDULE J, PART II ADDITIONAL COMPENSATION NOTES	1) BONUS LIFE INSURANCE As part of Banner Health's Executive Select Benefit Program (ESB), certain individuals participated in the bonus life insurance program (BLIP) Eligible employees could elect to use part of their ESB allowance to purchase BLIP through Northwestern Mutual The participating employee owns the policy and can access its cash value The entire amount purchased is reported as taxable compensation in column B(iii) for the following individuals JAMES FERANDO $84,230 EDWARD OXFORD, JR $52,662 LARRY VOLKMAR $71,718 RICHARD SUTTON $44,054 MARILYN SCHOCK $13,400 THOMAS DICKSON $43,769 TODD WERNER $47,532 LAURA ROBERTSON $40,241 CHARLES BOWEN $8,728 KIP EDWARDS $14,996 2) SHARE OPTION PLAN Certain individuals participated in Banner's Share Option Plan which allowed them to purchase mutual fund share options over a specified period of time at below fair market value The value of mutual funds received is taxable upon exercise of the options The following individuals exercised mutual fund share options as part of this plan during 2013, the value of which is included in Schedule J, Part II, col B (iii) Peter S Fine $1,200,984 Ronald Bunnell $213,276 Don Evans $157,363 3) CASHOUT OF PAID TIME OFF Upon termination or retirement, certain individuals received one-time cashouts of earned and unused paid time off These amounts are included in schedule J, Part II, column B(iii) for the following individuals MARILYN SCHOCK $53,262 LARRY VOLKMAR $8,036 MICHAEL WARDEN $76,135 5) SULLIVAN, ANDERSON, AND LEDBETTER ARE STILL EMPLOYED WITHIN THE BANNER HEALTH SYSTEM BUT ARE NO LONGER OFFICERS/KEY EMPLOYEES OF THIS ENTITY THEREFORE, THEY ARE MARKED AS FORMER ON THIS FORM 990

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

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				
PETER S FINE PRESIDENT & CEO	(I) (II)	1,307,938 0	910,947 0	1,246,318 0	1,985,845 0	36,023 0	5,487,071 0	0 0
DAVID BIXBY SVP/GENERAL COUNSEL/SECRETARY	(I) (II)	525,309 0	290,022 0	5,042 0	651,953 0	23,264 0	1,495,590 0	0 0
PATRICIA BLOCK VP, TREASURY & TREASURER	(I) (II)	207,792 0	95,094 0	23,441 0	8,388 0	10,068 0	344,783 0	0 0
KATHY BOLLINGER PRESIDENT - AZ WEST REGION	(I) (II)	561,185 0	312,938 0	114,804 0	94,166 0	25,405 0	1,108,498 0	0 0
RONALD BUNNELL EXECUTIVE VICE-PRESIDENT & CAO	(I) (II)	886,149 0	511,953 0	231,435 0	1,367,925 0	30,173 0	3,027,635 0	0 0
DENNIS DAHLEN SENIOR VICE-PRESIDENT & CFO	(I) (II)	590,483 0	312,668 0	105,607 0	100,957 0	32,665 0	1,142,380 0	0 0
JAMES FERANDO PRESIDENT - WESTERN REGION	(I) (II)	476,800 0	266,599 0	106,208 0	81,630 0	19,854 0	951,091 0	0 0
JOHN HENSING MD EXECUTIVE VICE-PRESIDENT & CMO	(I) (II)	657,391 0	354,434 0	131,186 0	110,115 0	31,674 0	1,284,800 0	0 0
REBECCA KUHN PRESIDENT - AZ EAST REGION	(I) (II)	561,185 0	312,938 0	532,669 0	94,166 0	21,967 0	1,522,925 0	140,781 0
CHARLES LEHN SVP NETWORK OPERATIONS	(I) (II)	349,803 0	165,116 0	18,316 0	97,977 0	26,126 0	657,338 0	0 0
EDWARD OXFORD JR SENIOR VP CHIEF TALENT OFFICER	(I) (II)	462,157 0	249,807 0	74,719 0	91,258 0	20,805 0	898,746 0	0 0
MICHAEL WARDEN SENIOR VP, CIO (thru 9/2013)	(I) (II)	295,315 0	213,539 0	144,759 0	10,200 0	14,718 0	678,531 0	0 0
CHARLES BOWEN VP - SUPPLY CHAIN MANAGEMENT	(I) (II)	309,783 0	138,586 0	26,497 0	10,200 0	25,623 0	510,689 0	269 0
DAVID CHENEY CEO - BANNER BOSWELL MED CTR	(I) (II)	336,558 0	166,131 0	64,339 0	7,184 0	5,775 0	579,987 0	0 0
THOMAS DICKSON CEO - BANNER THUNDERBIRD MC	(I) (II)	367,259 0	185,047 0	62,941 0	14,595 0	27,948 0	657,790 0	0 0
KIP EDWARDS VP - DEVELOPMENT/CONSTRUCTION	(I) (II)	289,068 0	134,363 0	32,816 0	10,200 0	24,306 0	490,753 0	0 0
DEBRA FLORES CEO - BANNER DEL E WEBB MC	(I) (II)	290,012 0	144,602 0	17,945 0	42,399 0	17,711 0	512,669 0	0 0
ROBERT GOULD CEO - BANNER ESTRELLA MED CTR	(I) (II)	389,769 0	190,214 0	17,701 0	53,438 0	29,143 0	680,265 0	0 0
DAVID KAUBISCH VP FINANCE	(I) (II)	315,581 0	140,443 0	25,995 0	33,765 0	18,305 0	534,089 0	8,495 0
DEBRA KRMPOTIC CEO-BANNER ESTRELLA MED CTR	(I) (II)	303,974 0	105,411 0	48,945 0	10,200 0	18,137 0	486,667 0	12,583 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				
ANUJ NARANG CEO-BANNER GOOD SAMARITIAN MC	(I) (II)	370,803 0	62,002 0	17,732 0	41,286 0	6,227 0	498,050 0	0 0
PAMELA NENABER COO - PHARMACY SERVICES	(I) (II)	78,203 247,642	34,156 108,160	13,232 41,902	2,448 7,752	4,636 14,680	132,675 420,136	0 0
MICHAEL POWERS CEO - FAIRBANKS MEMORIAL	(I) (II)	313,218 0	156,650 0	50,864 0	10,200 0	12,345 0	543,277 0	0 0
ERIC REIMAN PRES CEO/CSO - BANNER RESEARCH	(I) (II)	514,463 0	262,148 0	177,096 0	10,200 0	8,522 0	972,429 0	69,724 0
LAURA ROBERTSON CEO - BANNER BAYWOOD MED CTR	(I) (II)	339,238 0	170,884 0	58,395 0	10,080 0	28,551 0	607,148 0	0 0
MARILYN SCHOCK CEO - MCKEE MEDICAL CENTER	(I) (II)	228,278 0	134,629 0	275,528 0	29,551 0	11,556 0	679,542 0	58,212 0
DALE SCHULTZ VP - BUSINESS HEALTH	(I) (II)	288,643 0	136,545 0	33,307 0	10,200 0	19,480 0	488,175 0	6,989 0
BETSY SULLIVAN VP REVENUE CYCLE	(I) (II)	307,658 0	143,238 0	28,865 0	10,200 0	25,610 0	515,571 0	9,814 0
RICHARD SUTTON CEO - NORTH COLORADO MED CTR	(I) (II)	374,938 0	188,967 0	107,414 0	7,639 0	30,565 0	709,523 0	45,816 0
LARRY VOLKMAR CEO - BANNER GOOD SAMARITAN MC	(I) (II)	139,126 0	210,121 0	493,535 0	6,027 0	16,003 0	864,812 0	0 0
DAN WEINMAN VP - STRATEGY AND PLANNING	(I) (II)	320,665 0	147,530 0	20,541 0	21,984 0	25,592 0	536,312 0	2,652 0
TODD WERNER CEO - BANNER DESERT MED CTR	(I) (II)	363,330 0	183,788 0	65,612 0	10,200 0	29,264 0	652,194 0	0 0
EDGARDO RIVERA PHYSICIAN	(I) (II)	633,793 0	99,122 0	25,642 0	98,616 0	27,118 0	884,291 0	0 0
RICKY LATHAM PHYSICIAN	(I) (II)	587,684 0	108,954 0	53,987 0	10,200 0	39,790 0	800,615 0	0 0
CARSON WEBB PHYSICIAN	(I) (II)	573,480 0	140,319 0	20,300 0	10,200 0	30,871 0	775,170 0	0 0
ROMEL WRENN PHYSICIAN	(I) (II)	577,896 0	118,678 0	15,402 0	10,200 0	34,333 0	756,509 0	0 0
ROBERT GROVES VP-HEALTH MANAGEMENT	(I) (II)	410,663 0	156,035 0	19,636 0	39,627 0	26,763 0	652,724 0	0 0
RHONDA ANDERSON CEO-CARDON CHILDRENS	(I) (II)	257,013 0	134,087 0	52,540 0	9,176 0	17,404 0	470,220 0	0 0
DON EVANS CEO-BANNER BAYWOOD MEDICAL CTR	(I) (II)	0 0	0 0	157,363 0	0 0	0 0	157,363 0	0 0
DAVID LEDBETTER VP-ETHICS AND COMPLIANCE	(I) (II)	272,915 0	129,280 0	18,504 0	20,758 0	30,337 0	471,794 0	243 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				
JEFF BUERLE CFO AZ EAST REGION	(I)	278,495	125,566	24,684	25,242	7,315	461,302	5,720
	(II)							

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040507HMO	05-10-2007	600,002,793	SERIES 2007A-B - SEE PART VI		X		X		X
B	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040507HN8	04-30-2008	226,464,588	SERIES 2008A - SEE PART VI		X		X		X
C	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040507JY2	06-19-2008	197,500,000	SERIES 2008B-C - SEE PART VI		X		X		X
D	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040507KYO	08-28-2008	915,742,826	SERIES 2008D - SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	55,570,000	15,400,000	17,200,000	146,595,000
2	Amount of bonds legally defeased	0	0	0	0
3	Total proceeds of issue	654,681,003	226,464,588	197,500,000	919,855,595
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrows	0	0	0	0
7	Issuance costs from proceeds	3,221,064	1,836,731	2,489,789	5,438,540
8	Credit enhancement from proceeds	0	0	100,211	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	651,459,939	0	0	570,992,055
11	Other spent proceeds	0	224,627,857	194,910,000	343,425,000
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2009	2009	2009	2011

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X		X		X	
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X		X	
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 100 %		0 %		0 200 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 100 %		0 %		0 200 %	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		X
b	Exception to rebate?	X		X		X			X
c	No rebate due?		X		X		X	X	
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X	X			X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X	X			X
b	Name of provider	MORGAN STANLEY		0		MORGAN STANLEY			
c	Term of hedge		29 67				26 65		
d	Was the hedge superintegrated?	X					X		
e	Was the hedge terminated?		X				X		

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X		X		X
b	Name of provider	MORGAN STANLEY		0		0		0	
c	Term of GIC	3							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
	SCHEDULE K, PART I, COLUMN (F) 2007A-B THE BONDS WERE ISSUED TO (1) FINANCE A PORTION OF THE COSTS OF ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION AND EQUIPPING OF THE VARIOUS PROJECTS, INCLUDING THE REIMBURSEMENT OF CERTAIN PRIOR CAPITAL EXPENDITURES PAID BY BANNER HEALTH, (2) REFUND AND REDEEM ON A CURRENT BASIS A PORTION OF BANNER HEALTH'S OUTSTANDING COMMERCIAL PAPER NOTES, (3) PAY CERTAIN LEGAL, ACCOUNTING AND FINANCING COSTS, INCLUDING UNDERWRITERS' DISCOUNT, INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS, AND (4) PAY PREMIUMS FOR MUNICIPAL BONDS INSURANCE POLICIES TO SECURE PAYMENT OF DEBT SERVICE ON THE BONDS 2008A THE BONDS WERE ISSUED TO (1) REFINANCE PRIOR BONDS ISSUED ON MAY 12, 2005, INCLUDING INTEREST ACCRUED THEREON, AND (2) PAY CERTAIN LEGAL, ACCOUNTING AND FINANCING COSTS, INCLUDING UNDERWRITERS' DISCOUNT 2008B-C THE BONDS WERE ISSUED TO (1) REFINANCE PRIOR BONDS ISSUED ON MAY 12, 2005, (2) PAY CERTAIN LEGAL, ACCOUNTING AND FINANCING COSTS, INCLUDING UNDERWRITERS' DISCOUNT, INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS, AND (3) PAY FEES AND EXPENSES WITH RESPECT TO THE LETTER OF CREDIT 2008D THE BONDS WERE ISSUED, TOGETHER WITH OTHER AVAILABLE MONEYS OF BANNER HEALTH, TO (1) FINANCE A PORTION OF THE COSTS OF ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION AND EQUIPPING OF PROJECTS, INCLUDING REIMBURSEMENT OF CERTAIN PRIOR CAPITAL EXPENDITURES PAID BY BANNER HEALTH, (2) FINANCE THE COSTS OF THE SUN HEALTH ACQUISITION, (3) CURRENTLY REFUND $50,700,000 OUTSTANDING PRINCIPAL AMOUNT OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF MESA, ARIZONA, VARIABLE RATE REVENUE BONDS (DISCOVERY HEALTH SYSTEM), SERIES 1999B, (4) CURRENTLY REFUND $73,225,000 OUTSTANDING PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE BONDS (BANNER HEALTH SYSTEM), SERIES 2002A, (5) CURRENTLY REFUND $73,175,000 OUTSTANDING PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE BONDS (BANNER HEALTH SYSTEM), SERIES 2002B, (6) CURRENTLY REFUND $146,325,000 OUTSTANDING PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE BONDS (BANNER HEALTH SYSTEM), SERIES 2002C, AND (7) PAY CERTAIN LEGAL, ACCOUNTING AND FINANCING COSTS, INCLUDING UNDERWRITER'S DISCOUNT, INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS 2008E-H THE BONDS WERE ISSUED TO (1) REFINANCE THE OUTSTANDING PRINCIPAL AMOUNT OF THE AUTHORITY'S $396,995,000 REVENUE BONDS (BANNER HEALTH) SERIES 2005A, (2) PAY CERTAIN LEGAL, ACCOUNTING AND FINANCING COSTS, INCLUDING UNDERWRITERS' DISCOUNT, INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS, AND (3) PAY FEES AND EXPENSES WITH RESPECT TO THE LETTER OF CREDIT 2012A THE BONDS WERE ISSUED TO (1) FINANCE THE CONSTRUCTION OF A NEW TOWER, A FIVE-STORY PARKING STRUCTURE FOR VISITORS, A THREE-STORY PARKING STRUCTURE FOR STAFF, A TWO-STORY WING TO ACCOMMODATE ADDITIONAL CARDIAC CATHETERIZATION, ENDOSCOPY AND OTHER PROCEDURES AND PROVIDE SPACE FOR A NICU AND EXPANDED WOMEN'S AND INFANTS SERVICES, AND EXPANSION OF THE OPERATING ROOMS AND THE EMERGENCY DEPARTMENT AT BANNER ESTRELLA MEDICAL CENTER ("BANNER ESTRELLA") AND (2) FINANCE THE DESIGN AND BUILD-OUT OF TWO SHELLED FLOORS AT BANNER BAYWOOD MEDICAL CENTER ("BANNER BAYWOOD"), TO ADD 56 PRIVATE PATIENT ROOMS AND TO CONVERT EXISTING SEMI-PRIVATE BEDS TO PRIVATE BEDS SCHEDULE K, PART II, LINE 1, COLUMN D 2008D THE RETIRED BONDS INCLUDE 79,405,000 IN PRINCIPAL PAYMENTS AND 67,190,000 THAT WAS REFUNDED BY THE 2012B TAXABLE ISSUE SCHEDULE K, PART II, LINE 3 DIFFERENCE BETWEEN ISSUE PRICE AND TOTAL PROCEEDS 2007A-B & 2012A THE TOTAL PROCEEDS OF THE ISSUE EXCEED THE ISSUE PRICE BY THE INVESTMENT EARNINGS EARNED SCHEDULE K, PART II, LINE 11 WHERE AMOUNTS ARE PRESENT HERE, THE OTHER SPENT PROCEEDS OF THE ISSUE ARE THE CURRENT REFUNDING PROCEEDS
SCHEDULE K, PART IV, COLUMN A, LINE 2(C)	2008E-H A REBATE CALCULATION WAS PERFORMED AS OF 9/16/2013 WITH NO REBATE LIABILITY DUE
SCHEDULE K, PART IV, COLUMN B, LINE 2(C)	2012A AN INTERIM REBATE CALCULATION WAS COMPLETED AS OF 11/8/2013 WITH NO REBATE LIABILITY DUE
SCHEDULE K, PART IV, COLUMN D, LINE 2(C)	2008D A REBATE CALCULATION WAS COMPLETED ON 9/17/2013 FOR THE PERIOD OF 8/28/2008 TO 8/28/2013 WITH NO REBATE LIABILITY DUE

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040507LE3	09-18-2008	397,085,000	SERIES 2008E-H - SEE PART VI		X		X		X
B	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040507NA9	11-08-2012	179,490,454	SERIES 2012A - SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	27,300,000	0		
2	Amount of bonds legally defeased	0	0		
3	Total proceeds of issue	397,085,000	179,505,401		
4	Gross proceeds in reserve funds	0	0		
5	Capitalized interest from proceeds	0	0		
6	Proceeds in refunding escrows	0	0		
7	Issuance costs from proceeds	1,252,134	1,685,334		
8	Credit enhancement from proceeds	3,166,608	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	0	94,752,680		
11	Other spent proceeds	392,666,258	0		
12	Other unspent proceeds	0	83,052,439		
13	Year of substantial completion	2008			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X					
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 400 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %					
6	Total of lines 4 and 5	0 400 %		0 %					
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X				
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X	X					
b	Exception to rebate?		X		X				
c	No rebate due?	X		X					
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X					
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X				
b	Name of provider	MORGAN STANLEY		0					
c	Term of hedge		20 3						
d	Was the hedge superintegrated?		X						
e	Was the hedge terminated?		X						

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider	0		0					
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

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

Part V Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
(1) NATALIE RHODES	DAUGHTER OF OFFICER	50,573	EMPLOYED BY BANNER HEALTH		No
(2) JANET HAWTHORNE	SISTER OF KEY EMPLOYEE	80,836	EMPLOYED BY BENNER HEALTH		No
(3) CAROL CHENEY	WIFE OF KEY EMPLOYEE	156,790	EMPLOYED BY BANNER HEALTH		No
(4) PHOENIX NEUROLOGICAL ASSOCIATES	HENDIN, 20% OWNER OF PNA	478,047	PAYMENT FOR MEDICAL SERVICES		No
(5) HAEMONETICS CORPORATION	FOOTE, BOARD MEMBER	311,486	BLOOD MANAGEMENT SERVICES		No
(6) PREMIER INC	PETER FINE, BOARD MEMBER	2,034,039	GROUP PURCHASING		No
(7) MEDISUN INC	RON BUNNELL, BOARD MEMBER	293,375	INSURANCE		No
(8) MEDISUN INC	LEHN, OFFICER & BOARD MBR	293,375	INSURANCE		No
(9) MEDISUN INC	DENNIS DAHLEN, BOARD MBR	293,375	INSURANCE		No
(10) SONORA QUEST LABORATORIES LLC	RON BUNNELL, BOARD MEMBER	16,374,742	LABORATORY SERVICES		No
(11) SONORA QUEST LABORATORIES LLC	DAN WEINMAN	16,374,742	LABORATORY SERVICES		No
(12) SONORA QUEST LABORATORIES LLC	KATHY BOLLINGER, BRD MBR	16,374,742	LABORATORY SERVICES		No
(13) BANNER INDEMNITY LLC	JOHN HENSING, BOARD MBR	47,771,011	INVESTMENTS		No
(14) BANNER INDEMNITY LLC	DALE SCHULTZ, BOARD MBR	47,771,011	INVESTMENTS		No
(15) KIM KRMPOTIC	DAUGHTER OF KEY EMPLOYEE	59,732	EMPLOYED BY BANNER HEALTH		No
(16) JILL KRMPOTIC	DAUGHTER OF KEY EMPLOYEE	61,064	EMPLOYED BY BANNER HEALTH		No

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

Return Reference	Explanation
FORM 990, PART I, LINE 6	AT BANNER HEALTH, OUR VOLUNTEERS ARE AN IMPORTANT PART OF OUR TEAM, AND EACH YEAR THOUSANDS OF PEOPLE SERVE BANNER AND, IN TURN, SERVE LOCAL COMMUNITY NEEDS PEOPLE OF ALL AGES, FROM ALL WALKS OF LIFE, AND WITH DIVERSE BACKGROUNDS AND SKILLS CHOOSE TO GIVE THEIR TIME TO BANNER OUR VOLUNTEERS RANGE FROM TEENS AND ADULTS TO SEASONAL VISITORS AND RETIREES THE ONLY CONSISTENCY IS THAT THEY ALL HAVE A DESIRE TO HELP AND SERVE OTHERS THESE COMPASSIONATE AND CARING INDIVIDUALS MAKE A POSITIVE DIFFERENCE IN THE LIVES OF PATIENTS, STAFF AND GUESTS BY PROVIDING A PERSONAL AND COMPASSIONATE APPROACH TO PATIENT AND GUEST SERVICE VOLUNTEERS WITHIN BANNER WORK DIRECTLY WITH PEOPLE AND PROVIDE BEHIND-THE-SCENES SUPPORT TO ENHANCE THE PATIENT'S EXPERIENCE AND COMFORT WITHIN THE VARIOUS PATIENT CARE AND PUBLIC AREAS, VOLUNTEERS GREET GUESTS, PROVIDE INFORMATION AND DIRECTIONS, ESCORT PATIENTS AND FAMILIES TO THEIR DESTINATIONS, AND TRANSPORT AND LINK VISITORS TO STAFF AND OTHER RESOURCES VOLUNTEERS ALSO PROVIDE COMFORT THROUGH THERAPY DOG VISITS, PERSONAL VISITS, AND BY PROVIDING COMFORT ITEMS SUCH AS PILLOWS, PHONE CARDS, AND CATERING FINALLY, OTHER VOLUNTEERS SUPPORT STAFF THROUGH ADMINISTRATIVE PROJECTS AND ASSISTANCE - ALLOWING THEM MORE TIME TO DEVOTE TO PATIENT CARE BANNER HEALTH HONORS THE MANY VOLUNTEERS WHO DONATE NUMEROUS HOURS AND COUNTLESS TALENTS TO OUR ORGANIZATION IN FURTHERANCE OF OUR EXEMPT PURPOSE THEY EXEMPLIFY OUR MISSION IN THAT EVERY DAY THEY MAKE A DIFFERENCE IN THE LIVES OF OUR PATIENTS AND COMMUNITY

Return Reference	Explanation	
	FORM 990, PART III, LINE 4	BANNER HEALTH (BH) IS A NON-PROFIT HEALTH CARE SYSTEM THAT OWNS, LEASES, AND OPERATES TWEN TY-FIVE HOSPITALS, NURSING HOMES, PHYSICIAN CLINICS, HOME HEALTH AGENCIES AND AMBULATORY F ACILITIES IN SEVEN WESTERN STATES HEADQUARTERED IN PHOENIX, ARIZONA, THE COMPREHENSIVE, I NTEGRATED SERVICES PROVIDED BY BH INCLUDE ACUTE CARE, AMBULATORY CARE, LONG-TERM CARE, HOM E HEALTH CARE, HOSPICE AND PALLIATIVE CARE AND DURABLE MEDICAL EQUIPMENT BH ALSO PROVIDES MAJOR, ACCREDITED MEDICAL EDUCATION PROGRAMS THAT TRAIN QUALIFIED DOCTORS AND PARTICIPATE S IN NATIONAL AND GLOBAL RESEARCH EFFORTS THE NON-PROFIT MISSION OF BH IS TO MAKE A DIFFE RENCE IN PEOPLE'S LIVES THROUGH EXCELLENT PATIENT CARE AND THE COMMITMENT TO CLINICAL EXCE LLENCE HAS GARNERED DOMESTIC AND INTERNATIONAL RECOGNITION TO FULFILL THIS MISSION AND SE RVE ITS INCREDIBLY DIVERSE PATIENT POPULATION, BH OPERATES A SYSTEM OF RURAL AND URBAN FAC ILITIES THAT PRESERVE THE DIGNITY OF EACH INDIVIDUAL REGARDLESS OF RACE, CREED, SEX, AGE, SOCIAL STATUS OR ABILITY TO PAY FOR SERVICES RENDERED BH FACILITIES ARE OPERATED IN A COS T-EFFECTIVE AND FINANCIALLY RESPONSIBLE MANNER TO INSURE THAT ALL WHO TURN TO BH RECEIVE T HE EXCELLENT PATIENT CARE THEY DESERVE FULFILLMENT OF THE BH MISSION AND EXEMPT PURPOSE I S ACCOMPLISHED IN PART BY PROVIDING PATIENTS FINANCIAL ASSISTANCE AND CHARITY CARE, AS WEL L AS COMMUNITY BENEFITS PROGRAMS AND SERVICES (SEE SCHEDULE H) BH IS NOTED FOR ITS COMMUN ITY SERVICE PROGRAMS AND BH EMPLOYEES WORK TIRELESSLY AND DEVOTE SIGNIFICANT HOURS (THE MA JORITY OF WHICH ARE ON BH WORK TIME) AS VOLUNTEERS AT CLINICS FOR THE WORKING POOR, PROVID ING GENERAL HEALTH AND BEHAVIORAL HEALTH SCREENINGS AND CONDUCTING SEMINARS, PRESENTATIONS AND EDUCATIONAL EVENTS IN ADDITION, BH EMPLOYEES ROUTINELY SERVE ON LOCAL COMMUNITY BOAR DS AND ACTIVELY PARTICIPATE IN VARIOUS PUBLIC SERVICE OPPORTUNITIES SERVICES AND PROGRAMS CONDUCTED BY BH FACILITIES INCLUDE BUT ARE NOT LIMITED TO -COMMUNITY HEALTH EDUCATION PR OGRAMS -SUPPORT GROUPS -SELF-HELP PROGRAMS -COMMUNITY BLOOD DRIVES AND HEALTH SCREENINGS - COMMUNITY WELLNESS CLINICS AND PROGRAMS -COMMUNITY HEALTH FAIRS -MOBILE SCREENINGS AND CLI NICS -SUBSIDIZED CLINICS AND SERVICES -LIVE AND WEB-BASED AND ELECTRONIC CONSUMER HEALTH E DUCATION AND ASSISTANCE -PRIMARY AND CLINICAL RESEARCH WITH AN EMPHASIS ON ALZHEIMER'S DIS EASE AND OTHER AGE RELATED DISEASES -SCHOOL-BASED CLINICS, EDUCATION AND PHYSICAL EXAMINAT IONS -DONATED SPACE AND CONFERENCE ROOMS TO COMMUNITY BASED ORGANIZATIONS -DONATED MEDICAL SUPPLIES -PARTNERSHIPS WITH EDUCATIONAL INSTITUTIONS TO PROMOTE HEALTHCARE CAREERS - FACIL ITY AND STAFF INVOLVEMENT IN COMMUNITY BASED ORGANIZATIONS -COMMUNITY LEADERSHIP TRAINING AND COALITION BUILDING SEVERAL NEW OR ON-GOING COMMUNITY BENEFIT ACTIVITIES WERE NOTED IN 2013 THESE ACTIVITIES INCLUDE COMMUNITY HEALTH IMPROVEMENT AND SUPPORT SERVICES - GRACE M IDDLEBROOK MEMORIAL FAMILY LIBRARY, WELLNESS LIBRARY AND MCKEE WELLSPRING LIBRARY BANNER G OOD SAMARITAN MEDICAL CENTER, NORTH COLORADO MEDICAL CENTER AND MCKEE MEDICAL CENTER OFFER ED COMMUNITY MEMBERS ACCESS TO BOOKS, TAPES, VIDEOS, JOURNAL ARTICLES, ETC ON HEALTH-RELA TED TOPICS IN 2013, THE GRACE MIDDLEBROOK MEMORIAL FAMILY LIBRARY SERVED OVER 11,000 RESI DENTS -BH INTERNET - WEB-BASED CONSUMER EDUCATION BH STRIVES TO BE THE LEADING HEALTH CAR E PROVIDER IN EVERY COMMUNITY IT SERVES AND IT RECOGNIZES THE IMPORTANCE OF PROVIDING HEAL TH CARE INFORMATION, AND SUPPORT IN 2013, BH ELECTRONIC CONSUMER HEALTH INFORMATION PAGES AND WEB CONTENT WERE VIEWED OVER 660,000 MILLION TIMES DEDICATED STAFF CREATED CONTENT, MAINTAINED THE WEBSITE AND PREPARED ONLINE, BI-LINGUAL PUBLICATIONS FOR THE COMMUNITY VALU ED AT APPROXIMATELY $96,000 INCLUDED IN THE CONTENT WERE EXTENSIVE ADULT AND CHILDREN'S H EALTH RESOURCE LIBRARIES, "ASK THE EXPERT" WHICH PROVIDES ACCESS TO OVER 1,000 WRITTEN AND VIDEO FORMATS AND A DIVERSE OFFERING OF ONLINE AND INTERACTIVE HEALTH CALCULATORS -MISSI ON OF MERCY MOBILE MEDICAL VAN MISSION OF MERCY IS A MOBILE MEDICAL CLINIC LAUNCHED IN 199 7 THAT SERVES THE MORE THAN 200,000 UNINSURED WORKING POOR IN PHOENIX AND THE SURROUNDING CITIES THAT MAKE UP MARICOPA COUNTY THE ROLLING CLINIC IS SUPPORTED ENTIRELY BY VOLUNTEER LABOR AND DONATED SUPPLIES -BANNER HEALTH CALL CENTER/CRISIS HELP LINES IN 2013, BH HAND LED PHONE CALLS FOR PHYSICIAN REFERRAL, HEALTH-INFORMATION PROVIDED BY REGISTERED NURSES, CRISIS COUNSELING, BEHAVIORAL HEALTH HELP AND INFORMATION ON BH PROGRAMS AND SERVICES VAL UED AT OVER $3,100,000, MOST OF THESE CALLS WERE FROM LOW-INCOME PERSONS NEEDING HEALTH AD VICE AND SERVICES -CARING CONNECTIONS CARING CONNECTIONS IS A UNIQUE PROGRAM OFFERED BY B ANNER HOSPICE THAT PROVIDES SUPPORT AND ASSISTANT FOR PATIENTS AND FAMILIES WHO FACE THE C HALLENGES OF CHRONIC OR LIFE LIMITING ILLNESS THROUGH CARING CONNECTIONS, PATIENTS AND TH EIR FAMILIES HAVE ACCESS TO COMMUNITY RESOURCES, CRISIS INTERVENTION, TELEPHONE SUPPORT AN D EDUCATION IN 2013 OVER $127,000 WAS PROVIDED FO

Return Reference	Explanation	
	FORM 990, PART III, LINE 4	R THIS NO CHARGE SERVICE -COMMUNITY EDUCATION BH IS COMMITTED TO PROVIDING EDUCATION IN A LL THE COMMUNITIES IT SERVES AND DOING ITS PART TO KEEP BANNER COMMUNITIES STRONG AND HEAL THY ACROSS THE SYSTEM, AREA RESIDENTS AND COMMUNITY MEMBERS WERE PROVIDED NUMEROUS IN-PER SON AND ONLINE EDUCATIONAL OPPORTUNITIES INCLUDING CLASSES, SYMPOSIUMS, PRESENTATIONS AND FORUMS AIMED AT COMMUNITY HEALTH AWARENESS TOPICS INCLUDED DISCUSSIONS SPECIFIC TO VARIOU S DISEASES AND DISEASE PREVENTION TECHNIQUES, HOLISTIC THERAPIES, CAREGIVER SUPPORT AND SA FETY ALSO AVAILABLE WERE SPEAKER BUREAUS AND PHYSICIAN LECTURES DEDICATED TO MEETING THE PARTICULAR HEALTH-RELATED COMMUNITY REQUEST OR NEED EXTENDING BEYOND PATIENT CARE, THE FO LLOWING COMMUNITY HEALTH ACTIVITIES AND SUPPORT SERVICES WERE ALSO CARRIED OUT IN 2013 -A LZHEIMER'S EDUCATION, SCREENING AND SUPPORT SERVICES - THROUGH THE BANNER ALZHEIMER'S INST ITUTE COMMUNITY PRESENTATIONS, CAREGIVER SUPPORT SERVICES AND SCREENINGS WERE PROVIDED TO INDIVIDUALS AND FAMILIES -AUTO, CAR SEAT AND SEAT BELT SAFETY - PARENTS, YOUTH AND FAMILY MEMBERS PROVIDED WITH CAR SEAT AND SEAT BELT SAFETY INSTRUCTIONS AND CERTIFICATION OPPORT UNITIES -BANNER HOSPICE CHILDREN'S BEREAVEMENT CAMP - PROVIDED SUPPORT VALUED AT $15,000 FOR A FREE BEREAVEMENT CAMP FOR CHILDREN WHO HAVE LOST A PARENT OR LOVED ONE. -BEHAVIORAL HEALTH - PROVIDED EDUCATION AND RESOURCES RELATED TO SUICIDE PREVENTION, DEPRESSION, CHILD HOOD BEHAVIOR ISSUES AND ANXIETY -BIKE AND HELMET SAFETY - IN EXCESS OF 900 PERSONS PROVI DED WITH BIKE AND HELMET SAFETY LESSONS AND/OR SUPPLIES -CANCER EDUCATION, SCREENINGS AND SUPPORT - OVER 600 PERSONS WERE PROVIDED WITH EDUCATION AND ACTIVITIES IN SUPPORT OF CANC ER CARE AND HEALING THESE SERVICES WERE VALUED IN EXCESS OF $28,000 AND INCLUDED EVENTS S UCH AS "ASK THE EXPERT", "TOUGH ENOUGH TO WEAR PINK" AND FREE MAMMOGRAMS -CARDIAC CARE, H EALTHY HEART, AND STROKE EDUCATION AND AWARENESS - SERVICES VALUED AT $8,000 PROVIDED TO O VER 1,260 LOCAL RESIDENTS -CHILDREN AND YOUTH -- CHILD DEVELOPMENT, EARLY EDUCATION AND S AFETY AWARENESS VALUED IN EXCESS OF $55,000 PROVIDED TO OVER 21,000 CHILDREN AND YOUTH -C OMMUNITY BLOOD SCREENINGS AND DRAWS - DRAWS, EDUCATION AND HEALTH PROFILE SCREENING BENEFI TS PROVIDED TO RESIDENTS OF COMMUNITIES SERVED BY BANNER -COMMUNITY NEWSLETTERS - QUARTER LY HEALTH INFORMATION PROVIDED TO THOUSANDS OF LOCAL RESIDENTS -CPR AND FIRST AID - RESID ENTS TRAINED ON CPR, FIRST AID AND EMERGENCY RESPONSE PROTOCOL -DIABETES SCREENING AND SU PPORT- LECTURES, SCREENINGS AND COMMUNITY EXPOS AIMED AT EDUCATING THE COMMUNITY ON DIABET ES CITIZENS PARTICIPANTS PERSONS RECEIVED FREE SCREENINGS AND EDUCATION VALUED IN EXCESS OF $7,8 -EAST VALLEY WELLNESS PROGRAM HEALTH BEYOND THE WALLS - IMPROVE THE LIVES OF COM MUNITY RESIDENTS THROUGH FREE WELLNESS SCREENINGS AND HEALTH EDUCATION BANNER HEALTH BRIN GS HEALTH CARE SERVICES TO THOSE WHO CAN'T EASILY ACCESS THEM MONTHLY, A COMMUNITY HEALTH NURSE VISITS COMMUNITIES IN THE EAST PHOENIX METRO AREA, CHECKING BLOOD PRESSURE AND BLOO D GLUCOSE AND PROVIDING EDUCATION AND COUNSELING TO PERSONS WHO DON'T HAVE A PHYSICIAN OR MAY HAVE TROUBLE GETTING TO THEIR DOCTORS' OFFICES -FITNESS AND EXERCISE - OPPORTUNITY FO R ADULTS AND YOUTH TO IMPROVE HEALTH VIA PILATES, YOGA, STRENGTH TRAINING, FITNESS CHALLEN GES, ZUMBA, WORKSITE WELLNESS OPPORTUNITIES AND BODY MECHANICS TRAINING -FOOD & NUTRITION - OPPORTUNITIES PROVIDED TO AREA RESIDENTS TO LEARN HEALTHY COOKING, LABEL INTERPRETATION AND ANALYSIS AND PORTION CONTROL AND DISTORTION TECHNIQUES -GERMS AND GERM SAFETY - CHIL DREN AND ADULTS WERE EDUCATED ON GERM PREVENTION AND THE IMPORTANCE OF HAND WASHING AND SA NITATION -GRIEF- INDIVIDUALS WERE SUPPORTED BY SERVICES AND ACTIVITIES TO ASSIST WITH GRI EF - HEALTH CARE SUPPORT SERVICES - PUBLIC AHCCCS/MEDICAID PROGRAM ENROLLMENT ASSISTANCE A ND CARE COORDINATION VALUED AT $3 4 MILLION PROVIDED TO INDIVIDUALS IN NEED -HEALTH FAIRS - HEALTH FAIRS VALUED IN EXCESS OF $8,0

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	HEALTH PROFESSION EDUCATION AND TRAINING PROGRAMS	BANNER HEALTH IS COMMITTED TO THE TRAINING OF MEDICAL RESIDENTS, NURSING STUDENTS, OTHER S TUDENTS AND COMMUNITY MEMBERS IN 2013, BH SUPPORTED HEALTH PROFESSION EDUCATION WITH THE FOLLOWING PROGRAMS -MEDICAL EDUCATION - SINCE 1965, BH HAS OFFERED GRADUATE MEDICAL EDUCA TION AT BANNER GOOD SAMARITAN MEDICAL CENTER AND HUNDREDS OF PHYSICIANS WHO HAVE GRADUATED FROM THIS PROGRAM SERVE OUR COMMUNITIES BH HAS ALSO BEEN INSTRUMENTAL IN EDUCATING THE C OLORADO PHYSICIAN COMMUNITY AS PART OF COMMUNITY SERVICE, BH PROVIDED APPROXIMATELY $21 3 MILLION FOR THE TRAINING OF FUTURE DOCTORS, NURSES AND THERAPISTS, AND THE CONTINUING EDU CATION OF CURRENT HEALTH CARE PROFESSIONALS THE FAMILY PRACTICE RESIDENCY AT NORTH COLORA DO MEDICAL CENTER PROVIDES FAMILY PRACTICE RESIDENTS WITH ADVANCED SKILLS TO ENABLE THEM T O PROVIDE A WIDE VARIETY OF PHYSICIAN SERVICES IN UNDERSERVED RURAL AREAS -STUDENT NURSIN G EDUCATION - COLLABORATION WITH LOCAL UNIVERSITIES TO ENHANCE AND PROVIDE EDUCATION AND P RACTICAL TRAINING VALUED IN EXCESS OF $551,000 -PHARMACY EDUCATION - AS PART OF COMMUNITY SERVICE, BH PROVIDED APPROXIMATELY $896,000 FOR THE TRAINING OF FUTURE PHARMACISTS -NURS ING PROFESSIONAL EDUCATION - NURSING EDUCATION PROVIDED ON A VARIETY OF RELEVANT TOPICS AN D SKILL SETS INCLUDING FORENSIC NURSING -EMS/PARAMEDICS - SERVICES PROVIDED TO LOCAL EMER GENCY MEDICAL PERSONNEL AND AGENCIES -SIMULATION TRAINING - COLLABORATION WITH AREA COLLE GES AND EMERGENCY RESPONSE DEPARTMENTS TO PROVIDE SIMULATION EXERCISES IN TECHNOLOGICALLY ADVANCED SIMULATION CENTER -JOB SHADOWING AND CAREER DAY PRESENTATIONS- THESE PROGRAMS AN D SERVICES VALUED AT $60,273 ENCOURAGED HEALTHCARE CAREERS THROUGH EDUCATION AND OBSERVATI ON OF DAILY ACTIVITIES TO AREA YOUTH AND OTHERS INTERESTED IN HEALTH CARE CAREERS -PALS & ACLS - TRAINING AND CERTIFICATION SERVICES VALUED AT APPROXIMATELY $39,000 PROVIDED ON BA SIC AND ADVANCED TECHNIQUES -OTHER HEALTH PROVIDER EDUCATION - OTHER HEALTH CARE PROVIDER S, CLERGY AND STUDENTS WERE TRAINED ON A VARIETY OF TOPICS INCLUDING VALUED IN EXCESS OF $ 53,000 -BANNER CENTER FOR HEALTH EDUCATION - COLLABORATED WITH MARICOPA COMMUNITY COLLEGE ON VARIOUS HEALTH CAREERS AND WAYS TO INCREASE AREA HEALTH PROFESSIONAL AND NURSING SHORT AGES - SCHOLARSHIPS - PROVIDED SUPPORT IN EXCESS OF $2,935,000 FOR EDUCATIONAL OPPORTUNITI ES SUBSIDIZED HEALTH SERVICES BANNER PROVIDES NUMEROUS CLINICAL SERVICES TO MEET THE NEED S OF BH COMMUNITIES AND THE UNINSURED OR UNDER-INSURED INCLUDED IN THE SERVICES PROVIDED IN 2013 ARE -FUNDED DISCHARGE PROGRAM FUNDS IN EXCESS OF $2,300,000 PROVIDED TO NEEDY COM MUNITY RESIDENTS FOR POST DISCHARGE CARE -THE BANNER GOOD SAMARITAN POISON AND DRUG INFOR MATION CENTER THE BANNER GOOD SAMARITAN POISON AND DRUG INFORMATION CENTER (BGSPDIC) IS AC CREDITED BY THE AMERICAN ASSOCIATION OF POISON CONTROL CENTERS (AAPCC) AND IS DESIGNATED B Y THE STATE OF ARIZONA TO PROVIDE FREE 24 HOUR EMERGENCY MANAGEMENT OF POISONINGS TO RESID ENTS AND HEALTH CARE PROFESSIONALS IN MARICOPA COUNTY NURSES WHO ARE SPECIALISTS IN POISO N INFORMATION ALONG WITH POISON INFORMATION PROVIDERS RECEIVED OVER 73,000 CALLS IN 2013 F OR HELP WITH MANAGING POISONINGS SOME OF WHICH INCLUDED BITES AND STINGS, DRUG OVERDOSES, CHILDREN GETTING INTO POISONS AS WELL AS PROVIDING POISON AND DRUG INFORMATION OVER 100,0 00 FOLLOW UP CALLS WERE MADE ON POISON EXPOSURE CALLS TO DETERMINE OUTCOME APPROXIMATELY 73% OF POISON EMERGENCIES WERE MANAGED SAFELY AT HOME BY PHONE ELIMINATING THE NEED FOR A VISIT TO A PHYSICIAN OR THE LOCAL EMERGENCY ROOM 89% OF CALLS ABOUT CHILDREN WERE SAFELY MANAGED AT HOME IN ADDITION, THE CENTER PROVIDES EXTENSIVE COMMUNITY EDUCATION ON THE PRE VENTION OF POISONINGS BGSPDIC COLLABORATES WITH SEVERAL PUBLIC HEALTH DEPARTMENTS IN ARIZ ONA AND ASSISTS WITH AFTERHOURS DISEASE REPORTING, ASSISTS WITH SURGE CAPACITY/OVERFLOW OF MAJOR HEALTH ISSUES I E., FOOD BORNE ILLNESSES, INFLUENZA CALLS POISON CENTER STAFF ARE ACTIVELY INVOLVED IN TEACHING NURSING AND MEDICAL STUDENTS, PHARMACY AND PARAMEDIC STUDENT S IN 2013 THE OPERATING EXPENDITURES OF THE POISON CONTROL CENTER WAS APPROXIMATELY $2,16 1,000 BANNER GOOD SAMARITAN POISON AND DRUG INFORMATION CENTER RECEIVED CONTRIBUTIONS FRO M UNITED WAY, ARIZONA DEPARTMENT OF HEALTH SERVICES, AND HRSA ALONG WITH HEALTH DEPARTMENT CONTRACTS AND PROJECTS TO TOTAL APPROXIMATELY $661,000 BANNER GOOD SAMARITAN CONTRIBUTED THE REMAINING MONIES IN EXCESS OF $1,500,000 TO FUND THIS MUCH NEEDED PROGRAM ONE OF ONL Y TWO CENTERS IN THE STATE, THE BANNER POISON CONTROL CENTER RECEIVES OVER 60% OF THE STAT E'S CALL VOLUME AND WITH BANNER GOOD SAMARITAN'S DEPARTMENT OF MEDICAL TOXICOLOGY HAS A GR ADUATE TRAINING PROGRAM FOR PHYSICIANS IN TOXICOLOGY CURRENTLY TRAINING FELLOWS IN ARIZONA ESTABLISHED IN 1979, THE BANNER GOOD SAMARITAN POISON CENTER HAS CONTINUOUSLY SERVED THE CITIZENS OF MARICOPA COUNTY AND SURROUNDING COUNTIES FOR MORE THAN 35 YEARS -HEALTHY BEG INNINGS PRENATAL PROGRAM HEALTHY BEGINNINGS IS A L

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	HEALTH PROFESSION EDUCATION AND TRAINING PROGRAMS	OVELAND, COLORADO COMMUNITY-BASED PRENATAL PROGRAM THAT OFFERS HEALTH CARE, EDUCATION AND SUPPORT FOR FAMILIES WITH LITTLE OR NO HEALTH INSURANCE AND ALLOWS ACCESS QUALITY PRENATAL CARE AND EDUCATION REALIZING EVERY BABY NEEDS A FIGHTING CHANCE, CLASSES ARE AVAILABLE I N BREASTFEEDING, STRESS MANAGEMENT, AND BASIC INFANT CARE THERE IS A MONTHLY "MOM'S GROUP ," AND EVEN THE OPPORTUNITY FOR EXPECTANT FATHERS TO MEET WITH A MALE SOCIAL WORKER -SCHO OL-BASED HEALTH CLINICS IN CONJUNCTION WITH THE BANNER FOUNDATION, THE BANNER HEALTH SCHOO L-BASED HEALTH CLINIC PROGRAM PROVIDES PRIMARY CARE SERVICES TO UNINSURED CHILDREN ENROLLE D IN SCHOOLS THROUGHOUT CHANDLER, GLENDALE, MESA, PHOENIX AND TEMPE. CONVENIENTLY LOCATED ON SCHOOL CAMPUSES, THE SCHOOL-BASED HEALTH CLINICS OPERATE LIKE A REGULAR DOCTOR'S OFFICE HELPING UNINSURED CHILDREN WITH HEALTH PROBLEMS, PHYSICALS AND ROUTINE CHECK-UPS LACK OF HEALTH SERVICES TO UNINSURED CHILDREN IS A CRITICAL PROBLEM IN ARIZONA, WHERE A SIGNIFICA NT PORTION OF CHILDREN ARE WITHOUT HEALTH INSURANCE THE PROGRAM'S GOAL IS TO KEEP UNINSUR ED CHILDREN HEALTHY, IN SCHOOL, AND OUT OF THE EMERGENCY ROOM THIS SERVICE IS EFFICIENT, COST EFFECTIVE, AND EASILY ACCESSIBLE THROUGH THE SCHOOL NURSE AND INCLUDES HEALTH ASSESSM ENTS AND HISTORIES, HEALTH PROMOTIONS, DIAGNOSIS AND TREATMENT OF EPISODIC ILLNESS AND SPO RTS AND CAMP PHYSICALS AND STUDENTS DO NOT NEED TO ATTEND THESE SCHOOLS IN ORDER TO RECEIV E CARE -BANNER CHILDREN'S HEALTHMOBILE A COMPLEMENT TO THE BANNER HEALTH SCHOOL-BASED HEA LTH CENTERS THE "BANNER CHILDREN'S HEALTHMOBILE" IS A LICENSED OUTPATIENT TREATMENT CENTER THAT OPERATES JUST LIKE A MOBILE DOCTOR'S OFFICE, OFFERING CHILDREN UP TO 21 YEARS OF AGE TREATMENT FOR HEALTH PROBLEMS, PHYSICALS AND ROUTINE ANNUAL CHECK-UPS THE MOBILE CLINIC COMPLEMENTS BANNER HEALTH'S SCHOOL-BASED HEALTH CENTERS, WHICH HAVE TREATED THOUSANDS OF P ATIENTS FOR FREE AT VALLEY CAMPUSES A NECESSITY FOR UNINSURED AND UNDERINSURED CHILDREN I N THE PHOENIX METROPOLITAN AREA, OVER 1,000 YOUNG PEOPLE WERE PROVIDED EXCEPTIONAL MEDICAL TREATMENT IN 2013 THE BANNER CHILDREN'S HEALTHMOBILE FURTHER SUPPORTS OUR LOCAL COMMUNIT IES AND HOSPITALS BY PROVIDING MORE CONVENIENCE FOR FAMILIES WHO PREVIOUSLY HAD TO TRAVEL LONG DISTANCES FOR TREATMENT -SEASON'S CLUB, OLIVE BRANCH SENIOR CENTER AND STEPPING STON ES SEASON'S CLUB, OLIVE BRANCH SENIOR CENTER, ADULT RESIDENTIAL CARE, STEPPING STONES AND MEMORIES IN THE MAKING ENHANCE THE QUALITY OF LIFE FOR MATURE ARIZONA AND COLORADO ADULTS THROUGH HEALTH PROMOTION, EDUCATION AND RECREATION IN 2013 APPROXIMATELY $1 3M WAS INVEST ED IN THE LOVELAND AND NORTHWEST PHOENIX COMMUNITIES TO ENHANCE THE LIVES OF AREA SENIORS -THE GOLDEN HEART PROJECT THE GOLDEN HEART "OFF THE STREET AND INTO TREATMENT" PROJECT IS BY FAIRBANKS MEMORIAL HOSPITAL AND IS MADE UP OF COMMUNITY LEADERS IN BUSINESS, NATIVE OR GANIZATIONS, THE UNIVERSITY OF ALASKA, GOVERNMENT, HEALTHCARE, JUSTICE AND CORRECTIONS, TR EATMENT SERVICES, AND THE MEDIA THE PROJECT PRODUCES LOCAL SYSTEM CHANGES TO IMPROVE PREV ENTION, INTERVENTION, AND TREATMENT SERVICES WITH REGARD TO THE NEEDS OF THE CHRONIC INEBR IATE POPULATION THIS COMMUNITY GROUP TAKES RESPONSIBILITY FOR IMPROVING ACCESS TO APPROPR IATE TREATMENT SERVICES AND FOR CHANGING PESSIMISTIC ATTITUDES ABOUT THE VALUE OF SUPPORT BEHAVIORAL TREATMENT SERVICES -PALLIATIVE CARE MULTIDISCIPLINARY TEAMS IN ARIZONA AND COL ORADO STRIVE TO ASSIST PATIENTS, FAMILIES AND CAREGIVERS WITH END-OF-LIFE ISSUES, AN UNCOM FORTABLE SUBJECT TO MANY BANNER'S APPROACH ENCOURAGES OPEN COMMUNICATION AND HELPS IDENTI FY AND CARRY OUT INDIVIDUALIZED GOALS FOR END-OF-LIFE CARE SPECIALIZED SY MPTOM MANAGEMENT ALONG WITH CONSULTATION ADDRESSES THE MEDICAL, EMOTIONAL, PSY CHOLOGICAL AND SPIRITUAL ISS UES THAT OCCUR WITH REGARD TO THE MANAGEMENT OF ADVANCED CHRONIC AND LIFE-LIMITING ILLNESS IN 2013, OVER $7 0 MILLION WAS DEVOTED TO THESE EFFORTS -TRAUMA THE TRAUMA DEPARTMENT A T BANNER GOOD SAMARITAN MEDICAL CENTER R

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	- BEHAVIORAL HEALTH	IN 2013, $1 45 MILLION WAS DEVOTED TO THE MENTAL HEALTH NEEDS OF THE COMMUNITY -NCMC BURN CLINIC THE NCMC BURN CLINIC HOUSES THE WESTERN STATES BURN CENTER AND WITHOUT BANNER'S $1 0,500 SUPPORT, MULTIPLE WESTERN STATES WOULD BE WITHOUT THIS COVERAGE -LAURA DRIER BREAST CENTER EACH YEAR, THOUSANDS OF WOMEN RELY ON THE LAURA DREIER BREAST CENTER AT BANNER GOO D SAMARITAN FOR THEIR ANNUAL SCREENING MAMMOGRAMS AND BONE DENSITY STUDIES THE REACHING O UT LAURA DREIER BREAST HEALTH PROGRAM EDUCATES WOMEN ABOUT THE LATEST BREAST DISEASE PREVE NTION, EARLY DETECTION AND TREATMENT INFORMATION THROUGH DONATIONS TO THE BANNER HEALTH F OUNDATION AND PARTNERSHIP WITH THE KOMEN FOUNDATION, THE REACHING OUT PROGRAM HAS PROVIDED MAMMOGRAMS AND TREATMENT TO HUNDREDS OF UNINSURED AND UNDERINSURED WOMEN IN 2013 BANNER HEALTH CONTRIBUTED $367,000 TO BREAST CANCER TREATMENT EFFORTS -WOMEN'S CENTER THE WOMEN' S CENTER AT BANNER GOOD SAMARITAN MEDICAL CENTER TAKES A UNIQUE APPROACH TO WOMEN'S HEALTH BY COMBINING ACADEMIC TRAINING FOR OBSTETRICS AND GYNECOLOGY RESIDENTS WITH EXPERIENCED B OARD-CERTIFIED FACULTY PHYSICIANS IN 2013 BANNER GOOD SAMARITAN PROVIDED $857,697 IN ADVA NCED CARE FOR COMPLICATED WOMEN'S HEALTH ISSUES AS WELL AS ROUTINE EXAMS THE WOMEN'S CENT ER IS A KEY RESOURCE IN CENTRAL PHOENIX AND IS THE PRIMARY REFERRAL SITE FOR HIGH-RISK AND COMPLICATED WOMEN'S MEDICAL SERVICES PATIENTS TRAVEL FROM ALL OVER ARIZONA TO RECEIVE IN PATIENT, OUTPATIENT AND IN-OFFICE CARE RESEARCH ACTIVITIES THE MISSION OF BANNER HEALTH'S RESEARCH ADMINISTRATION IS TO ENSURE THAT RESEARCH IS CONDUCTED ETHICALLY, SAFELY, AND EF FICIENTLY SUCH RESEARCH REVEALS NEW CANCER TREATMENTS THAT ARE MORE EFFECTIVE AND LESS DE BILITATING THAN CURRENT THERAPIES, VACCINES THAT PROTECT OUR CHILDREN AND COMMUNITIES FROM ILLNESSES, "MINIMALLY INVASIVE" SURGERIES THAT REQUIRE LESS RECOVERY TIME AND NON-INVASIV E PROCEDURES THAT ALLOW PEOPLE TO AVOID SURGERY ALL TOGETHER BANNER SUPPORTS THE PHYSICIA NS AND OTHER SCIENTISTS WHOSE EFFORTS BRING REAL SOLUTIONS TO SOCIETY'S MEDICAL PROBLEMS A ND PROMOTE COMMUNITY HEALTH IN 2013, RESEARCH ADMINISTRATION PROVIDED THE CLINICAL ENVIRO NMENT WITH RESEARCH COMPLIANCE INFRASTRUCTURE, CENTRAL IRB, AND PATIENT POPULATION MIX FOR COLLABORATION WITH PHARMACEUTICAL AND BIOTECH COMPANIES, ACADEMIC AND RESEARCH INSTITUTIO NS, IN THE IDENTIFICATION OF DISEASE STAGE BIOMARKERS, DEVELOPMENT OF DIAGNOSTIC TOOLS, AN D PERTINENT PREVENTION AND TREATMENT MODALITIES VALUED IN EXCESS OF AT $11 0 MILLION BANN ER IS INVOLVED IN CUTTING-EDGE RESEARCH AIMED AT HELPING PATIENTS SUFFERING FROM SOME OF T HE MOST SERIOUS DISEASES AND CONDITIONS, INCLUDING SPINAL CORD INJURIES, ALZHEIMER'S DISEA SE, CANCER, CARDIOVASCULAR AND DIABETES/OBESITY, IN COLLABORATION WITH ARIZONA'S STATE UNI VERSITIES, RESEARCH INSTITUTIONS AND INDUSTRY INPATIENT AND OUTPATIENT RESEARCH STUDIES W ERE CONDUCTED IN CARDIOLOGY, NEUROBIOLOGY/BIOENGINEERING, NEUROLOGY, OB/GYN, ONCOLOGY, PED IATRICS, PRIMARY CARE, PSYCHIATRY, PULMONARY, SURGERY, TOXICOLOGY, AND ALZHEIMER'S DISEASE AT VARIOUS BANNER FACILITIES FINANCIAL CONTRIBUTIONS AND IN-KIND DONATIONS BANNER IS COM MITTED TO ASSISTING FINANCIALLY AND THROUGH IN-KIND CONTRIBUTIONS TO INDIVIDUALS AND/OR TH E COMMUNITY AT LARGE IN 2013 BANNER HEALTH PROVIDED THE FOLLOWING CONTRIBUTIONS OR IN-KIN D DONATIONS TO SUPPORT CHARITY CARE, HEALTH PROFESSIONS EDUCATION AND OTHER COMMUNITY BENE FIT ACTIVITIES -SUSAN G KOMEN FOR THE CURE/KOMEN PHOENIX RACE FOR THE CURE WITH SIGNIFIC ANT SUPPORT FROM BH, THE KOMEN PHOENIX RACE FOR THE CURE IS HELD ANNUALLY IN OCTOBER IN 2 013, FUNDS WERE AGAIN RAISED TO ERADICATE BREAST CANCER AS A LIFE-THREATENING DISEASE BY A DVANCING RESEARCH, EDUCATION, SCREENING AND TREATMENT BANNER HEALTH EMPLOYEES, FAMILY MEM BERS AND FRIENDS RAISED MORE THAN $2,100 BY PARTICIPATING IN THE ANNUAL KOMEN PHOENIX RACE FOR THE CURE, AN EFFORT LED BY FACILITY LEADERS AND TEAM CAPTAINS WHO HELPED PLAN AND PRO MOTE BANNER'S PARTICIPATION IN THE RACE FOR THE CURE FUNDS RAISED THROUGH THE RACE DIRECT LY BENEFIT BREAST CARE/CANCER SERVICES FOR UNDERSERVED WOMEN AT THE LAURA DREIER BREAST CE NTER AT BANNER GOOD SAMARITAN MEDICAL CENTER AND THE BREAST CANCER TREATMENT PROGRAM AT BA NNER DESERT MEDICAL CENTER EACH YEAR, THE PHOENIX AFFILIATE OF SUSAN G KOMEN RACE FOR TH E CURE AWARDS GRANTS TO BANNER HEALTH FOUNDATION IN SUPPORT OF BREAST HEALTH PROGRAMS AND SERVICES THESE GRANTS PROVIDE INNOVATIVE, NON-DUPLICATIVE BREAST HEALTH AND BREAST-CANCER SERVICES DIRECTLY TO INDIVIDUALS WHO ARE MEDICALLY UNDERSERVED, UNINSURED OR UNDERINSURED -LOVELAND COMMUNITY HEALTH CENTER MCKEE MEDICAL CENTER PARTNERS WITH SUNRISE HEALTHCARE TO MEET THE NEEDS OF THE UNINSURED AND UNDERINSURED IN LOVELAND LCHC PROVIDES QUALITY, CO MPREHENSIVE HEALTH CARE FOR UNINSURED AND UNDERINSURED COMMUNITY MEMBERS THE CLINIC PROVI DES PRIMARY AND PREVENTATIVE HEALTH CARE IN GREELEY AND NORTHERN COLORADO MCKEE MEDICAL CE NTER PROVIDES THE PHYSICAL FACILITY AND EXPANSION,

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	- BEHAVIORAL HEALTH	WHILE THE SUNRISE GROUP OF GREELEY PROVIDES STAFFING FOR THE MEDICAL CLINIC BANNER HEALT H PROVIDES LCHC WITH A 13,902 SQUARE FOOT FACILITY FREE OF CHARGE THE ESTIMATED ANNUAL RE NTAL VALUE OF THIS GIFT IS ESTIMATED TO BE $365,901 IN 2013, OVER 7,300 PERSONS WERE PROV IDED MEDICAL SERVICES BY LCHC AND IN-OFFICE CARE -BANNER WHEELCHAIR SUNS BANNER GOOD SAMA RITAN MEDICAL CENTER, IN PARTNERSHIP WITH THE PHOENIX SUNS AND US AIRWAYS, SPONSORS THE BA NNER WHEELCHAIR SUNS TO RAISE AWARENESS OF THE CAPABILITIES OF DISABLED PERSONS FOR MORE THAN 20 YEARS, BANNER HEALTH, ALONG WITH THE PHOENIX SUNS HAS BEEN THE PROUD SPONSOR OF TH E BANNER WHEELCHAIR SUNS, AN EXTRAORDINARILY SUCCESSFUL TEAM IN THE NATIONAL WHEELCHAIR BA SKETBALL ASSOCIATION IN ADDITION TO PROMOTING AWARENESS AND RAISING FUNDS, THE WHEELCHAIR SUNS ALSO ORGANIZED THE BANNER JUNIOR SUNS, WHICH INCLUDES PLAYERS AGES 12 TO 18 YEARS OL D -PROJECT CURE FOR MANY YEARS BANNER HEALTH HAS WORKED CLOSELY WITH PROJECT CURE (PC) BY DONATING MEDICAL SUPPLIES THAT CAN NO LONGER BE USED AT BANNER FACILITIES BUT WHICH CAN S TILL BE USED IN THIRD WORLD COUNTRIES EACH FACILITY WITHIN BANNER SETS ASIDE SUPPLIES EVE RY MONTH WHICH ARE THEN SECURED BY PC AND INVENTORIED AT A LOCAL PC SITE ONCE INVENTORIED , THESE SUPPLIES ARE REQUESTED BY INDIVIDUALS AND MISSIONS THOUGH OUT THE WORLD AND AN INC REDIBLE NEED IS MET BANNER IS PROUD TO SUPPORT THIS OUTREACH MISSION THAT HELPS MILLIONS IN 2013, BH DONATED $1 3 MILLION IN SUPPLIES TO PROJECT CURE

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THE FOLLOWING ORGANIZATIONS ARE REPRESENTATIVE OF THOSE RECEIVING	FINANCIAL, IN-KIND OR VOLUNTEER DONATIONS FROM BH IN 2013 -ALASKA ACADEMY OF PHYSICIAN ASSISTANTS -ALASKA CHILDREN'S TRUST -ALASKA SAFETY ADVISORY COUNCIL -ALASKA STATE MEDICAL ASSOCIATION -PHYSICIAN HEALTH COMMITTEE -ALTERNATIVES TO VIOLENCE -ALZHEIMER'S ASSOCIATION -AMERICAN CANCER SOCIETY HEART WALK -AMERICAN CANCER SOCIETY GO RED -AMERICAN CANCER SOCIETY RELAY FOR LIFE -AMERICAN DIABETES ASSOCIATION -AMERICAN HEART ASSOCIATION -AMERICAN LIVER FOUNDATION -AMERICAN LUNG ASSOCIATION -AMERICAN RED CROSS -AQP PUBLISHING FT WAINWRIGHT GUIDE -ARIZONA CHAPTER AMERICAN COLLEGE OF SURGEONS -ARIZONA NURSES FOUNDATION -ARIZONA PERINATAL TRUST -ARIZONA SCHOOL NURSES CONSORTIUM -ARIZONA STATE UNIVERSITY -ARTHRITIS FOUNDATION -BEATITUDES CAMPUS -BETTER TOGETHER -BIG BROTHERS BIG SISTERS BOWL -BIG HORN COUNTY FAIR BOARD -BIZ WEST MEDIA -BLAKES MIRACLE -BOY SCOUTS OF AMERICA -BOYS & GIRLS CLUB LARIMER COUNTY -BOYS AND GIRLS CLUB -CENTENNIAL AHEC -CENTER FOR PERSONALIZED EDUCATION FOR PHYSICIANS -CHILDREN'S ACTION ALLIANCE -CHILDREN'S CANCER NETWORK -CITY OF SURPRISE -CNF NIGHTINGALE -COLORADO PHYSICIANS HEALTH PROGRAM -COMMUNITY KITCHEN -CPEP -CYSTIC FIBROSIS FOUNDATION -DARE -DAVIS PHINNEY FOUNDATION -DDA -DISABLED RESOURCE CENTER -DOWNTOWN ASSOCIATION GOLDEN HEART SERVICE PATROL -DRUG EDUCATION JOURNAL -EAST MORGAN COUNTY FOUNDATION -END ALZHEIMER'S WALK -FAIRBANKS COUNSELING AND ADOPTION -FESTIVAL OF TREES -FORGET ME NOT MISSION -FRIENDS OF WOMAN -GANNETT HEALTHCARE GROUP -GREELY TRANSITIONAL -HONOR FLIGHT NORTHERN COLORADO -HOUSE OF NEIGHBORLY SERVICES -JUNIOR DIABETES RESEARCH FOUNDATION DESERT SW CHAPTER -LHPAC -LONGS PEAK COUNCIL -LONGS PEAK COUNCIL BOY SCOUTS OF AMERICA -LOVELAND HABITAT FOR HUMANITY -LOVELAND ROTARY -LUBICK FOUNDATION -MAKE A WISH -MARCH OF DIMES -MARCH OF DIMES NURSE OF THE YEAR BANQUET -MCC FOUNDATION -MCKEE FOUNDATION -MEALS ON WHEELS -MENTAL HEALTH GUILD -MHA -MIDNIGHT SUN INTERTRIBAL -MIDWESTERN UNIVERSITY COLLEGE -NATIONAL MULTIPLE SCLEROSIS SOCIETY -NCMC FOUNDATION -NEW LIFE SOCIETY -NORTH STAR IMAGINATION LIBRARY -NOT MY KID -OGALLALA RELAY FOR LIFE -PASTELS ON 5TH -PHILIPPINE TYPHOON RELIEF -PHILO CLUB -PROJECT SELF SUFFICIENCY -PROM-A-RAMA -RACE FOR LIFE -RALLY FOR THE CURE -RCPC KIDS FUNDRAISER -RELAY FOR LIFE -RESPITE CARE -RETREAT REFRESH STROKE CAMP -RONALD MCDONALD HOUSE -SAINT -SANDHILLS CRISIS INTERVENTION -SEDGWICK COUNTY MEMORIAL HOSPITAL -SOBER GRAD -SUN HEALTH FOUNDATION -SUNRISE COMMUNITY HEALTH CENTER -SURPRISE REGIONAL CHAMBER -SUSANVILLE EXPRESS -TANANA CHIEFS CONFERENCE RURAL PROVIDERS -TODD SEEK EMS MEMORIAL -TORRINGTON DARE -TORRINGTON SHRINE CLUB -TOWNSSQUARE MEDIA -TRI OGALLALA TRIATHLON -UAF TECH FEST -UNIVERSITY OF ALASKA -FAIRBANKS SCHOOL OF MANAGEMENT ARCTIC INNOVATION -UNIVERSITY OF ALASKA - FAIRBANKS SCHOOL OF NURSING -UNITED WAY -UNITED WAY OF LARIMER COUNTY -UNITED WAY OF WELD COUNTY -UNIVERSITY OF NORTHERN COLORADO -UPSTATE COLORADO ECONOMIC DEVELOPMENT -WASHAKIE JR LIVESTOCK AUCTION -WHEELCHAIR SUNS -WOMAN TO WOMAN -WOMEN OF DISTINCTION -WOUNDED WARRIOR -WYOMING STATE BAR-B-QUE4-H

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COMMUNITY BUILDING	AS A GOOD CORPORATE CITIZEN AND PARTNER, BANNER IS INVOLVED IN A NUMBER OF ACTIVITIES DESIGNED TO PROMOTE COMMUNITY HEALTH AND ADDRESS COMMUNITY NEEDS INCLUDING COMMUNITY HEALTH IMPROVEMENT ADVOCACY, HOUSING, ECONOMIC DEVELOPMENT, COALITION BUILDING, COMMUNITY HEALTH ADVOCACY, LEADERSHIP DEVELOPMENT, WORKFORCE DEVELOPMENT AND ENHANCEMENT, AND DISASTER PREPAREDNESS BH EMPLOYEES ARE ENCOURAGED TO AND RECOGNIZED FOR SERVICE AND PARTICIPATION ON COMMUNITY BOARDS AND TASK FORCES AND BANNER FREQUENTLY PROVIDES FACILITY USAGE TO COMMUNITY NON-PROFITS THESE ACTIVITIES ARE NOT INCLUDED ELSEWHERE ON SCHEDULE H THE FOLLOWING ARE BUT A FEW WAYS IN WHICH BANNER PROMOTES, PROTECTS OR IMPROVES COMMUNITY HEALTH AND SAFETY -ECONOMIC AND LEADERSHIP DEVELOPMENT BANNER EQUIPS ITS LEADERS TO SERVE AND SUPPORT THE COMMUNITIES IT SERVES AND SUPPORTS THE DEVELOPMENT OF THESE SAME COMMUNITIES IN AN EFFORT TO PROVIDE LEADERSHIP, ANALYZE COMMUNITY NEEDS AND SUPPORT BUSINESS EXPANSION BH IS A MEMBER AND/OR EVENT SPONSOR FOR -ALASKA CHAMBER OF COMMERCE -BANNER FEDERAL CREDIT UNION -CHANDLER CHAMBER OF COMMERCE -CITY OF LOVELAND -DOWNTOWN ASSOCIATION FAIRBANKS -FAIRBANKS CONVENTION & VISITORS BUREAU -FAIRBANKS ECONOMIC DEVELOPMENT -GOLDEN HEART ROTARY -GREATER PHOENIX ECONOMIC COUNCIL -LOVELAND CHAMBER OF COMMERCE -LOVELAND ROTARY -NORTHERN COLORADO ECONOMIC DEVELOPMENT - PLANNED PARENTHOOD OF THE GREAT NORTHWEST -RAVEN'S LANDING BOARD OF DIRECTORS -ROTARY CLUB OF FAIRBANKS -TORRINGTON ROTARY -UNIVERSITY OF ALASKA FOUNDATION -WESTMARC -WOMEN'S INC -WORLAND CHAMBER OF COMMERCE COMMUNITY SUPPORT AND COALITION BUILDING BANNER'S SUPPORTS AND PARTNERS WITH NUMEROUS COMMUNITY AGENCIES IN SUPPORT OF COMMUNITY INITIATIVES BH IS ALSO REPRESENTED AT VARIOUS EVENTS AND COALITIONS DESIGNED TO ENHANCE COMMUNITY HEALTH BANNER SUPPORTED TEEN HEALTH EDUCATION AND SAFETY THROUGH DONATIONS TO CLUB AND TEAM EVENTS, EXPANDED APPRECIATION OF THE ARTS AND INCREASED CULTURAL AND ENVIRONMENTAL AWARENESS FOR LOCAL RESIDENTS BY SUPPORT TO VARIOUS COMMUNITY ORGANIZATIONS EXAMPLES OF THESE PARTNERSHIPS INCLUDE -AKMGMA -ALASKA GIRLS AND WOMEN HOCKEY TEAM - ALASKA PEACE OFFICERS ASSOCIATION -ALASKA SHRINERS -ALASKA YOUTH VOLLEYBALL -AMERICA YOUTH FOOTBALL AND CHEER -AQP -ARCTIC LIONS HOCKEY ASSOCIATION -BERTHOUD HIGH SCHOOL -BIG HORN COUNTY FAIR - BOXES FOR TROOPS -BOYS AND GIRLS CLUB -BRUSH RODEO ASSOCIATION -CALYPSO FAMILY TOUR DE PLANTS BIKE TOUR -CATHOLIC SCHOOLS OF FAIRBANKS -CEO COMMITTEE VOLUNTEERS -CHURCHILL COUNTY FAIR ASSOCIATION - CLEAR CHANNEL RADIO -DAILY NEWS MINER NEWSPAPERS IN EDUCATION -DANCE THEATRE FAIRBANKS -ECLIPSE SOCCER CLUB -EIELSON YOUTH SPORTS -EQUINOX MARATHON -FAIRBANKS AMATEUR HOCKEY ASSOCIATION -FAIRBANKS COUNSELING AND ADOPTION -FAIRBANKS CROSS COUNTRY NORDIC SKI CLUB -FAIRBANKS CYCLE CLUB -FAIRBANKS DRAMA ASSOCIATION -FAIRBANKS DRAMA ASSOCIATION CHILDREN'S THEATER -FAIRBANKS LAW ENFORCEMENT ADVENTURE TEAM -FAIRBANKS RESCUE MISSION -FAIRBANKS RESOURCE AGENCY -FAIRBANKS SUMMER ARTS FESTIVAL - FAIRBANKS TRAP CLUB -FAIRBANKS VOLLEYBALL ASSOCIATION -FAIRBANKS WOMEN'S BASKETBALL ASSOCIATION - FAIRBANKS WOMEN'S HOCKEY ASSOCIATION -FALLON FESTIVAL ASSOCIATION -FAR NORTH FIDDLE FESTIVAL -FAR NORTH JUMPERS -FARTHEST NORTH GIRL SCOUTS COUNCIL -FNSB SCHOOL DISTRICT -GO WINTER EXPO -GOLDEN HEART SOFTBALL -GOVERNOR'S ART SHOW -GREELY INDEPENDENCE STAMPEDE -GUYS READ GALS READ UNITED -HABITAT FOR HUMANITY -IAAALB AMERICAN LEGION BASEBALL -IMMACULATE HEART -INTERIOR YOUTH BASKETBALL -KLONDIKE INTERNATIONAL ROAD RELAY RACE -KUAC ALASKA ONE -KUAC STORY CORPS -LASSEN COUNTY ARTS COUNCIL - LASSEN COUNTY FAIR -LASSEN HIGH ATHLETICS -LASSEN LAND AND TRAILS TRUST -LITERACY COUNCIL -LITTLE BRITCHES RODEO -LOGAN COUNTY FAIR -MIDNIGHT SUN COUNCIL BOY SCOUTS -MIDNIGHT SUN SWIM TEAM -MIDNIGHT SUN SWIM TEAM SPONSOR FOR TRAVEL -MONROE FOUNDATION HIPOW -NORTHERN ALASKA HOCKEY ASSOCIATION -NORTHERN ALASKA HOCKEY ASSOCIATION -NORTHERN LIGHTS ACADEMY -NORTHLAND YOUTH CHOIR -OGALLALA BASEBALL ASSOCIATION -OGALLALA BLACK & WHITE -OGALLALA INDIAN SUMMER RENDEZVOUS -OGALLALA REGIONAL ARTS COUNCIL -OGALLALA VOLUNTEER FIRE DEPARTMENT -OGLALA BOOSTERS -PARADE OF LIGHTS -PLATTE COUNTY FAIR - PROFESSIONAL GROWTH SYSTEMS CONCERT ASSOCIATION -PROJECT SELF SUFFICIENCY -ROLLERGIRLS -SALSA FESTIVAL -SOUTHEAST HIGH -STAND DOWN MEDICAL SERVICES -STEVE WARD MEMORIAL -SURPRISE STADIUM - SUSANVILLE SYMPHONY SOCIETY -TALK ABOUT INC -TREE OF LIGHTS -TRI ON PLAINS -UAF ATHLETICS -UNC ATHLETICS - UNITED WAY -UNIVERSITY OF ALASKA CHILDREN'S MUSEUM -WASHAKIE COUNTY FAIR -WEIO -WHEATLAND HIGH RODEO - WHEATLAND HIGH SCHOOL RODEO -WHEATLAND RODEO -WORLAND WATER JETS SWIM TEAM -WY BBQ & BLUEGRASS FESTIVAL

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-PHYSICAL AND HOUSING IMPROVEMENTS	REALIZING THE IMPORTANCE OF THE ENVIRONMENT ON HEALING, BANNER SUPPORTS EFFORTS TO BETTER THE LIVING CONDITIONS OF THOSE IN THE COMMUNITIES IT SERVES IN 2013, BANNER CONTRIBUTED $53,000 THESES EFFORTS - WORK ENHANCEMENT BH ACTIVELY RECRUITED PHYSICIANS TO SERVE IN FEDERAL MEDICALLY UNDERSERVED AREAS IN 2013, APPROXIMATELY $1,700,000 WAS INVESTED TO ENHANCE COMMUNITY WORKFORCE -DISASTER PREPAREDNESS IN 2013, BH PROVIDED DISASTER TRAINING AND EDUCATION VALUED AT APPROXIMATELY $10,000 COMMUNITY RESIDENTS AND FIRST RESPONDERS THESE ACTIVITIES INCLUDED EVACUATION AND DECONTAMINATION TRAINING, BOMB THREATS, EMERGENCY DISASTER DRILLS, COMMUNITY DECONTAMINATION EFFORTS, NATURAL DISASTER PLANNING, EMERGENCY MANAGEMENT INCIDENT COMMAND, AND MASS CASUALTY EXERCISES - ALL AIMED AT IMPROVING SAFETY AWARENESS FOR RESIDENTS -HOLIDAY HELPER WORKING AS TEAMS, BH DEPARTMENTS POOLED RESOURCES TO PROVIDE FOOD, CLOTHING AND GIFTS FOR NEEDY FAMILIES AND CHILDREN DURING THE HOLIDAY SEASON -CLOTHING AND FOOD DRIVES EMPLOYEES AROUND THE SYSTEM UNITE TO ASSIST THOSE IN THE COMMUNITY LESS FORTUNATE THAN THEMSELVES OF PARTICULAR NOTE ARE THE ANNUAL COAT DRIVE HELD AT BANNER LASSEN MEDICAL CENTER, FOOD DRIVE TO SUPPORT THE CHURCHILL COUNTY SOCIAL SERVICES COORDINATED BY BANNER CHURCHILL COMMUNITY HOSPITAL, AND FOOD DONATIONS TO BONE BUILDERS, FESTIVAL FAIRBANKS AND THE HUTCHINSON SCHOLARSHIP FUND BY FAIRBANKS MEMORIAL -UNITED BLOOD SERVICES BH PARTNERED WITH UBS TO PROVIDE COMMUNITY BLOOD DRIVES TO SUPPORT LOCAL BLOOD SHORTAGES EMPLOYEES COORDINATED THE DRIVES AND MANAGED DONATION SITES DURING WORK HOURS IN 2013, NUMEROUS HOURS WERE DONATED TO THIS ENDEAVOR -SPACE USAGE BH FACILITIES PROVIDED MEETING ROOM, ELECTRONIC TELECONFERENCE TECHNOLOGY AND OTHER SPACE FOR VARIOUS COMMUNITY GROUPS WITHOUT THESE GENEROUS IN-KIND DONATIONS, THESE ORGANIZATIONS WOULD BE REQUIRED TO EXPEND FUNDS, FUNDS NEEDED IN SUPPORT OF THEIR MISSIONS FOR SPACE RENTAL -MARC CENTER AND CENTERS FOR HABILITATION BANNER HEALTH HAS TEAMED UP WITH TWO OTHER NONPROFITS TO PROVIDE TRAINING FOR PEOPLE WITH DISABILITIES IN 2013, BANNER CONTINUED TO PARTNER WITH THE MARC CENTER OF MESA AND THE CENTERS FOR HABILITATION IN OPERATION OF THE BLUE RIBBON BISTRO AT BANNER CORPORATE MESA TO OFFER FOOD-SERVICE JOBS AND TRAINING TO PEOPLE WITH DISABILITIES

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FORM 990, PART VI, LINE 2	LARRY LAZARUS AND QUENTIN SMITH HAVE A BUSINESS RELATIONSHIP DENNIS DAHLEN, RONALD BUNNELL, AND CHARLES LEHN HAVE A BUSINESS RELATIONSHIP AS OFFICERS/DIRECTORS OF MEDISUN AND VERITAGE RONALD BUNNELL, DAN WEINMAN, AND KATHY BOLLINGER HAVE A BUSINESS RELATIONSHIP AS OFFICERS/DIRECTORS OF SONORA QUEST LABORATORIES JOHN HENSING AND MARTIN SHULTZ HAVE A BUSINESS RELATIONSHIP AS OFFICERS/DIRECTORS OF BANNER INDEMNITY, LTD FORM 990, PART VI, LINE 11B BANNER HEALTH'S SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER IS RESPONSIBLE FOR OVERSEEING THE PROCESSES FOR PREPARING THE FORM 990 THE BANNER HEALTH FINANCE DEPARTMENT TAKES THE LEAD ROLE IN THE PROCESS AND IS CHARGED WITH THE DUTY TO COLLECT THE FINANCIAL AND OTHER INFORMATION NEEDED TO COMPLETE THE FORM 990 THIS INCLUDES COORDINATING WITH OTHER BANNER HEALTH DEPARTMENTS, SUCH AS THE LEGAL, PAYROLL, GOVERNMENT RELATIONS, LICENSING, COMMUNITY BENEFIT, COMPENSATION AND BENEFITS, ACCOUNTS PAYABLE, RISK MANAGEMENT, CERTIFICATION, CREDENTIALING, FINANCIAL SERVICES AND TREASURY DEPARTMENTS IN ORDER TO ENSURE THAT THE EXPERTISE OF EACH DEPARTMENT IS UTILIZED IN THE INFORMATION-GATHERING PROCESS ONCE THE INFORMATION IS GATHERED, IT IS ORGANIZED AND ASSEMBLED INTO AN ORGANIZER THAT WILL BE USED BY AN OUTSIDE ACCOUNTING FIRM TO PREPARE THE FORM 990 BANNER HEALTH HAS AUDITED FINANCIAL STATEMENTS PREPARED ANNUALLY BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM AND USES THIS SAME FIRM TO PREPARE ITS FORM 990 BECAUSE OF ITS EXPERTISE IN NON-PROFIT HOSPITAL SYSTEMS AND ITS SPECIFIC KNOWLEDGE OF BANNER HEALTH'S OPERATIONS AND RETURN COMPLEXITY THE BANNER HEALTH FINANCE DEPARTMENT ALSO EMPLOYS AN INTERNAL STAFF OF TAX SPECIALISTS THESE TAX SPECIALISTS ACT AS LIAISONS BETWEEN THE ACCOUNTING FIRM AND BANNER HEALTH'S SENIOR MANAGEMENT DURING THIS STAGE OF THE PROCESS DURING THIS STAGE, THE TAX PREPARER REVIEWS THE INFORMATION AND WORKS WITH BANNER HEALTH'S INTERNAL TAX STAFF TO ANSWER QUESTIONS, GATHER ADDITIONAL INFORMATION AND ADDRESS ISSUES THAT MAY ARISE ONCE THE INFORMATION-GATHERING PROCESS IS COMPLETE, A FIRST DRAFT OF THE FORM 990 IS PREPARED AND READIED FOR REVIEW THE REVIEW PROCESS BEGINS WITH AN INITIAL REVIEW DONE BY A COMMITTEE CONSISTING OF BANNER HEALTH'S CHIEF FINANCIAL OFFICER, GENERAL COUNSEL, AND OTHER MANAGEMENT MEMBERS FROM THE FINANCE AND FINANCIAL SERVICES DEPARTMENTS AND REPRESENTATIVES FROM THE OUTSIDE TAX PREPARER'S FIRM A LINE-BY-LINE REVIEW OF THE FORM 990 IS DONE BY THIS COMMITTEE DURING THIS REVIEW, A LIST OF QUESTIONS, ISSUES AND ADDITIONAL TASKS IS COMPILED THIS LIST IS THEN DISSEMINATED TO THE APPROPRIATE BANNER HEALTH DEPARTMENTS FOR FURTHER ACTION ONCE ALL QUESTIONS, ISSUES AND TASKS HAVE BEEN COMPLETED, A SECOND REVIEW BY THE COMMITTEE IS DONE AGAIN, IF APPLICABLE, A LIST OF QUESTIONS, ISSUES AND ADDITIONAL TASKS IS COMPILED THIS LIST IS THEN DISSEMINATED TO THE APPROPRIATE BANNER HEALTH DEPARTMENTS FOR FURTHER ACTION ONCE THIS SECOND REVIEW PROCESS IS COMPLETED, A FINAL DRAFT OF THE FORM 990 IS PRESENTED TO THE SENIOR VICE PRESIDENT & GENERAL COUNSEL AND SENIOR VICE PRESIDENT & CFO FOR REVIEW AND APPROVAL PRIOR TO SENDING THE FORM 990 TO THE BOARD MEMBERS CHANGES TO THE FORM 990 ARE MADE IF NECESSARY AND APPROVAL IS GRANTED TO SEND THE FORM 990 TO THE BOARD MEMBERS EACH MEMBER OF THE BOARD IS THEN SENT THE DRAFT FORM 990 ALONG WITH AN EXECUTIVE SUMMARY OF KEY ITEMS REPORTED IN THE FORM 990 ANY ISSUES ARE ADDRESSED AND RESOLVED AND THE FINAL VERSION OF THE FORM 990 IS SIGNED BY THE SVP FINANCE/CFO OR ANOTHER OFFICER IF REQUIRED TO MEET TIMELY FILING REQUIREMENTS THE AUDIT COMMITTEE DISCUSSES THE 990 PROCESS AT VARIOUS TIMES DURING THE YEAR TO DETERMINE THAT THE PROCESS IS APPROPRIATE.

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FORM 990, PART VI, LINE 12C	PURSUANT TO BANNER'S CONFLICT OF INTEREST POLICY, ALL BOARD MEMBERS, OFFICERS AND THE DIRECTOR OF AUDIT SERVICES MUST DISCLOSE THE EXISTENCE OF ANY FINANCIAL INTEREST THAT MAY GIVE RISE TO A CONFLICT OF INTEREST PROMPTLY TO THE BOARD AUDIT COMMITTEE. THE COMMITTEE MUST THEN CONSIDER THE DISCLOSED INTEREST AND EITHER AUTHORIZE THE CONTINUATION OF THE POTENTIAL FINANCIAL INTEREST AND ANY RELATED TRANSACTION WITH APPROPRIATE PROTECTIONS, OR DISAPPROVE OF IT. OTHER BANNER EMPLOYEES MUST GO THROUGH A SIMILAR PROCESS OF DISCLOSURE TO THEIR RESPECTIVE SUPERVISOR AND TO THE DIRECTOR OF AUDIT SERVICES, WHO MAINTAINS OF ALL DISCLOSED FINANCIAL INTERESTS/CONFLICTS. IN ADDITION, ALL BOARD MEMBERS, OFFICERS, VICE PRESIDENTS, AND OTHER SELECTED MEMBERS OF MANAGEMENT, KEY EMPLOYEES AND EMPLOYED PHYSICIANS MUST COMPLETE AN ANNUAL SURVEY THAT IS DISTRIBUTED ELECTRONICALLY UNDER THE SUPERVISION OF THE DIRECTOR OF AUDIT SERVICES. THE SURVEY INCLUDES A QUESTIONNAIRE THAT IS DESIGNED TO IDENTIFY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST, AS WELL AS OTHER TRANSACTIONS AND RELATIONSHIPS REQUIRED TO BE DISCLOSED IN THE FORM 990 AND SCHEDULE L. MEMBERS OF EXECUTIVE MANAGEMENT ARE ALSO REQUIRED TO COMPLETE A QUARTERLY QUESTIONNAIRE MANAGED UNDER THE SUPERVISION OF THE DIRECTOR OF AUDIT SERVICES. THIS QUESTIONNAIRE IS PRIMARILY DESIGNED TO IDENTIFY WEAKNESSES IN INTERNAL CONTROLS OR ACCOUNTING, BUT ALSO REQUIRES DISCLOSURE OF ANY KNOWLEDGE BY THE RESPONDING MANAGER OF ANY VIOLATIONS OF BANNER'S CONFLICT OF INTEREST POLICY. THE DIRECTOR OF AUDIT SERVICES COMPILES A SUMMARY OF THE CONFLICT OF INTEREST DISCLOSURES OBTAINED THROUGH THE ANNUAL SURVEY PROCESS INVOLVING BOARD MEMBERS OR OFFICERS. THIS SUMMARY IS REVIEWED WITH BANNER'S GENERAL COUNSEL TO DETERMINE THE APPROPRIATE ACTION TO BE TAKEN UNDER CONFLICT OF INTEREST POLICY. IN ADDITION, THE DIRECTOR REVIEWS THE SUMMARY ANNUALLY WITH THE BOARD AUDIT COMMITTEE IN ORDER TO ENSURE THAT ALL DISCLOSED ACTUAL OR POTENTIAL CONFLICTS HAVE BEEN REVIEWED AND PROCESSED APPROPRIATELY UNDER THE CONFLICT OF INTEREST POLICY

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	Form 990, Part VI, Line 15	BANNER HEALTH UTILIZES A COMPENSATION COMMITTEE COMPRISED OF INDEPENDENT DIRECTORS THAT EX ERCISES OVERSIGHT OVER ALL ASPECTS OF THE COMPENSATION PAID TO OR FOR THE BENEFIT OF THE C EO AND ALL OTHER SENIOR EXECUTIVES OF BANNER HEALTH AND ANY OF ITS AFFILIATES AND ALL OTHE R PERSONS WHO CONSTITUTE "DISQUALIFIED PERSONS" WITH RESPECT TO BANNER HEALTH UNDER CODE S ECTION 4958 THE COMMITTEE - ASSESSES ANNUALLY THE PERFORMANCE OF THE CEO - RECOMMENDS TO THE BOARD APPROPRIATE COMPENSATION FOR THE CEO - REVIEWS AND DETERMINES THE EXECUTIVE TOT AL COMPENSATION PHILOSOPHY OF BANNER HEALTH - ESTABLISHES THE PERMISSIBLE RANGES OF COMPEN SATION FOR SENIOR EXECUTIVES AND DISQUALIFIED PERSONS - REVIEWS AND APPROVES THE DESIGN OF THE COMPONENTS OF COMPENSATION FOR SENIOR EXECUTIVES AND ANY OTHER DISQUALIFIED PERSONS A ND MONITORS COMPLIANCE OF BANNER HEALTH WITH THE PHILOSOPHY AND DESIGN COMPONENTS OF EXECU TIVE COMPENSATION - RECEIVES THE CEO'S REPORT CONCERNING THE OVERALL PERFORMANCE AND DEVEL OPMENT ASSESSMENT OF THE SENIOR EXECUTIVES - ACTS FOR THE BOARD IN THE ENGAGEMENT AND DIRE CT OVERSIGHT OF EXTERNAL INDEPENDENT COMPENSATION CONSULTANTS ENGAGED TO PROVIDE ADVICE AN D INFORMATION WITH RESPECT TO THE REASONABLENESS AND COMPETITIVENESS OF THE COMPENSATION P AID TO THE CEO, SENIOR EXECUTIVES AND ANY OTHER DISQUALIFIED PERSONS, WHICH CONSULTANT REP ORTS DIRECTLY TO THE COMMITTEE. IN ADDITION, THE COMMITTEE HAS ADOPTED THE FOLLOWING BEST PRACTICES WITH RESPECT TO ITS EXECUTIVE COMPENSATION OVERSIGHT FUNCTION - REVIEWS ALL INC ENTIVE PLANS, BENEFIT PLANS AND PROGRAMS THAT APPLY TO EMPLOYEES AND PHYSICIANS - APPROVES THE CEO'S RECOMMENDATIONS AS TO THE COMPENSATION OF SENIOR EXECUTIVES - USES TALLY SHEETS SUMMARIZING ALL COMPONENTS OF THE CEO'S AND SENIOR EXECUTIVES' COMPENSATION, INCLUDING A THREE-YEAR EARNINGS HISTORY AND THE COST OF ALL COMPENSATION (INCLUDING SPECIFICALLY DEFER RED COMPENSATION) AT THE TIME THAT ANY ACTION IS TAKEN WITH RESPECT TO THE CEO'S OR SENIOR EXECUTIVES' COMPENSATION IN ORDER TO ENSURE THAT THE COMMITTEE IS FULLY INFORMED OF THE C OMPLETE COMPENSATION PACKAGE BEFORE TAKING ANY SUCH ACTION - REVIEWS THE ANNUAL FORM 990 D ISCLOSURES RELATING TO EXECUTIVE COMPENSATION TO ENSURE THE DISCLOSURES ACCURATELY RECONCI LE TO THE COMPENSATION PACKAGES APPROVED BY THE COMMITTEE. AS STATED, THE COMPENSATION COM MITTEE RETAINS AN EXTERNAL INDEPENDENT COMPENSATION CONSULTING FIRM TO ASSIST THE COMMITTE E. IN 2011 THE COMMITTEE ENGAGED A NATIONALLY RECOGNIZED COMPENSATION CONSULTING FIRM WITH SUBSTANTIAL HEALTHCARE EXPERIENCE. THIS FIRM REVIEWED AND OPINED AS TO THE REASONABLENESS OF THE TOTAL COMPENSATION PACKAGE OF THE PRESIDENT/CEO, SENIOR EXECUTIVE MANAGEMENT, AND OTHER EXECUTIVE MANAGEMENT IDENTIFIED BY THE COMMITTEE AS POTENTIAL DISQUALIFIED PERSONS THE COMMITTEE PERIODICALLY REVIEWS THE RELATIONSHIP BETWEEN BANNER HEALTH AND EACH CONSULT ANT TO ENSURE THE CONSULTANT'S INDEPENDENCE. IN CONNECTION WITH EACH SUCH EVALUATION, THE COMMITTEE REQUESTS A WRITTEN CERTIFICATION FROM EACH CONSULTANT THAT - INCLUDES AN INDEPE NDENCE ATTESTATION AFFIRMING THAT THE CONSULTANT HAS CONDUCTED ITS OWN INTERNAL ASSESSMENT AND, BASED ON SUCH ASSESSMENT AND ITS INTERNAL CONTROLS, CONCLUDED THAT IT HAS PERFORMED ITS SERVICES FOR THE COMMITTEE IN AN INDEPENDENT MANNER AND IS INDEPENDENT AS DEFINED IN T HE INTERMEDIATE SANCTION REGULATIONS UNDER CODE SECTION 4958 - CONFIRMS THAT THE CONSULTAN T REPORTS TO THE COMMITTEE THROUGH THE CHAIR OF THE COMMITTEE AND THAT ALL CONSULTING ACTI VITY FOR BANNER HEALTH CONDUCTED BY SUCH CONSULTANT DURING THE PRECEDING YEAR WAS CONDUCTE D WITH THE KNOWLEDGE AND CONSENT OF THE CHAIR OF THE COMMITTEE - DETAILS THE AMOUNTS PAID BY BANNER HEALTH TO THE CONSULTANT IN ITS CAPACITY AS AN EXTERNAL COMPENSATION CONSULTANT TO THE COMMITTEE, AND THE AMOUNTS PAID BY BANNER HEALTH, IF ANY, TO THE CONSULTANT AND ITS AFFILIATES FOR ANY OTHER ENGAGEMENTS WITH THE ASSISTANCE OF THE INDEPENDENT COMPENSATION CONSULTANT, THE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE PERFORMANCE OF THE PRESIDENT/ CEO, AND RECOMMENDS ADJUSTMENTS TO HIS BASE SALARY AS DEEMED APPROPRIATE BASED UPON THE RE VIEW, SUBJECT TO CONFIRMATION FROM THE CONSULTANT (WHO ATTENDS SUCH MEETING) THAT THE RECO MMENDATION IS APPROPRIATE AND WILL NOT RESULT IN THE OVERALL COMPENSATION OF THE PRESIDENT /CEO BECOMING UNREASONABLE. THE RECOMMENDATION IS THEN PRESENTED TO THE FULL BOARD OF DIRE CTORS, WHICH THEN VOTES UPON THE RECOMMENDATION (WITH THE PRESIDENT/CEO ABSENT FROM THIS P ORTION OF THE MEETING) IN ORDER TO ENSURE THAT THE COMPENSATION DECISION IS SUBJECT TO TH E ACTION OF INDEPENDENT DIRECTORS, THE BOARD MAY NOT APPROVE A SALARY ACTION DIFFERENT FRO M THAT RECOMMENDED BY THE COMPENSATION COMMITTEE WITHOUT THE CONCURRENCE OF THE COMMITTEE. THE PRESIDENT/CEO ESTABLISHES THE BASE SALARY OF THE EXECUTIVES WHO DIRECTLY REPORT TO HI M, AND THOSE EXECUTIVES IN TURN ESTABLISH THE BASE SALARY OF THOSE INDIVIDUALS WHO REPORT TO THEM ALL BASE SALARIES ARE, HOWEVER, BASED UPO

Return Reference	Explanation	
	Form 990, Part VI, Line 15	N RANGES FOR THE POSITIONS ESTABLISHED BY THE BANNER COMPENSATION AND BENEFITS DEPARTMENT THESE RANGES ARE ESTABLISHED IN ACCORDANCE WITH AN EXECUTIVE COMPENSATION PHILOSOPHY THAT IS ESTABLISHED, AND PERIODICALLY REVIEWED, BY THE COMPENSATION COMMITTEE. IN ADDITION, EX ECUTIVES AND THOSE WHO REPORT TO THEM MAY NOT RECEIVE ANNUAL INCREASES GREATER THAN THOSE ESTABLISHED THROUGH THE PERFORMANCE MANAGEMENT SYSTEM AND WITHIN OVERALL BUDGET TARGETS, W HICH ARE APPLICABLE TO ALL EXEMPT EMPLOYEES THROUGHOUT BANNER PERIODIC EQUITY ADJUSTMENTS MAY BE MADE UPON APPROVAL OF THE COMPENSATION AND BENEFITS DEPARTMENT BASED UPON SPECIFIC MARKET DATA THE COMPENSATION COMMITTEE RECEIVES AN ANNUAL REPORT FROM THE COMPENSATION A ND BENEFITS DEPARTMENT SHOWING THAT BASE SALARIES ARE BEING MAINTAINED CONSISTENT WITH THE EXECUTIVE COMPENSATION PHILOSOPHY APPROVED BY THE COMMITTEE. AS STATED IN THE RESPONSE TO SCHEDULE J, PART I, LINE 7, THE SIGNIFICANT NON-FIXED COMPONENTS OF THE COMPENSATION OF T HE PRESIDENT/CEO AND OTHER SENIOR MANAGEMENT ARE ESTABLISHED AND MONITORED BY THE COMPENSA TION COMMITTEE WITH THE ASSISTANCE OF THE INDEPENDENT COMPENSATION CONSULTANT AND ARE INCL UDED IN THE ANNUAL REASONABLENESS OPINION RENDERED BY THE INDEPENDENT COMPENSATION CONSULT ANT CONTEMPORANEOUS MINUTES ARE KEPT OF ALL MEETINGS OF THE COMPENSATION COMMITTEE AND OF THE ACTIONS OF THE BOARD OF DIRECTORS IN APPROVING THE COMPENSATION OF PRESIDENT/CEO AND REVIEWING AND MONITORING THE COMPENSATION FOR ALL OTHER SENIOR EXECUTIVES AND TOP MANAGEME NT

Return Reference	Explanation
Form 990, Part VI, Line 19	THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY, AND TAX RETURNS ARE AVAILABLE UPON REQUEST COPIES ARE MAINTAINED AT EACH ADMINISTRATIVE OFFICE AND IN THE LEGAL AND TAX DEPARTMENTS THE ORGANIZATION'S GOVERNING DOCUMENTS ARE NOT REQUIRED TO BE MADE AVAILABLE TO THE PUBLIC AND THEREFORE THEY ARE NOT MADE PUBLIC

Return Reference	Explanation
FORM 990, PART VII, SECTION B	COMPENSATION AMOUNTS OF THE FIVE HIGHEST PAID INDEPENDENT CONTRACTORS INCLUDE ALL PAYMENTS MADE TO THE INDEPENDENT CONTRACTORS AND MAY INCLUDE GOODS/MATERIALS BECAUSE BREAKDOWN WAS NOT AVAILABLE

Return Reference	Explanation
FORM 990, PART XI, LINE 9	INTERCOMPANY TRANSFERS $(106,209,176) RESTRICTED CONTRIBUTIONS $37,759,636 DISTRIBUTIONS TO MINORITY EQUITY $1,247,610 EQUITY TRANSFERS ON MERGERS $10,309,826 OTHER $2,645,368 ---------- TOTAL $(54,246,736) ==========

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BANNER HEALTH

Employer identification number
45-0233470

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
See Additional Data Table					

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	(g) No
(1) BANNER ALZHEIMER'S FOUNDATION 1441 N 12TH STREET PHOENIX, AZ 85006 20-4862361	SUPPORT	AZ	501(c)(3)	7	BANNER HLTH	Yes	
(2) BANNER HEALTH FOUNDATION 1441 N 12TH STREET PHOENIX, AZ 85006 94-2545356	SUPPORT	AZ	501(c)(3)	7	BANNER HLTH	Yes	
(3) GOOD SAMARITAN COMMUNITY FOUNDATION 1441 N 12TH STREET PHOENIX, AZ 85006 86-6306490	SUPPORT	AZ	501(c)(3)	509A(3)(II)	BANNER HLTH	Yes	
(4) BANNER MEDICAL GROUP 1441 N 12TH STREET PHOENIX, AZ 85006 90-0532830	MEDICAL SVS	AZ	501(c)(3)	3	BANNER HTLH	Yes	
(5) BANNER MEDICAL GROUP COLORADO 1801 16TH STREET GREELEY, CO 80631 90-0532831	MEDICAL SVS	CO	501(c)(3)	3	BANNER HLTH	Yes	
(6) ALZHEIMER RESEARCH FORUM FOUNDATION 11 KEEWAYDIN DRIVE SUITE 100 SALEM, NH 03079 04-3382717	SUPPORT	DE	501(c)(3)	3	BANNER HLTH	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) Section 512 (b)(13) controlled entity? No
(1) BANNER PLAN ADMINISTRATION INC 525 W BROWN 7TH FL MESA, AZ 85201 86-0800246	3RD PARTY ADMIN	AZ	BANNER HEALTH	C Corp	10	51,903	100 000 %	Yes	
(2) TANANA VALLEY MED-SURGICAL GROUP INC 1001 NOBLE STREET FAIRBANKS, AK 99701 92-0049930	MEDICAL SERVICES	AK	BANNER HEALTH	C Corp	24,347,368	2,916,050	100 000 %	Yes	
(3) BANNER INDEMNITY LTD 1627 E 18TH ST LOVELAND, CO 80538 45-0233470	INVESTMENTS	CO	BANNER HEALTH	C-CORP	162,594	165,441,571	100 000 %	Yes	
(4) BANNER HEALTH NETWORK 1441 N 12TH STREET PHOENIX, AZ 85006 90-0750689	ACCOUNTABLE CARE	AZ	BANNER HEALTH	C Corp	459,120,277	95,540,877	62 500 %	Yes	

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation
SCHEDULE R, PART III	BANNER THUNDERBIRD SURGICENTER, LP EIN 20-1305876 ADDRESS 5555 W THUNDERBIRD ROAD, GLENDALE AZ 85306 BANNER CANYON SPRINGS SURGERY CENTER, LP EIN 90-0293485 ADDRESS 2940 E BANNER GATEWAY DRIVE, SUITE 100, GILBERT AZ 85234 LOVELAND SURGICAL ENTERPRISES, LLC EIN 14-1885420 ADDRESS 2555 E 13TH STREET, LOVELAND CO 80537 BANNER BAYWOOD SURGERY CENTER, LP EIN 90-0340007 ADDRESS 6424 E BROADWAY RD, STE 102, MESA AZ 85206 SONORA QUEST LABORATORIES, LLC EIN 86-0872873 ADDRESS 1255 WEST WASHINGTON, TEMPE AZ 85281 BANNER ESTRELLA SURGERY CENTER, LP EIN 20-0226688 ADDRESS 9301 W THOMAS ROAD, PHOENIX AZ 85037 BANNER DESERT SURGERY CENTER, LP EIN 72-1561346 ADDRESS 1500 S DOBSON ROAD, SUITE 101, MESA AZ 85202 SURGICENTER OF AMERICA, L P EIN 75-2528938 ADDRESS 1040 E MCDOWELL ROAD, PHOENIX AZ 85006 PARTNERS IN INTEGRATED HEALTH, LLC EIN 61-1700965 ADDRESS 1441 E 12TH STREET, PHOENIX, AZ 85006 UNION HILLS SURGERY CENTER, LP EIN 75-2904504 ADDRESS 18301 N 79TH AVE, SUITE E150, GLENDALE AZ 85308

Additional Data

Software ID:
Software Version:
EIN: 45-0233470
Name: BANNER HEALTH

Form 990, Schedule R, Part I - Identification of Disregarded Entities

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Total income	(e) End-of-year assets	(f) Direct Controlling Entity
(1) BANNER PHARMACY SERVICES LLC 1441 NORTH 12TH STREEY PHOENIX, AZ 85006 90-1025110	PHARMACY	AZ	0	0	BANNER HLTH
(1) MOUNTAIN VISTA ORTHOPAEDIC SURG CTR LLC 5890 W 13TH STREET SUITE 102 GREELEY, CO 80634 71-0936920	OP SURG CTR	CO	2,403,317	1,342,348	BANNER HLTH
(2) LABORATORY SCIENCES OF ARIZONA LLC 1441 N 12TH STREET PHOENIX, AZ 85006 86-0833952	LABORATORY	AZ	80,275,621	8,480,257	BANNER HLTH
(3) HORIZON LABORATORY LLC 2555 E 13TH STREET GREELEY, CO 80538 90-0471017	LABORATORY	CO	8,330,238	1,133,275	BANNER HLTH
(4) MCKEE MEDICAL HOLDINGS LLC 1801 16TH STREET GREELEY, CO 80631 90-0078450	HOLDING CO	CO	191,718	1,182,673	BANNER HLTH
(5) BANNER SURGERY CENTERS LLC 525 W BROWN ROAD MESA, AZ 85201 86-0788300	SURGERY CTR	AZ	3,622	460,944	BANNER HLTH
(6) LOVELAND MEDICAL ENTERPRISES LLC 2000 N BOISE AVENUE LOVELAND, CO 80631 47-0909771	MOB	CO	2,964,590	18,180,212	BANNER HLTH
(7) BTMC MOB LLC 1441 N 12TH STREET PHOENIX, AZ 85006 90-1026040	MOB	DE	0	0	BANNER HLTH

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) BANNER ALZHEIMER'S FOUNDATION 1441 N 12TH STREET PHOENIX, AZ 85006 20-4862361	SUPPORT	AZ	501(c)(3)	7	BANNER HLTH	Yes	
(1) BANNER HEALTH FOUNDATION 1441 N 12TH STREET PHOENIX, AZ 85006 94-2545356	SUPPORT	AZ	501(c)(3)	7	BANNER HLTH	Yes	
(2) GOOD SAMARITAN COMMUNITY FOUNDATION 1441 N 12TH STREET PHOENIX, AZ 85006 86-6306490	SUPPORT	AZ	501(c)(3)	509A(3)(II)	BANNER HLTH	Yes	
(3) BANNER MEDICAL GROUP 1441 N 12TH STREET PHOENIX, AZ 85006 90-0532830	MEDICAL SVS	AZ	501(c)(3)	3	BANNER HTLH	Yes	
(4) BANNER MEDICAL GROUP COLORADO 1801 16TH STREET GREELEY, CO 80631 90-0532831	MEDICAL SVS	CO	501(c)(3)	3	BANNER HLTH	Yes	
(5) ALZHEIMER RESEARCH FORUM FOUNDATION 11 KEEWAYDIN DRIVE SUITE 100 SALEM, NH 03079 04-3382717	SUPPORT	DE	501(c)(3)	3	BANNER HLTH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
BANNER THUNDERBIRD SURGICENTER 5555 W THUNDERBIRD ROAD GLENDALE, AZ 85306 20-1305876	OP SURGERY CTR	DE	BANNER SURGERY	Related	897,402	0		No	0	Yes		95 800 %
BANNER CANYON SPRINGS SURGERY 2940 E BANNER GATEWAY DRIVE SUITE GILBERT, AZ 85234 90-0293485	OP SURGERY CTR	DE	BANNER SURGERY	Related	-339,661	2,538,314		No	0	Yes		69 200 %
LOVELAND SURGICAL ENTERPRISES 2555 E 13TH STREET LOVELAND, CO 80537 14-1885420	OP SURGERY CTR	CO	BANNER HEALTH	Related	587,570	3,503,942		No	0	Yes		61 000 %
BANNER BAYWOOD SURGERY CENTER LP 6424 E BROADWAY RDSTE 102 MESA, AZ 85206 90-0340007	OP SURGERY CTR	DE	BANNER SURGERY	Related	107,594	0		No	0	Yes		51 000 %
SONORA QUEST LABORATORIES LLC 1255 WEST WASHINGTON TEMPE, AZ 85281 86-0872873	LABORATORY	AZ	LAB SCI OF AZ	Related	18,344,684	66,404,054		No	15,562,241	Yes		51 000 %
BANNER ESTRELLA SURGERY CENTER 9301 W THOMAS ROAD PHOENIX, AZ 85037 20-0226688	OP SURGERY CTR	DE	BANNER SURGERY	Related	-1,156,342	1,413		No	0	Yes		93 900 %
BANNER DESERT SURGERY CENTER 1500 S DOBSON ROAD SUITE 101 MESA, AZ 85202 72-1561346	OP SURGERY CTR	DE	BANNER SURGERY	Related	211,742	1,300,515		No	0	Yes		63 500 %
SURGICENTER OF AMERICA LP 1040 E MCDOWELL ROAD PHOENIX, AZ 85006 75-2528938	OP SURGERY CTR	AZ	BANNER SURGERY	Related	-200,104	1,595,999		No	0	Yes		80 700 %
PARTNERS IN INTEGRATED HEALTH 1441 M 12TH STREET PHOENIX, AZ 85006 61-1700965	HEALTHCARE	AZ	BANNER HEALTH	Related	0	0		No	0		No	81 250 %
UNION HILLS SURGERY CENTER 18301 N 79TH AVE SUITE E150 GLENDALE, AZ 85308 75-2904504	OP SURGERY CTR	DE	BANNER SURGERY	Related	-781,724	0		No	0		No	79 100 %

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Banner Desert Surgery Center LP	a	63,301	FMV
Banner Thunderbird Surgicenter LP	a	522,600	FMV
Banner Medical Group	a	1,476,316	FMV
Banner Medical Group Colorado	a	2,970,019	FMV
Sonora Quest Laboratories LLC	a	101,729	FMV
Banner Health Foundation	c	16,880,747	FMV
Banner Alzheimer's Foundation	c	3,285,359	FMV
Banner Medical Group	j	5,000,854	FMV
Banner Medical Group Colorado	j	900,116	FMV
Banner Desert Surgery Center L P	l	289,442	FMV
Banner Thunderbird Surgicenter LP	l	209,880	FMV
Banner Estrella Surgery Center L P	l	148,235	FMV
Union Hills Surgery Center L P	l	69,347	FMV
Surgicenter of America LP	l	262,836	FMV
Banner Canyon Springs Surgery Center LP	l	144,514	FMV
Loveland Surgical Enterprises LLC	l	93,157	FMV
Banner Health Network	l	11,168,015	FMV
Banner Medical Group	l	11,118,285	FMV
Banner Medical Group Colorado	l	3,308,987	FMV
Sonora Quest Laboratories LLC	l	3,587,635	FMV
Banner Indemnity LTD	m	47,771,011	FMV
Tanana Valley Med-Surgical Group Inc	m	158,712	FMV
Banner Health Network	s	318,558,339	FMV
Banner Medical Group	m	109,550,551	FMV
Banner Medical Group Colorado	m	44,608,270	FMV

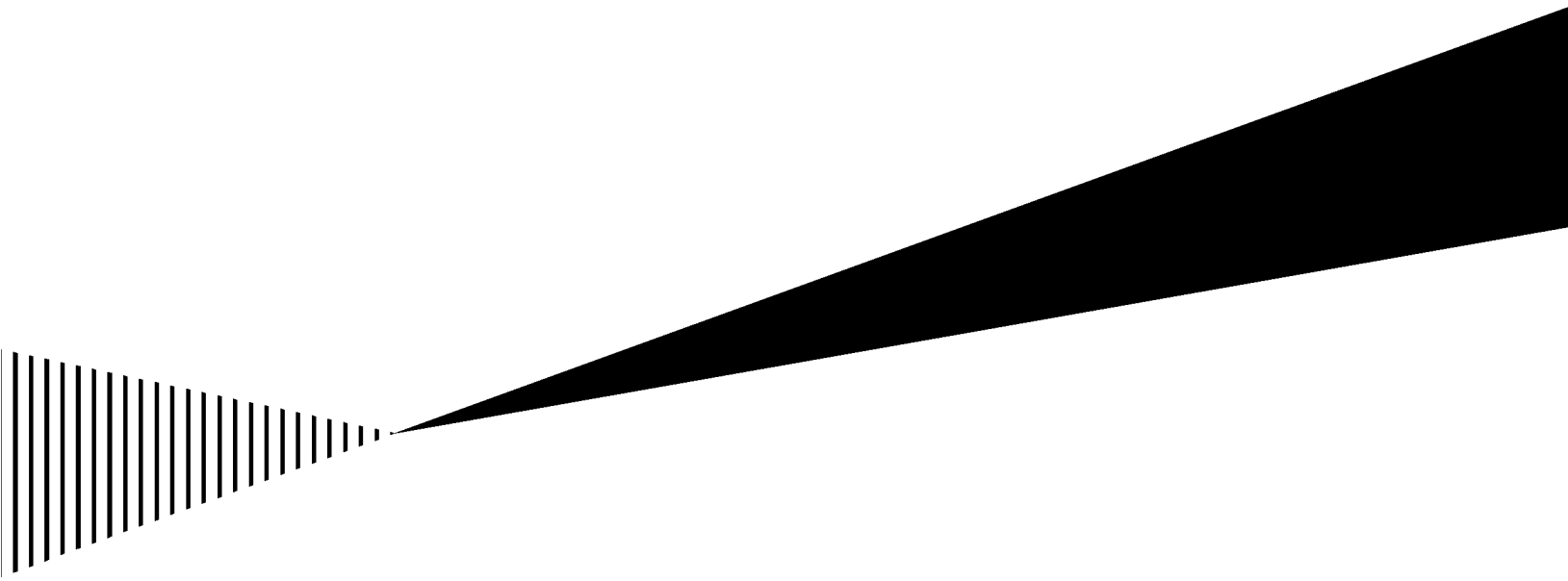
Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Sonora Quest Laboratories LLC	m	12,685,378	FMV
Banner Desert Surgery Center L P	p	79,327	FMV
Banner Thunderbird Surgicenter LP	p	194,016	FMV
Banner Health Foundation	p	156,951	FMV
Sonora Quest Laboratories LLC	p	1,198,995	FMV
Banner Alzheimer's Foundation	p	221,243	FMV
Banner Baywood Surgery Center LP	q	163,235	FMV
Banner Estrella Surgery Center L P	q	502,327	FMV
Union Hills Surgery Center L P	q	428,882	FMV
Banner Canyon Springs Surgery Center LP	q	583,293	FMV
Banner Health Foundation	q	1,456,154	FMV
Loveland Surgical Enterprises LLC	q	1,535,661	FMV
Tanana Valley Med-Surgical Group Inc	q	2,937,043	FMV
Banner Health Network	q	15,434,889	FMV
Banner Medical Group	q	10,300,800	FMV
Banner Medical Group Colorado	q	1,752,788	FMV
Banner Thunderbird Surgicenter LP	r	105,289	FMV
Union Hills Surgery Center L P	r	1,415,102	FMV
Banner Desert Surgery Center L P	s	165,100	FMV
Banner Thunderbird Surgicenter LP	s	95,800	FMV
Banner Estrella Surgery Center L P	s	899,043	FMV
Surgicenter of America LP	s	242,705	FMV
Loveland Surgical Enterprises LLC	s	305,000	FMV
Banner Desert Surgery Center L P	d	839,574	FMV
Banner Indemnity LTD	s	61,154,047	FMV

CONSOLIDATED FINANCIAL STATEMENTS

Banner Health and Subsidiaries
Years Ended December 31, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



Building a better working world

Banner Health and Subsidiaries

Consolidated Financial Statements

Years Ended December 31, 2013 and 2012

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Building a better working world

Report of Independent Auditors

The Board of Directors
Banner Health

We have audited the accompanying consolidated financial statements of Banner Health and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

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

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

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

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Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Banner Health and Subsidiaries at December 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Ernst + Young LLP

March 14, 2014

A member firm of Ernst & Young Global Limited

Banner Health and Subsidiaries

Consolidated Balance Sheets

	December 31	
	2013	2012
	(In Thousands)	
Assets		
Current assets		
Cash and cash equivalents	**$ 133,349**	$ 54,734
Short-term investments	**82,302**	64,672
Collateral held under securities lending program	**174,161**	166,356
Assets limited as to use	**138,159**	95,740
Patient receivables, net of allowance for doubtful accounts of $225,531 in 2013 and $195,392 in 2012	**500,513**	488,579
Inventories	**139,685**	124,183
Other	**215,753**	108,993
Total current assets	**1,383,922**	1,103,257
Assets limited as to use		
Funds designated by		
Board of Directors	**1,635,669**	1,379,919
Lease agreements	**4,480**	3,967
Funds held by trustees under		
Self-insurance funding arrangements	**90,041**	167,896
Indenture agreements	**83,052**	164,350
Other funds	**194,716**	330,553
Total assets limited as to use, less current portion	**2,007,958**	2,046,685
Assets held for sale	**2,140**	2,140
Property and equipment, net	**2,562,467**	2,430,278
Property leased from NCMC, Inc	**187,885**	190,020
Other assets		
Long-term investments	**1,800,818**	1,548,548
Deferred financing costs, net	**8,246**	8,693
Other	**273,867**	273,874
Total other assets	**2,082,931**	1,831,115
	$ 8,227,303	$ 7,603,495

	December 31	
	2013	2012
	(In Thousands)	
Liabilities and net assets		
Current liabilities		
Trade accounts payable	**$ 117,413**	$ 113,396
Current portion of long-term debt	**48,863**	47,437
Current portion of lease obligation with NCMC, Inc	**19,728**	16,984
Payable under securities lending program	**174,161**	166,356
Estimated current portion of third-party payor settlements	**22,298**	27,033
Accrued expenses		
Salaries and benefits	**251,618**	264,744
Other	**244,231**	181,387
Total current liabilities	**878,312**	817,337
Long-term debt, less current portion	**2,314,410**	2,359,390
Lease obligation with NCMC, Inc	**168,986**	172,345
Estimated self-insurance liabilities, less current portion	**110,161**	138,080
Estimated third-party payor settlements, less current portion	**7,969**	6,281
Other	**380,326**	597,842
Total liabilities	**3,860,164**	4,091,275
Net assets		
Unrestricted	**4,234,708**	3,391,602
Temporarily restricted	**107,357**	92,709
Total Banner Health net assets	**4,342,065**	3,484,311
Noncontrolling interests - unrestricted	**25,074**	27,909
Total net assets	**4,367,139**	3,512,220
	$ 8,227,303	$ 7,603,495

See accompanying notes

Banner Health and Subsidiaries

Consolidated Statements of Income

	Year Ended December 31	
	2013	2012
	(In Thousands)	
Revenues		
Net patient service	$ 4,919,778	$ 4,876,847
Provision for doubtful accounts	507,725	488,385
Net patient service revenue, less provision for doubtful accounts	4,412,053	4,388,462
Medical insurance premiums	439,732	269,269
Other revenue	233,219	208,441
Total other operating revenue	672,951	477,710
Total revenues	5,085,004	4,866,172
Expenses		
Salaries and benefits	2,544,540	2,478,954
Supplies	799,235	760,250
Physician and professional fees	112,148	124,224
Medical claims cost, net of Banner claims of $233,492 in 2013 and $125,863 in 2012	240,003	127,341
Depreciation and amortization	300,952	287,214
Interest	131,948	136,062
Other	702,078	662,608
Total expenses	4,830,904	4,576,653
Operating income	254,100	289,519
Other income (losses)		
Investment income – realized	128,154	83,666
Investment income – unrealized	168,365	148,595
Income from alternative investments	107,940	52,907
Investment income	404,459	285,168
Unrealized gain on interest rate swaps	180,118	17,681
Other	(5,282)	8,277
	579,295	311,126
Excess of revenues over expenses	833,395	600,645
Less excess of revenues over expenses attributable to noncontrolling interest	17,918	17,416
Excess of revenues over expenses attributable to Banner Health	815,477	583,229
Amortization of cumulative loss on interest rate swaps	227	227
Decrease in unfunded pension liability	13,382	7,024
Contributions for property and equipment acquisitions	14,020	19,898
Increase in unrestricted net assets	$ 843,106	$ 610,378

See accompanying notes

Banner Health and Subsidiaries

Consolidated Statements of Changes in Net Assets

	Year Ended December 31	
	2013	**2012**
	(In Thousands)	
Unrestricted net assets		
Excess of revenues over expenses	**$ 815,477**	$ 583,229
Amortization of cumulative loss on interest rate swaps	**227**	227
Decrease in unfunded pension liability	**13,382**	7,024
Contributions for property and equipment acquisitions	**14,020**	19,898
Increase in unrestricted net assets	**843,106**	610,378
Temporarily restricted net assets		
Contributions	**43,960**	31,166
Net unrealized gain on investments	**1,091**	1,062
Net assets released from restrictions for property and equipment additions	**(7,595)**	(15,637)
Net assets released from restrictions for operations	**(22,808)**	(9,224)
Increase in temporarily restricted net assets	**14,648**	7,367
Noncontrolling interests		
Excess of revenue over expenses attributable to noncontrolling interests	**17,918**	17,416
Other changes, primarily distributions of earnings to noncontrolling interests	**(20,753)**	(20,382)
Decrease in noncontrolling interests	**(2,835)**	(2,966)
Increase in net assets	**854,919**	614,779
Net assets, beginning of year	**3,512,220**	2,897,441
Net assets, end of year	**$ 4,367,139**	$ 3,512,220

See accompanying notes.

Banner Health and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2013	2012
	(In Thousands)	
Operating activities		
Increase in net assets	**$ 854,919**	$ 614,779
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**300,952**	287,214
Increase in investments designated as trading	**(354,889)**	(484,403)
Net unrealized gain on interest rate swaps	**(180,345)**	(17,908)
Decrease in unfunded pension liability	**(13,382)**	(7,024)
Gain on sale of assets, net	**(390)**	(13,349)
Contributions for purchase of property and equipment	**(14,020)**	(19,898)
Temporarily restricted contributions	**(43,960)**	(31,166)
Changes in operating elements, net of acquisitions and dispositions		
Patient receivables	**(11,934)**	6,204
Inventories and other current assets	**(122,262)**	(26,944)
Accounts payable and accrued expenses	**53,735**	35,567
Estimated third-party payor settlements	**(3,047)**	(20,007)
Estimated self-insurance liabilities	**(27,919)**	(9,535)
Other liabilities	**(24,540)**	6,945
Net cash provided by operating activities	**412,918**	320,475
Investing activities		
Net purchases of property and equipment	**(390,560)**	(240,309)
Decrease (increase) in funds held under indenture agreements	**81,298**	(164,350)
Investment in Veritage LLC	**–**	(35,491)
Increase in other assets	**(4,949)**	(36,902)
Net cash used in investing activities	**(314,211)**	(477,052)
Financing activities		
Proceeds from temporarily restricted contributions	**43,960**	31,166
Proceeds from issuance of debt	**1,208**	273,810
Payments of lease obligation with NCMC, Inc	**(17,166)**	(16,621)
Payments of long-term debt	**(48,094)**	(144,707)
Net cash (used in) provided by financing activities	**(20,092)**	143,648
Net increase (decrease) in cash and cash equivalents	**78,615**	(12,929)
Cash and cash equivalents at beginning of year	**54,734**	67,663
Cash and cash equivalents at end of year	**$ 133,349**	$ 54,734
Supplemental disclosure of cash flow information		
Interest paid, including amounts capitalized	**$ 137,684**	$ 127,265
Noncash activities		
Change in receivable from Sun Health and related obligation for retirement plan	**$ 20,302**	$ (8,601)
Capital lease obligations	**$ 20,113**	$ 205,951

See accompanying notes

Banner Health and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2013

1. Description of Business

Banner Health (Banner) is a nonprofit corporation exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable state income tax codes Banner Health and its subsidiaries (collectively, Banner) own or lease hospitals, clinics, nursing homes, clinical laboratories, ambulatory surgery centers, home health agencies, a captive insurance company, two foundations, an accountable health care organization that commenced operations on January 1, 2012 (see Note 6), and other health care-related organizations in seven western states Banner also holds an interest in several health care-related organizations, including the following

- A 51% controlling interest in Sonora Quest Laboratories (SQL), the financial results of SQL have been included in Banner's consolidated financial statements as of and for the years ended December 31, 2013 and 2012

- A 50% noncontrolling interest in Veritage LLC (Veritage) which is accounted for under the equity method of accounting The Veritage joint venture was entered into as of September 1, 2012 (see Note 7) Banner's share of Veritage LLC's net income has been recorded within operating revenue for the year ended December 31, 2013

2. Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements reflect the consolidated operations of all owned and leased operating units of Banner and its wholly owned subsidiaries Banner also holds controlling interests in several joint ventures, the joint venture financial results are included within Banner's consolidated financial statements Banner records the unrelated investor's ownership share of these joint ventures as noncontrolling interest The noncontrolling interest balance as of December 31, 2013 and 2012, primarily relates to Banner's investment in Sonora Quest Laboratories

All significant intercompany accounts and transactions have been eliminated in consolidation

Subsequent events have been evaluated through March 14, 2014, the date of the issuance of the consolidated financial statements There were no subsequent events requiring recognition in the consolidated financial statements All non-recognized subsequent events have been disclosed

2. Significant Accounting Policies (continued)

Fair Values

The carrying values of financial instruments classified as current assets and current liabilities approximate fair value The fair values of other financial instruments are disclosed in their respective notes

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash and highly liquid marketable securities with an original maturity of three months or less when purchased by Banner

Short-Term Investments

Short-term investments include debt securities with maturity dates of one year or less from the balance sheet date and actively traded equity securities that are expected to be used on a short-term basis for working capital needs These investments are stated at fair value, based on quoted market prices in active markets

Investments

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

Banner invests in various investment securities which are exposed to various risks, such as interest rate, market, and credit risks Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements

Banner uses derivative financial instruments in its investment portfolio to moderate changes in value due to fluctuations in the financial markets Banner has not designated its derivatives related to marketable securities as hedged financial instruments Accordingly, the change in the fair value of derivatives is recognized as a component of investment income as described above

2. Significant Accounting Policies (continued)

Banner invests in alternative investments, mainly hedge funds, through limited partnerships As of December 31, 2013 and 2012, Banner has recorded primarily within other long term investments approximately $1,167,092,000 and $914,289,000 in alternative investments, respectively Banner accounts for its ownership interests in these alternative investments under the equity method based on the net asset value per share of the fund held by Banner The hedge fund net asset value is provided to Banner by each of the hedge fund managers The net asset value is determined based on the estimated fair value of each of the underlying investments held in the hedge fund However, the hedge fund investment holdings may include investments in private investment funds whose values have been estimated by the hedge fund managers in the absence of readily ascertainable fair values Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed The investment income recorded is based on Banner's proportionate share of the hedge fund portfolio net asset value The alternative investment income is primarily recorded within income from alternative investments on the consolidated statement of income, with the remainder recorded as a change to restricted net assets for those funds that have been restricted by the donor Banner's share of the alternative investments' unrestricted realized and unrealized gain approximated $107,940,000 and $52,907,000 for the years ended December 31, 2013 and 2012, respectively The restricted share of alternative investment realized and unrealized income is approximately $239,000 and $114,000 for the years ended December 31, 2013 and 2012, respectively As of December 31, 2013, approximately $38,627,000 of alternative investments were subject to a one-year redemption lockup period, and approximately $20,450,000 were subject to a two-year redemption lockup period

Banner offsets the fair value for various derivative instruments such as forwards, interest rate swaps, currency swaps, options, and other conditional or exchange contracts, if they are executed with the same counterparty, under a master netting arrangement Banner invests in a variety of derivative instruments through a fixed income manager that has executed a master netting arrangement with each of its forward and future purchase and sale contracts, interest and credit swap agreements, and options, whereby the financial instruments are held by the same counterparty and are legally offset as the instrument is settled Banner's derivative contracts in a net loss position were immaterial at December 31, 2013 and 2012, and were reported on the accompanying consolidated balance sheets on a net basis As of December 31, 2013, the gross derivative assets and liabilities held and netted together within the investment accounts amounted to assets of approximately $670,488,000 and liabilities of approximately $667,187,000, respectively As of December 31, 2012, the gross derivative assets and liabilities held and netted together within the investment accounts amounted to assets of approximately $291,177,000 and liabilities of approximately $291,272,000, respectively (see Note 4)

2. Significant Accounting Policies (continued)

Banner has entered into several repurchase agreements amounting to approximately $6,941,000 and $6,900,000 as of December 31, 2013 and 2012, respectively, which are included in long-term and short-term investments on the accompanying consolidated balance sheets In connection with the repurchase agreements, Banner has loaned cash to certain financial institutions in exchange for collateral Collateral provided by the financial institutions amounted to approximately $6,775,000 and $6,965,000 as of December 31, 2013 and 2012, respectively

Assets Limited as to Use

Assets limited as to use include marketable securities that have been designated for use as determined by the Banner Board of Directors, such as for property and equipment replacement and expansion, payments under lease and loan agreements, assets held by trustees under self-insurance funding and indenture agreements, and assets held as collateral by counterparties under interest rate swap agreements

Securities Lending Program

Banner participates in securities lending transactions through its custodian whereby Banner lends a portion of its investments to various brokers in exchange for collateral for the securities loaned, usually on a short-term basis Collateral provided by the brokers consists of cash and securities and is maintained at levels approximating 102% of the fair value of the securities on loan, adjusted for market fluctuations Banner 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 Under the terms of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed The value of collateral held for loaned securities is reported in current assets as collateral held under securities lending program, and a corresponding obligation is reported in current liabilities as a payable under securities lending program in the accompanying consolidated balance sheets At December 31, 2013 and 2012, the fair value of the collateral provided on behalf of Banner was approximately $174,161,000 and $166,356,000, respectively At December 31, 2013 and 2012, the fair market value of securities on loan was approximately $169,975,000 and $163,007,000, respectively, and is included in assets limited as to use on the accompanying consolidated balance sheets

2. Significant Accounting Policies (continued)

Net Patient Accounts Receivable

Net patient accounts receivable and net patient service revenues have been adjusted to the estimated amounts expected to be received based on contractual rates for services rendered These estimated amounts are subject to further adjustments upon review by third-party payors Management estimates the provision for doubtful accounts and the allowance for doubtful accounts for each major payor based upon the historical collection experience of each facility Banner evaluates a patient's ability to pay for patient services based on an entity-wide assessment Management regularly reviews payment data for each major payor in evaluating the sufficiency of the allowance for doubtful accounts

Inventories

Inventories, consisting principally of supplies, are stated at the lower of cost or market, determined on a first-in, first-out basis

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair market value on the date received, if donated, less accumulated depreciation and amortization

Amortization is provided on a straight-line basis over the shorter of the lease period or the estimated useful lives for leasehold improvements Depreciation is provided on a straight-line basis over the estimated useful lives of the property and equipment, which range from 2 to 40 years

Long-Lived Asset Impairment

Banner reviews long-lived assets, other than goodwill, for impairment when events or changes in business conditions indicate that their carrying values may not be recoverable Banner considers assets to be impaired and writes them down to fair value if expected undiscounted cash flows are less than the carrying amounts Fair value is the present value of the associated discounted cash flows Banner has determined that there was no impairment of long-lived assets at December 31, 2013

2. Significant Accounting Policies (continued)

Goodwill

Purchases of acquired businesses have been allocated to the assets and liabilities acquired based on the estimated fair values on the respective acquisition dates Based on these values, the excess purchase price over the fair value of the net assets acquired was allocated to goodwill

Banner evaluates goodwill for impairment at least annually and more frequently if certain indicators are encountered Goodwill is tested at the reporting unit level, defined as an operating segment or one level below an operating segment (referred to as a component), with the fair value of the reporting unit being compared to its carrying amount, including goodwill If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered to be impaired

Banner completes its annual impairment test during the fourth quarter using a qualitative assessment to determine whether there are events or circumstances that indicate it is more likely than not that the reporting units' fair values are less than their carrying amounts Banner determined that there was a goodwill impairment of $3,559,000 for the year ended December 31, 2013 that is recorded in operating expenses

Costs of Borrowing

Debt issuance costs are deferred and amortized over the terms of Banner's bonds using the straight-line method, which approximates the effective interest method

Interest incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

Self-Insurance Programs

In connection with self-insurance programs, accounts have been established for the purpose of accumulating assets based on actuarial determinations These assets can be used only for the payment of professional liability, general liability, workers' compensation, employment liability, employee group life insurance claims, and related expenses It is Banner's policy to record the expense and related liability for professional liability, general liability, workers' compensation, employment liability, and employee group life insurance losses based upon undiscounted actuarial estimates

2. Significant Accounting Policies (continued)

Contributions

Banner records contributions upon receipt of an unconditional promise to give, less an allowance for doubtful accounts Gifts, bequests, and other promises or receipts restricted by donors as to use or time period are recorded as temporarily restricted net assets until used in the manner designated or upon expiration of the time period restriction Donated property and equipment are recorded at fair value at the date received Unrestricted contributions received are recorded as other income

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by Banner has been limited by donors to a specific time period or purpose

Performance Indicator

Banner's performance indicator is the excess of revenues over expenses, which includes all changes in unrestricted net assets other than changes in the amortization of cumulative loss on interest rate swaps through March 31, 2007 (see Note 8), contributions for property and equipment acquisitions, and changes to unfunded pension liability

Net Patient Service Revenue

Banner has agreements with third-party payors that provide for payments at amounts different from its established rates Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered Contractual adjustments resulting from agreements with various organizations to provide services for amounts that differ from billed charges, including services under the Medicare, Medicaid, and certain managed care programs, are recorded as deductions within net patient service revenue Banner recognizes that revenue from government agencies and managed care organizations is significant to Banner's operations, but management does not believe that there are any significant credit risks associated with these payors A summary of the payment arrangements with major third-party payors follows

2. Significant Accounting Policies (continued)

Medicare

Approximately 21 0% in 2013 and 22 2% in 2012 of Banner's net patient service revenue was derived from the Medicare program Most inpatient acute care and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical and diagnostic factors Teaching facility programs related to Medicare beneficiaries and services provided at critical access hospitals to Medicare beneficiaries are paid based on a cost reimbursement methodology Banner is reimbursed for cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary Medicare cost reports for the acute care hospitals through December 31, 2009, and for the critical access hospitals through December 31, 2010, have been settled with the Medicare fiscal intermediary as of December 31, 2013 The estimated settlement for Medicare cost report years 2010 through 2013 (acute hospitals) and 2011 through 2013 (critical access hospitals) has been recorded as estimated third-party payor settlements on the accompanying consolidated balance sheets

Laws and regulations governing the Medicare program are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded third-party payor settlement estimates will change by a material amount in the near term as cost report adjustments become known or as cost report years are no longer subject to such audit

During 2012, Banner received a settlement of $21,471,000, net of expenses, from the Centers for Medicare & Medicaid Services (CMS) for a group appeal of the Rural Floor Budget Neutrality The appeal settlement was for the 2005 through 2011 cost report years and is recorded in net patient service revenue, amounting to $28,609,000, and professional fees expense, amounting to $7,138,000

Medicaid

Approximately 9 1% and 9 4% in 2013 and 2012, respectively, of Banner's net patient service revenue was derived from various state Medicaid programs Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid according to the terms of the state program under which services are provided, which may allow for reimbursement based on per diem rates, percentage of eligible charges, cost reimbursement, or prospectively determined based on clinical and diagnostic factors Certain Medicaid payments are subject to final settlement after audit by fiscal intermediaries

2. Significant Accounting Policies (continued)

During 2012, CMS approved direct and indirect graduate medical education payments (GME funds) to Banner pursuant to a Medicaid state plan amendment submitted by the Arizona Health Care Cost Containment System (AHCCCS) In connection with this plan amendment, Banner recorded approximately $32,720,000 and $44,330,000 in 2013 and 2012, respectively, which has been recorded in net patient service revenue

Other Third-Party Payors

Banner has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations The bases for payment under these agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined per diem and capitated rates Approximately 61 2% in 2013 and 60 9% in 2012 of Banner's net patient service revenue was derived from other third-party payors

Self-Pay

Approximately 8 7% in 2013 and 7 5% in 2012 of Banner's net patient service revenue was derived from self-pay patients Self-pay includes patients without insurance and patients with deductibles and coinsurance associated with third-party payor coverage For self-pay patients that do not qualify for charity care, Banner recognizes revenue on the basis of uninsured discounted or standard rates Banner records a provision for doubtful accounts related to self-pay patients, at the time services are provided, based on historical collection experience

City of Phoenix Access to Care Tax

In April, 2013, CMS approved a new Access to Care Tax, under which Banner hospitals located in Phoenix are assessed a tax which is used by the City of Phoenix to draw federal Medicaid matching funds to partially compensate hospitals with high levels of uncompensated care for care provided to uninsured and low income patients from a safety net care pool established by Arizona statute under the Arizona Health Care Cost Containment System The first installment of the tax was paid in May 2013, and for the year ended December 31, 2013, Banner paid $51,818,000 under the Phoenix provider assessment For the year ended December 31, 2013, eligible Banner hospitals received $98,502,000 from the safety net care pool which is recorded in net patient service revenue This assessment is not expected to continue after 2013

2. Significant Accounting Policies (continued)

Medical Insurance Premiums and Medical Claim Costs

Banner Health Network (BHN) has entered into contracts with insurance companies whereby BHN receives a monthly capitation premium and is responsible for the payment of the enrolled members claim payments In addition, prior to September 1, 2012, Banner owned MediSun, Inc , a Medicare Advantage Plan (see Note 7) For the year ended December 31, 2013 and 2012, BHN and MediSun have recorded premium revenue from the insurance companies of approximately $439,732,000 and $269,269,000, respectively BHN and MediSun have paid health care claims for the enrolled members of approximately $473,495,000 and $253,204,000 as of December 31, 2013 and 2012, respectively The medical claims costs reported on the consolidated statements of income is net of intercompany eliminations amounting to $233,492,000 and $125,863,000, for the year ended December 31, 2013 and 2012, respectively

Electronic Health Records Incentive Payments

Beginning in 2011, the Medicare and state Medicaid programs are providing an incentive payment to eligible hospitals and professionals if meaningful use certified electronic health care (EHR) technology is adopted and utilized The incentive payment is recognized when management is reasonably assured that Banner has complied with the conditions set forth by Medicare and Medicaid and has demonstrated meaningful use of its EHR technology for the applicable attestation period Approximately $39,429,000 and $51,486,000 in Medicare and Medicaid incentive payments were recognized in other revenue for the years ended December 31, 2013 and 2012, respectively Banner's attestation of compliance with the meaningful use criteria is subject to audit by the federal government or its designee Additionally, EHR incentive payments are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were initially calculated

Charity Care and Services that Benefit the Community

In furtherance of its charitable purpose, Banner provides a broad range of benefits to the communities it serves, including offering various community-based social service programs and a number of health-related educational programs These services are designed and provided to improve the general standards of health for the communities

Included in services to the communities are programs directed at the poor and persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured Non-elective, medically necessary care provided by Banner is rendered regardless of the patient's ability to pay, and Banner's charity care policy offers various discounts from billed charges based on the patient's family's income Because Banner does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

2. Significant Accounting Policies (continued)

In addition to providing traditional charity care, Banner assumes the unpaid costs of Medicaid and other indigent public programs, provides services for the community through health promotion and education, health clinics, and screenings, all of which cannot be billed or can be operated only on a deficit basis, assumes the unpaid costs of training health professionals, such as medical residents, nursing students, and students in allied health professions, provides community health research, and provides cash and in-kind donations of equipment, supplies, or staff time made on behalf of the community

Banner's cost accounting system is used to quantify the estimated charity care costs, which include both direct and indirect costs, for providing patient care at each facility During 2013 and 2012, costs incurred by Banner in the provision of charity care, the unpaid costs of programs directed at the poor, the education of health professionals, research activities, and the costs of supporting other community programs were approximately $444,195,000 and $394,755,000, respectively Charity care is recorded based on the cost of services provided for which charges are written off in accordance with Banner's charity care policy, but does not include the amount, if any, for which the patient remains responsible

The following summary of Banner's net community benefit for the years ended December 31 represents services to both the poor and broader community

	2013	% of Total Expense	2012	% of Total Expense
	(In Thousands)		*(In Thousands)*	
Traditional charity care, at cost	**$ 153,070**	**3.2%**	$ 149,045	3 2%
Unpaid cost of public programs, Medicaid, and other indigent care programs	**227,261**	**4.7**	189,392	4 1
Health professional education	**23,412**	**0.5**	23,310	0 5
Community health services	**7,878**	**0.2**	8,206	0 2
Research activities	**11,069**	**0.2**	7,571	0 2
Community-building activities	**2,134**	**–**	3,322	0 1
Subsidized health services	**16,678**	**0.3**	11,641	0 3
Contributions and in-kind donations	**2,551**	**0.1**	2,244	–
Community benefit operations	**142**	**–**	24	–
Total cost of community benefit	**444,195**	**9.2**	394,755	8 6
Unpaid cost of Medicare	**75,759**	**1.6**	38,109	0 8
Total cost of community benefit and the unpaid cost of Medicare	**$ 519,954**	**10.8%**	$ 432,864	9 4%

2. Significant Accounting Policies (continued)

Traditional Charity Care is the cost of services for which reimbursement is not pursued, in accordance with Banner's policy to provide health care services free of charge or on a discounted fee schedule to those who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured

Unpaid Costs of Public Programs is the shortfall created when Banner receives payments below the cost for patients enrolled in publicly supported programs such as Medicaid

Health Professional Education includes the unpaid costs of training health professionals, such as medical residents, nursing students, and students in allied health professions

Community Health Services include costs for health education and related activities designed to improve the health of the community Included are community health education programs, community-based clinical services, and health care support services No patient bills are generated for these services

Research Activities include clinical and community health research as well as studies on health care delivery

Community-Building Activities include the costs of programs that develop the community through physical improvements, economic development, support system enhancements, environmental improvements, leadership development, coalition building, community health improvement advocacy, and workforce enhancement

Subsidized Health Services include costs for billed services that are subsidized by Banner These include services offered despite a financial loss because they are needed in the community and either other providers are unwilling to provide the services or the services would otherwise be unable to meet patient demand

Contributions and In-Kind Donations include cash donations, grants, and in-kind donations to the community-at-large and other tax-exempt organizations

Community Benefit Operations include costs of directly planning, evaluating, and managing community benefit activities

2. Significant Accounting Policies (continued)

Use of Estimates

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

For the years ended December 31, 2013 and 2012, the provision for doubtful accounts decreased each year by approximately $42,000,000 and $38,000,000, respectively, for outside collection recoveries on patient receivables previously written off Net patient service revenue increased in 2013 and 2012 by approximately $10,000,000 and $67,000,000, respectively, for changes in estimates related to third-party payor settlements, including appeals, associated with the Medicare program

For the three months ended December 31, 2012, Banner recorded an increase to net patient service revenue of $16,000,000, relating primarily to government and third-party payor settlements and a decrease to salary and benefits expense of approximately $10,000,000 relating to incentive and benefit plan accruals For the three months ended December 31, 2013, Banner recorded an increase to other revenue of approximately $14,000,000 relating to electronic health records incentive payments Additionally, other revenue increased by approximately $12,000,000 for an investment that was previously recorded within temporarily restricted net assets due to restrictions placed on the investment, however, in October 2013 the investee released the restriction resulting in the investment value being recorded as an increase to other revenue

2. Significant Accounting Policies (continued)

New Accounting Pronouncements

The Financial Accounting Standards Board released an accounting standard relating to the disclosure of offsetting assets and liabilities, which was effective for Banner on January 1, 2013 The accounting standard requires additional financial statement disclosures relating to master netting arrangements, collateral received or paid, gross amount of assets and liabilities subject to master netting arrangements and collateral postings, and a reconciliation of the net offsetting balance recorded on the balance sheet Banner has adopted the accounting standard as of January 1, 2013 (See Note 4)

Reclassifications

The 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation, primarily relating to presentation of BHN medical insurance premiums, medical claims costs and unpaid claims liability Net patient services revenue and salaries and benefits expense was reduced by $12,000,000 for elimination of payments to Banner Medical Group clinics by Banner Health's employee medical insurance plan

3. Concentrations of Credit Risk

Banner grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors as of December 31 was as follows

	2013	2012
Commercial/HMO/PPO/other third-party payors	**46.3%**	47 9%
Medicare	**32.9**	33 3
Medicaid/AHCCCS	**11.8**	12 3
Self-pay	**9.0**	6 5
	100.0%	100 0%

4. Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability As a basis for considering such assumptions, Banner utilizes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows

- Level 1 – Pricing inputs into the determination of fair value are generally observable inputs such as quoted prices in active markets Financial assets in Level 1 primarily include listed equities

- *Level 2* – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities Financial assets and liabilities in Level 2 include asset-backed securities, mortgage-backed securities, collateralized mortgage obligations, U S Treasury securities, corporate bonds and loans, forward contracts, interest and credit swap agreements, options, and interest rate swap obligations

- *Level 3* – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities The fair values are therefore determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates Financial assets in Level 3 include alternative investments held in the defined benefit plan

4. Fair Value Measurements (continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below Where more than one technique is noted, individual assets or liabilities were valued using one or more of the noted techniques The valuation techniques are as follows

(a) *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

(b) *Cost approach* – Amount that would be required to replace the service capacity of an asset or liability (replacement cost)

(c) *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option pricing, and excess earnings models)

Banner's investment in alternative investments, amounting to $1,167,092,000 and $914,289,000 as of December 31, 2013 and 2012, respectively, is accounted for using the equity method of accounting Accordingly, the alternative investments are omitted from the following schedule of financial instruments measured at fair value Of Banner's alternative investments, approximately $1,155,142,000 are reported in long-term investments and $11,950,000 are reported in Banner Health Foundation restricted funds as of December 31, 2013, and $907,243,000 are reported in long-term investments and $7,046,000 are reported in Banner Health Foundation restricted funds as of December 31, 2012 Also included in assets limited as to use are premium payments to be received from Banner's split dollar life insurance policies amounting to $28,229,000 and $29,833,000 as of December 31, 2013 and 2012, respectively, which are not measured at fair value

4. Fair Value Measurements (continued)

	December 31 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Short-term investments					
Cash and cash equivalents	$ 78,189	$ 78,189	$ –	$ –	a
Equities	89	89	–	–	a
Asset-backed securities	187	–	187	–	a
Commercial mortgage-backed securities	91	–	91	–	a
Government mortgage-backed securities	432	–	432	–	a
Non-government-backed collateralized mortgages	200	–	200	–	a
Corporate bonds	789	–	789	–	a
U S Treasury government obligations	2,325	–	2,325	–	a
Total short-term investments	$ 82,302	$ 78,278	$ 4,024	$ –	
Collateral held under securities lending program					
Cash and cash equivalents	$ 174,161	$ 174,161	$ –	$ –	a
Total collateral held under securities lending program	$ 174,161	$ 174,161	$ –	$ –	
Assets limited as to use					
Cash and cash equivalents	$ 287,321	$ 287,321	$ –	$ –	a
Equities	1,228,877	1,228,877	–	–	a
Asset-backed securities	19,778	–	19,778	–	a
Commercial mortgage-backed securities	9,654	–	9,654	–	a
Government mortgage-backed securities	87,956	42,160	45,796	–	a
Non-government-backed collateralized mortgages	21,136	–	21,136	–	a
Corporate bonds non U S government bonds	176,151	92,599	83,552	–	a
U S Treasury government obligations	287,014	40,786	246,228	–	a
Total assets limited as to use	$ 2,117,887	$ 1,691,743	$ 426,144	$ –	
Long-term investments					
Cash and cash equivalents	$ 9,016	$ 9,016	$ –	$ –	a
Equities	342,034	342,034	–	–	a
Asset-backed securities	9,569	–	9,569	–	a
Commercial mortgage-backed securities	4,670	–	4,670	–	a
Government mortgage-backed securities	22,157	–	22,157	–	a
Non-government-backed collateralized mortgages	10,226	–	10,226	–	a
Corporate bonds non U S government bonds	39,949	2,995	36,954	–	a
Repurchase Agreements	6,941	–	6,941	–	a
U S Treasury government obligations	201,114	85,455	115,659	–	a
Total long-term investments	$ 645,676	$ 439,500	$ 206,176	$ –	
Interest rate swaps included in other long-term liabilities	$ (215,631)	$ –	$ (215,631)	$ –	c
Banner Health Foundation restricted funds					
Cash and cash equivalents	$ 453	$ 453	$ –	$ –	a
Equities	24,115	24,115	–	–	a
Asset backed securities	87	–	87	–	a
Commercial mortgage backed securities	43	–	43	–	a
Government mortgage backed securities	202	–	202	–	a
Non-Government backed collateralized mortgages	93	–	93	–	a
Corporate bonds	5,780	5,412	368	–	a
U S Treasury government obligations	11,620	10,535	1,085	–	a
Total Banner Health Foundation restricted funds	$ 42,393	$ 40,515	$ 1,878	$ –	

4. Fair Value Measurements (continued)

	December 31 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Short-term investments					
Cash and cash equivalents	$ 3,030	$ 3,030	$ –	$ –	a
Commercial paper	1,284	–	1,284	–	a
Equities	206	206	–	–	a
Asset-backed securities	1,486	–	1,486	–	a
Commercial mortgage-backed securities	1,483	–	1,483	–	a
Government mortgage-backed securities	11,857	–	11,857	–	a
Non-government-backed collateralized mortgages	1,502	–	1,502	–	a
Corporate bonds	1,920	–	1,920	–	a
Repurchase agreements	6,900	–	6,900	–	a
U S Treasury government obligations	35,004	–	35,004	–	a
Total short-term investments	$ 64,672	$ 3,236	$ 61,436	$ –	
Collateral held under securities lending program					
Cash and cash equivalents	$ 166,356	$ 166,356	$ –	$ –	a
Total collateral held under securities lending program	$ 166,356	$ 166,356	$ –	$ –	
Assets limited as to use					
Cash and cash equivalents	$ 497,015	$ 497,015	$ –	$ –	a
Commercial paper	6,328	–	6,328	–	a
Equities	897,825	897,825	–	–	a
Asset-backed securities	7,324	–	7,324	–	a
Commercial mortgage-backed securities	7,312	–	7,312	–	a
Government mortgage-backed securities	149,641	91,196	58,445	–	a
Non-government-backed collateralized mortgages	7,405	–	7,405	–	a
Corporate bonds	182,023	155,553	26,470	–	a
U S Treasury government obligations	357,719	168,176	189,543	–	a
Total assets limited as to use	$ 2,112,592	$ 1,809,765	$ 302,827	$ –	
Long-term investments					
Cash and cash equivalents	$ 1,347	$ 1,347	$ –	$ –	a
Commercial paper	3,399	–	3,399	–	a
Equities	189,257	189,257	–	–	a
Asset-backed securities	3,934	–	3,934	–	a
Commercial mortgage-backed securities	3,927	–	3,927	–	a
Government mortgage-backed securities	31,393	–	31,393	–	a
Non-government-backed collateralized mortgages	3,978	–	3,978	–	a
Corporate bonds	126,166	52,207	73,959	–	a
U S Treasury government obligations	277,904	39,902	238,002	–	a
Total long-term investments	$ 641,305	$ 282,713	$ 358,592	$ –	
Interest rate swaps included in other long-term liabilities	$ (395,975)	$ –	$ (395,975)	$ –	c
Banner Health Foundation restricted funds					
Cash and cash equivalents	$ 774	$ 774	$ –	$ –	a
Equities	19,958	19,958	–	–	a
Corporate bonds	7,641	7,641	–	–	a
U S Treasury government obligations	12,094	12,094	–	–	a
Total Banner Health Foundation restricted funds	$ 40,467	$ 40,467	$ –	$ –	

4. Fair Value Measurements (continued)

Included within short-term investments, assets limited as to use, long-term investments and Banner Foundation restricted funds are mutual funds amounting to $1,066,113,000 and $753,233,000 as of December 31, 2013 and 2012, respectively The mutual funds are recorded at fair value based on quoted prices in active markets The mutual funds are invested primarily in international, global and U S large cap and small cap equities as well as U S fixed income securities

Banner received restricted pledges and contributions amounting to $43,960,000 and $31,348,000 for the years ended December 31, 2013 and 2012, which were subject to fair value measurement on a nonrecurring basis The restricted contributions were measured based on the actual cash received, or for pledges receivable, using discounted cash flow projections Approximately $8,865,000 and $7,641,000 of the restricted contributions were recorded as pledges receivable as of December 31, 2013 and 2012, respectively

Included within short-term investments, assets limited as to use, and other long-term investments are the following gross derivative instruments, recorded at fair value as of December 31

	December 31 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Derivative assets					
Future contracts	$ 357,208	$ 357,208	$ –	$ –	a
Forward contracts	306,529	–	306,529	–	a
Interest rate swap agreements	4,789	–	4,789	–	c
Option agreements	432	–	432	–	a
Net credit swaps	1,530	–	1,530	–	a
Total derivative assets	$ 670,488	$ 357,208	$ 313,280	$ –	
Derivative liabilities					
Future contracts	$ (357,208)	$ (357,208)	$ –	$ –	a
Forward contracts	(306,299)	–	(306,299)	–	a
Interest rate swap agreements	(1,280)	–	(1,280)	–	c
Option agreements	(786)	–	(786)	–	a
Net credit swaps	(1,614)	–	(1,614)	–	a
Total derivative liabilities	$ (667,187)	$ (357,208)	$ (309,979)	$ –	

4. Fair Value Measurements (continued)

	December 31 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Derivative assets					
Future contracts	$ 59,338	$ 59,338	$ –	$ –	a
Forward contracts	222,024	–	222,024	–	a
Interest rate swap agreements	9,283	–	9,283	–	c
Option agreements	88	–	88	–	a
Net credit swaps	444	–	444	–	a
Total derivative assets	$ 291,177	$ 59,338	$ 231,839	$ –	
Derivative liabilities					
Future contracts	$ (59,338)	$ (59,338)	$ –	$ –	a
Forward contracts	(222,274)	–	(222,274)	–	a
Interest rate swap agreements	(8,135)	–	(8,135)	–	c
Option agreements	(478)	–	(478)	–	a
Net credit swaps	(1,047)	–	(1,047)	–	a
Total derivative liabilities	$ (291,272)	$ (59,338)	$ (231,934)	$ –	

4. Fair Value Measurements (continued)

Investment income consisted of the following for the year ended December 31

	2013	2012
	(In Thousands)	
Interest and dividend income	**$ 42,377**	$ 71,027
Net realized gain on sales of investments	**83,623**	29,043
Income gain from alternative investments, including amount recorded in restricted equity	**108,179**	53,021
Net realized gain on sales of future contracts	**23**	999
Net realized loss on sales of interest rate swap agreements	**(400)**	(72)
Net realized gain (loss) on sales of option agreements	**875**	(1)
Net realized gain (loss) on sales of net credit swaps	**229**	(18)
Net unrealized gain on investments	**170,246**	149,523
Net unrealized gain on interest rate swap agreements	**71**	882
Net unrealized gain on option agreements	**146**	51
Net unrealized loss on net credit swaps	**(1,190)**	(950)
	404,179	303,505
Less investment (loss) gain credited to other revenue, restricted equity, and capitalized bond project funds	**(280)**	18,337
Investment income, net	**$ 404,459**	$ 285,168

5. Property and Equipment

Property and equipment consisted of the following as of December 31

	2013	2012
	(In Thousands)	
Land and land improvements	**$ 248,662**	$ 229,409
Buildings and fixed equipment	**2,844,658**	2,738,021
Major movable equipment	**1,902,761**	1,821,101
Construction in progress	**191,770**	67,063
	5,187,851	4,855,594
Less accumulated depreciation and amortization	**2,625,384**	2,425,316
Property and equipment, net	**$ 2,562,467**	$ 2,430,278

6. Banner Health Network Accountable Care Organization

BHN is a corporation that has Banner, Banner Medical Group (a wholly owned subsidiary of Banner), Banner Physician Hospital Organization (BPHO), and an unrelated physician network as its members BHN has established a provider network which primarily consists of Banner facilities, Banner Medical Group, the physicians in the BPHO network, and physicians in the unrelated physician network BHN has executed contracts with each of the provider network members that outline the medical claim fee schedules as well as the allocation methodology related to the distribution of any incentive payments

BHN continued its contract with CMS as a Pioneer Accountable Care Organization (Pioneer ACO) This contract was initially awarded January 1, 2012 and covered approximately 54,000 lives in 2013 The Pioneer ACO is a shared-savings model in which participating organizations are eligible for additional payments from CMS if they are able to achieve medical cost savings as compared to certain benchmarks while providing high-quality, coordinated patient care for an assigned group of Medicare beneficiaries Participants also share risk with CMS for any increase in medical cost and will be required to pay CMS for a portion of any cost increases over certain benchmarks The risk share for both the medical cost savings and medical cost increases are measured based on a predetermined benchmark for the assigned beneficiary population Also, medical cost savings under the Pioneer ACO are earned only if certain quality and administrative measures are met

In 2013, BHN received $13,370,000 from CMS as its share of the 2012 plan year savings BHN recorded the $13,370,000 as other revenue for the year ended December 31, 2013 as BHN had not met all of the compliance and quality measures to record the risk share savings prior to receiving the settlement from CMS BHN has received claim data from CMS for the year ended December 31, 2013, and has initially estimated a risk share receivable from CMS as of December 31, 2013 However, BHN has not recorded a risk share receivable for the 2013 plan year in the accompanying consolidated financial statements as BHN is not yet able to determine whether compliance with the quality and administrative measures have been achieved

6. Banner Health Network Accountable Care Organization (continued)

BHN also operated a narrow insurance network and had multiple contracts with seven different insurance companies during 2013 For four of the insurance company contracts, BHN has been delegated claim responsibility Accordingly, BHN receives a monthly capitation payment directly from the insurance company and is responsible for the claim payments owed to the provider and physician care network As of December 31, 2013 and 2012, BHN has recorded a claim payable, within other accrued expenses, associated with claims incurred but not yet paid of approximately $43,103,000 and $23,782,000, respectively For the remaining insurance company contracts, the claim payments are the responsibility of the contracting insurance company For these plans, BHN receives a care management fee on a per member per month basis and/or shares in the overall financial performance of the plan with the insurance company

7. Other Noncurrent Assets

Noncurrent assets consisted of the following as of December 31

	2013	2012
	(In Thousands)	
Restricted assets	**$ 113,192**	$ 97,548
Goodwill, net of amortization of $19,573 in 2013 and 2012	**72,230**	75,604
Investments in unconsolidated affiliates	**48,668**	37,752
Due from Sun Health Services	**29,869**	53,577
Other	**9,908**	9,393
Total other noncurrent assets	**$ 273,867**	$ 273,874

Included in investments in unconsolidated affiliates is Banner's 50% investment in Veritage for approximately $24,211,000 and $30,814,000 as of December 31, 2013 and 2012, respectively Effective September 1, 2012, Banner and Blue Cross and Blue Shield of Arizona (BlueCross) formed Veritage, an Arizona limited liability company, which is equally owned by Banner and BlueCross As part of the initial capitalization of Veritage, BlueCross contributed cash and Banner contributed cash and all of its stock in Banner MediSun, Inc (MediSun) Prior to September 1, 2012, MediSun was wholly owned by Banner Accordingly, the financial results of MediSun for the eight months ended August 31, 2012, have been included in the accompanying consolidated statement of operations for 2012 As a result of the transfer of Banner's stock

7. Other Noncurrent Assets (continued)

ownership in MediSun to Veritage on September 1, 2012, Banner recorded a gain of $13,785,000 representing the difference between the fair value of Banner's investment in Veritage and the net book value of MediSun's net assets that were transferred to Veritage

Banner is a member of Premier Inc 's (Premier) group purchasing organization and in connection with this membership Banner held a non-controlling interest in Premier that was accounted for under the equity method of accounting In October 2013, Premier completed an initial public offering (IPO) and a restructuring of the company In connection with the IPO and restructuring, Premier purchased a portion of Banner's Class B Units for approximately $11,382,000 Banner has recorded a $10,534,000 gain on the sale of the Class B Units within realized investment income for the year ended December 31, 2013 Banner also has the ability to convert its remaining Class B Units into cash or Premier's Class A Common Stock over a seven year vesting period The Class B Units in Premier are only held by members of Premier's group purchasing organization whereby Premier serves as their primary supply vendor Accordingly, each member receives a vendor incentive, as long as the member participates in Premier's group purchasing organization, for the right to exchange their Class B Units for Class A Common Stock over the 7 year vesting period The estimated value of the vendor incentive, representing the difference between Premier's Class A Common Stock and Banner's Class B Unit carrying value, is being amortized over the 7 year vesting period as a reduction to supply expense The vendor incentive recorded as a reduction to supply expense in 2013 was approximately $2,900,000

Sun Health Services, Sun Health Foundation, Sun Health Properties, Inc , and their controlled affiliates (collectively, Sun Health Services) entered into an agreement to provide an annual contribution, calculated under the terms of the agreement and, subject to certain contractual limitations and conditions, to support projects at the facilities acquired from Sun Health or at other future Banner projects in the northwestern section of the Phoenix metropolitan area Sun Health Services committed to contributions of $8,404,000 in 2013 and $13,702,000 in 2012 to Banner, primarily for approved capital purchases Sun Health Services contributions for approved capital expenditures are recorded as temporarily restricted donations, and once expended, are reclassified into unrestricted net assets Due from Sun Health Services relates to monies to be received for the completion of approved capital projects at Banner Del E Webb Hospital and to fund a defined benefit pension obligation in accordance with the terms outlined in the acquisition agreement

8. Long-Term Debt

Long-term debt consisted of the following as of December 31

	2013	2012
	(In Thousands)	
Revenue Bonds, Series 2012A, interest 3 75% to 5 00%, due through 2043	**$ 179,090**	$ 179,090
Taxable Revenue Bonds, Series 2012B, interest 4 16%, due 2030	**67,840**	67,840
Series 2012 Bank of America obligation, interest 1 91%, due through 2019	**21,405**	27,780
Revenue Bonds, Series 2008A, interest 5 00% to 5 25%, due 2035	**212,120**	214,320
Direct Purchase Rate Securities Revenue Bonds, Series 2008B, interest determined monthly, due through 2035	**90,150**	91,950
Direct Purchase Rate Securities Revenue Bonds, Series 2008C, interest determined monthly, due through 2035	**90,150**	91,950
Revenue Bonds, Series 2008D, interest 5 00% to 6 00%, due through 2038	**771,265**	785,700
Weekly Rate Securities Revenue Bonds, Series 2008E, interest determined weekly, due through 2029	**115,635**	118,700
Weekly Rate Securities Revenue Bonds, Series 2008F, interest determined weekly, due through 2029	**94,795**	97,290
Weekly Rate Securities Revenue Bonds, Series 2008G, interest determined weekly, due through 2029	**89,455**	91,815
Weekly Rate Securities Revenue Bonds, Series 2008H, interest determined weekly, due through 2029	**69,900**	71,740
Revenue Bonds, Series 2007A, interest 5 00%, due through 2025	**144,900**	153,480
Index Rate Bonds, Series 2007B, interest determined quarterly, due through 2037	**400,000**	400,000
Other	**16,568**	15,172
	2,363,273	2,406,827
Less current portion	**48,863**	47,437
Total long-term debt, less current portion	**$ 2,314,410**	$ 2,359,390

8. Long-Term Debt (continued)

Scheduled maturities of debt for the years ending December 31 and thereafter are as follows (in thousands)

2014	$ 48,863
2015	62,130
2016	52,383
2017	54,802
2018	57,179
Thereafter	2,087,916
	$ 2,363,273

Total interest incurred was $140,663,000 and $138,122,000 in 2013 and 2012, respectively, of which $8,715,000 and $2,060,000 was capitalized in 2013 and 2012, respectively Included within interest costs is approximately $12,932,000 and $13,243,000 of interest expense related to the NCMC, Inc lease obligation in 2013 and 2012, respectively (see Note 13)

Series 2012 Bonds (Series A and B)

In November 2012, Banner issued $179,090,000 of Series 2012A tax-exempt revenue bonds The proceeds of the bonds will fund construction projects at Banner Estrella Medical Center and Banner Baywood Medical Center The Series 2012A bonds are fixed-rate securities, bearing interest at an annual rate ranging from 3 75% to 5 00%, and are due in annual installments beginning in 2039 through 2043 The average interest rate for the years ended December 31, 2013 and 2012, was 4 09%

In December 2012, Banner issued $67,840,000 of Series 2012B taxable revenue bonds The proceeds of the bonds were used to legally defease a portion of the Series 2008D bonds amounting to $67,190,000 The Series 2012B bonds are fixed-rate securities, bearing interest at an annual rate of 4 16%, and are due in one annual installment in 2030 The average interest rate for the years ended December 31, 2013 and 2012, was 4 16%

The Series 2012 bonds are governed by a Master Indenture covering substantially all of the Obligated Group's long-term indebtedness The Obligated Group members are defined in the Master Indenture

8. Long-Term Debt (continued)

Series 2008 Bonds (Series A through H)

In April 2008, Banner issued $227,160,000 Series 2008A tax-exempt revenue bonds The proceeds of these bonds were used to refund debt The Series 2008A bonds are fixed-rate securities, bearing interest at an annual rate ranging from 3 25% to 5 25%, and are due in annual installments beginning in 2009 through 2035 The average interest rate for the years ended December 31, 2013 and 2012, was approximately 5 07%

In June 2008, Banner issued $197,500,000 Series 2008B-C tax-exempt revenue bonds The proceeds of these bonds were used to refund debt The Series 2008B-C bonds were issued as variable-rate demand securities bearing interest based on successive interest rate periods of seven days at an interest rate determined by the remarketing agent Until August 28, 2012, security for the payment of the Series 2008B-C bonds was provided for with a direct pay letter of credit with The Bank of Nova Scotia

On August 29, 2012, Banner converted the Series 2008B-C bonds to a direct purchase index mode To effect this conversion, Banner called the bonds effective August 29, 2012, and simultaneously entered into a $91,950,000 Direct Purchase Agreement for the Series 2008B bonds with JP Morgan Chase, N A and a $91,950,000 Direct Purchase Agreement for the Series 2008C bonds with Union Bank, N A The Direct Purchase Agreement maintains the original payment amortization schedules, will not be assigned a separate rating by any rating agency, or registered with The Depository Trust Company or any other securities depository The Direct Purchase Agreement expires on August 29, 2022 The average interest rate for 2013 was approximately 1 04% and 2012 was approximately 0 14% for the period from January 1 through August 28 and was approximately 1 06% for the period from August 29 through December 31 The Series 2008B-C bonds are due in annual installments beginning in 2009 through 2035

In August 2008, Banner issued $917,860,000 Series 2008D tax-exempt revenue bonds The proceeds of these bonds were used to acquire certain assets of Sun Health Corporation, finance capital projects, and refund debt The Series 2008D bonds are fixed-rate securities, bearing interest at an annual rate ranging from 5 00% to 6 00%, and are due in annual installments beginning in 2009 through 2038 The average interest rate for the years ended December 31, 2013 and 2012 was approximately 5 37% and 5 41%, respectively

8. Long-Term Debt (continued)

In September 2008, Banner issued $397,085,000 Series 2008E-H tax-exempt revenue bonds The proceeds of these bonds were used to refund debt The Series 2008E-H bonds are variable-rate demand securities and bear interest based on successive interest rate periods of seven days at an interest rate determined by a remarketing agent The Series 2008E-H bonds are due in annual installments beginning in 2009 through 2029 The average interest rate for the years ended December 31, 2013 and 2012, was approximately 0 09% and 0 16%, respectively Security for the payment of the Series 2008E-H bonds is provided for with direct pay letters of credit with the following banks Bank of America, N A provides credit for the Series 2008E, JPMorgan Chase, N A provides credit for the Series 2008F, until November 13, 2013 U S Bank, N A provided credit for the Series 2008G and Wells Fargo, N A now provides credit, and The Northern Trust Company provides credit for the Series 2008H All of the direct pay letters of credit terminate between September 2015 and November 2018 There were no advances outstanding as of December 31, 2013

The Series 2008 bonds are governed by a Master Indenture covering substantially all of the Obligated Group's long-term indebtedness

Series 2007 Bonds (Series A and B)

In May 2007, Banner issued $590,920,000 Series 2007A-B tax-exempt revenue bonds The proceeds of these bonds were used to finance capital projects

The Series 2007A bonds are fixed-rate securities due in annual installments through 2025 The bonds bear interest at an annual fixed rate of 5 00%

The Series 2007B bonds are index-rate bonds due in annual installments beginning in 2025 through 2037 The bonds bear interest computed quarterly based on the three-month LIBOR rate as determined by the index agent The average interest rate for the years ended December 31, 2013 and 2012, was 1 00% and 1 12%, respectively

The Series 2007 bonds are governed by a Master Indenture covering substantially all of the Obligated Group's long-term indebtedness

8. Long-Term Debt (continued)

Series 1998A Bonds/Series 2012 Bank of America Term Loan

In November 1998, Banner issued $115,325,000 Series 1998A refunding tax-exempt revenue bonds, of which $82,340,000 of the Series 1998A bonds were issued as serial bonds due in annual installments through 2012 and $32,985,000 were issued as term bonds due in 2028 In 2002, Banner legally defeased the Series 1998A2, 4, and 5 Escrow funds were established to pay the outstanding obligations and the bonds were redeemed on January 1, 2008

On June 6, 2012, Banner called the remaining outstanding Series 1998A bonds amounting to $27,780,000 Simultaneously, Banner entered into a $27,780,000 taxable fixed-rate loan with Bank of America, N A (term loan) The term loan has the same payment amortization schedule as the Series 1998A with a final maturity date of January 1, 2019 The average interest rate for 2013 was approximately 1 91% and for 2012 was approximately 5 04% for the period January 1 through June 5 and was approximately 1 91% for the period June 6 through December 31

The term loan is governed by a Master Indenture covering substantially all of the Obligated Group's long-term indebtedness

Interest Rate Swap Agreements

2005 Swaps

In March 2005, Banner entered into multiple interest rate swap contracts that effectively converted the variable rate of certain bonds into fixed rates of 3 661% or 3 690%, depending upon the stated maturity of the swaps (the 2005 Swaps) The original notional amount of the 2005 Swaps was $601,230,000 Banner restructured the 2005 Swaps in 2008, removing the insurance and increasing the fixed rate to 3 676% or 3 705%

The 2005 Swaps qualified for hedge accounting under standards for accounting for derivative instruments and hedging activities until the April 1, 2007 implementation of derivative instruments and hedging activities accounting guidance that made certain items specifically ineligible for designation as hedge items or transactions. As a result of the hedging designation change, the accumulated unrealized derivative loss of $5,324,000 at March 31, 2007, is being amortized into excess of revenues over expenses over the 27-year remaining life of the 2005 Swaps

8. Long-Term Debt (continued)

The derivative mark-to-market adjustments resulted in an unrealized gain of $50,478,000 and $3,898,000 in 2013 and 2012, respectively, recorded in excess of revenues over expenses The net realized portion of the interest rate swaps, recorded as an increase to interest expense, in 2013 and 2012 was approximately $19,250,000 and $19,475,000, respectively

2006 Swaps

In March 2006, Banner entered into two forward swap agreements (the 2006 Swaps) with an initial notional amount of $425,000,000 The 2006 Swaps qualified for hedge accounting under standards for accounting for derivative instruments and hedging activities until the April 1, 2007 implementation of derivative instruments and hedging activities accounting guidance that made certain items specifically ineligible for designation as hedge items or transactions The 2006 Swaps were amended and extended in May 2007 to be used with any of Banner's future debt offerings In May 2011, Banner began paying interest at a fixed rate of 3 71% against a floating rate of 61 8% of one-month LIBOR plus 31 basis points As a result of the hedging designation change, the accumulated unrealized derivative loss of $1,072,000 at March 31, 2007, is being amortized into excess of revenues over expenses over the 33-year remaining life of the 2006 Swaps

The derivative mark-to-market adjustments resulted in an unrealized gain of $69,053,000 and $9,746,000 in 2013 and 2012, respectively, recorded in excess of revenues over expenses The net realized portion of the interest rate swaps in 2013 and 2012, recorded as an increase to interest expense, was approximately $13,926,000 and $13,714,000, respectively

2007 Swaps

In May 2007, Banner entered into two interest rate swaps (the 2007 Swaps) that effectively convert the $400,000,000 LIBOR-based index rate Series 2007B bonds to a fixed rate of 4 413% against a floating rate of 67% of three-month LIBOR plus 81 basis points The agreements hedged initial notional amounts of $400,000,000 and are reduced over the term of the agreements The interest rate swaps did not qualify for hedge accounting treatment under standards for accounting for derivative instruments and hedging activities The derivative mark-to-market adjustments resulted in an unrealized gain of $59,933,000 and $5,359,000 for 2013 and 2012, respectively, recorded in excess of revenue over expenses The net realized portion of the interest rate swaps in 2013 and 2012, recorded as an increase to interest expense, was approximately $13,667,000 and $13,125,000, respectively

8. Long-Term Debt (continued)

Loveland Medical Enterprise Swap

In November 2003, Loveland Medical Enterprise, LLC (now owned by Banner) entered into an interest rate swap contract that effectively converted the variable rate loan into a fixed rate of 6 84% The original notional amount of the swap was $17,765,000 and is reduced over the term of the agreement expiring on January 20, 2015 The interest rate swap did not qualify for hedge accounting treatment under standards for accounting for derivative instruments and hedging activities The derivative mark-to-market adjustments resulted in an unrealized gain of $654,000 for 2013 and an unrealized loss of $1,322,000 for 2012, recorded in excess of revenue over expenses The net realized portion of the interest rate swaps in 2013 and 2012, recorded as an increase to interest expense, was approximately $688,000 and $720,000, respectively

Each of the interest rate swap agreements, except the Loveland Medical Enterprise Swap, has collateral posting thresholds based on the counterparties' bond ratings At the AA- rating level, Banner and its counterparty must post collateral when the mark-to-market exceeds between $35,000,000 and $75,000,000, depending on the counterparty At December 31, 2013 and 2012, Banner had $102,505,000 and $250,868,000 of collateral outstanding with its counterparties, respectively The fair value of the collateral is reported as assets limited as to use – other funds in the accompanying consolidated balance sheets

Bond Indentures

The Master Indenture, as supplemented, contains covenants that, among other matters, restrict the transfer of assets and require the maintenance of specified levels of cash on hand and compliance with certain other financial ratios Pursuant to the Master Indenture, as supplemented, Banner has pledged its gross revenues to secure all indebtedness governed by the Master Indenture Banner was in compliance with these covenants as of December 31, 2013

Under the terms of the bond indentures, periodic deposits are made to a trustee-held fund to meet interest and principal payments Trustee-held funds are included as assets limited as to use in the accompanying consolidated balance sheets As disclosed for each bond issue, security for the payment of principal and interest of certain series of bonds is provided for with direct pay letters of credit

8. Long-Term Debt (continued)

Revolving Line of Credit

On September 1, 2009, Banner entered into a $75,000,000 revolving line of credit with JPMorgan Chase, N A The line of credit was extended on March 30, 2012 and expires on September 30, 2015 As of December 31, 2013 there were no draws on the line of credit, however, $15,658,000 of the line of credit is being used as a letter of credit with the United States Department of Health and Human Services that expires December 31, 2014

Letters of Credit

Banner has the following letters of credit outstanding Travelers Indemnity Company of Illinois in the amount of $810,000, expiring January 16, 2015, Sentry Insurance in the amount of $3,250,000, expiring January 1, 2015, Humana in the amount of $566,000, expiring November 19, 2014, City of Fort Collins in the amount of $829,000, expiring October 31, 2014, Wells Fargo in the amount of $374,000, expiring August 11, 2015, and Zurich America Insurance Company in the amount of $3,300,000, expiring October 31, 2014 No amounts were drawn upon the letters of credit as of December 31, 2013

Fair Value of Debt and Interest Rate Swaps

As of December 31, 2013 and 2012, the estimated fair value of Banner's debt was $2,272,761,000 and $2,467,687,000, respectively The estimated fair value is based on quoted market prices for these issues or, where such prices are not available, on current interest rates for debt with similar remaining maturities

As of December 31, 2013 and 2012, the estimated fair value of the 2005 Swaps resulted in an imputed obligation of $74,394,000 and $125,067,000, respectively, which is recorded in other long-term liabilities in the accompanying consolidated balance sheets The fair value of the 2005 Swaps is based on the forward LIBOR curve with a blended average duration of approximately 16 years

As of December 31, 2013 and 2012, the estimated fair value of the 2006 Swaps resulted in an imputed obligation of $75,628,000 and $144,713,000, respectively, which is recorded in other long-term liabilities in the accompanying consolidated balance sheets The fair value of the 2006 Swaps is based on the forward LIBOR curve with a blended average duration of approximately 21 years

8. Long-Term Debt (continued)

As of December 31, 2013 and 2012, the estimated fair value of the 2007 Swaps resulted in an imputed obligation of $64,941,000 and $124,873,000, respectively, which is recorded in other long-term liabilities in the accompanying consolidated balance sheets The fair value of the interest rate swaps is based on the forward LIBOR curve with a blended average duration of approximately 26 years

As of December 31, 2013 and 2012, the estimated fair value of the Loveland Medical Enterprise Swap resulted in an imputed obligation of $668,000 and $1,322,000, respectively, which is recorded in other long-term liabilities in the accompanying consolidated balance sheets The fair value of the interest rate swaps is based on the forward LIBOR curve with a blended average duration of approximately 11 years

9. Estimated Self-Insurance Liabilities

Banner has obtained insurance through a combination of purchased and self-insurance programs for professional and general liability claims, workers' compensation claims, and employee group term life insurance Banner is self-insured for workers' compensation in Arizona and Colorado Banner facilities outside of Arizona and Colorado are insured for workers' compensation by a commercial insurance company with a deductible of $500,000 per occurrence Banner is also required to contribute to certain states' mandated workers' compensation programs

Under its self-insured professional and general liability and employee group term life insurance programs, Banner contributes actuarially determined amounts to Banner Indemnity, Ltd , a captive insurance company wholly owned by Banner, to fund estimated ultimate losses In connection with the professional and general liability and workers' compensation self-insurance program, Banner has accrued estimates for asserted and incurred but not reported claims The actuarially determined claim liabilities amount to $177,965,000 and $182,045,000, of which $71,502,000 and $45,339,000 have been recorded as other current liabilities in the accompanying consolidated balance sheets as of December 31, 2013 and 2012, respectively Self-insurance liabilities are undiscounted at December 31, 2013 and 2012

The self-insured, occurrence-based coverage had a per-claim limit of $10,000,000 in 2013 and 2012 and applies to all entities for general and professional liability claims Individual professional liability claims in excess of the $10,000,000 self-insured retention and aggregate general liability claims in excess of the $10,000,000 self-insured retention are insured through

9. Estimated Self-Insurance Liabilities (continued)

claims-made excess liability policies The first $25,000,000 of this excess coverage is also self-insured through Banner Indemnity, Ltd The balance of this excess coverage is provided through reinsurance policies issued by unaffiliated third-party insurers These excess policies, together with the self-insured components, were in force with aggregate coverage of $235,000,000 for professional and general liabilities as of December 31, 2013

10. Noncurrent Liabilities

Other noncurrent liabilities consisted of the following as of December 31

	2013	2012
	(In Thousands)	
Liability for interest rate swaps	**$ 215,631**	$ 395,975
Noncurrent employee benefit liabilities	**61,275**	53,781
Banner Health retirement income plan	**15,174**	29,932
Sun Health pension plan	**22,041**	42,343
Asset retirement obligation	**14,115**	14,076
Other	**52,090**	61,735
Total other noncurrent liabilities	**$ 380,326**	$ 597,842

11. Retirement Plans

Defined Contribution Plan

Substantially all of Banner's eligible employees may elect to participate in Banner's defined contribution plan Employees may contribute up to 21% of eligible compensation, subject to plan restrictions Banner may provide a matching contribution equal to the first 4% of eligible compensation contributed for each participant, as defined under the defined contribution plan Contribution expense was $50,479,000 and $48,132,000 for the years ended December 31, 2013 and 2012, respectively

11. Retirement Plans (continued)

Defined Benefit Plan

Banner Health Retirement Income Plan

Banner has a noncontributory defined benefit plan (the Plan) that provides certain eligible employees with retirement and death benefits Banner annually contributes amounts to the Plan as necessary to meet the Employee Retirement Income Security Act of 1974 minimum funding requirements Benefits are based on years of service and the employee's compensation during the last five years of employment Benefit accruals under the Plan have been frozen since 2002

The following table sets forth the benefit obligation and assets of the Plan at December 31 (using measurement dates as of December 31, 2013 and 2012, respectively) and components of net periodic benefit costs for the years ended December 31

	2013	2012
	(In Thousands)	
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	**$ 86,382**	$ 91,162
Interest cost	**3,124**	3,352
Actuarial (gain) loss	**(6,154)**	(1,286)
Benefits paid	**(6,824)**	(6,845)
Projected benefit obligation at end of year	**76,528**	86,383
Change in plan assets		
Fair value of plan assets at beginning of year	**56,451**	47,720
Actual return on plan assets	**7,507**	6,140
Employer contributions	**4,220**	9,436
Benefits paid	**(6,824)**	(6,845)
Fair value of plan assets at end of year	**61,354**	56,451
Funded status – accrued benefit recorded	**$ (15,174)**	$ (29,932)
Unrecognized net loss recorded in net assets	**$ 44,673**	$ 58,055

11. Retirement Plans (continued)

The underfunded status of the Plan of $15,174,000 and $29,932,000 at December 31, 2013 and 2012, respectively, is included in other long-term liabilities in the accompanying consolidated balance sheets No plan assets are expected to be returned to Banner during the year ended December 31, 2014

	2013	2012
	(In Thousands)	
Components of net periodic benefit cost		
Interest cost	**$ 3,124**	$ 3,352
Expected return on plan assets	**(3,750)**	(3,780)
Amortization of actuarial loss	**2,696**	2,182
Net periodic benefit cost	**$ 2,070**	$ 1,754

The assumptions used to determine the projected benefit obligation for the Plan as of December 31 are set forth below

	2013	2012
Weighted-average discount rate	**4.55%**	3 75%
Weighted-average expected long-term rate of return on Plan assets	**7.00%**	7 00%

The assumptions used to determine the net periodic benefit cost for the Plan for the years ended December 31 are set forth below

	2013	2012
Weighted-average discount rate	**3.75%**	3 86%
Weighted-average expected long-term rate of return on Plan assets	**7.00%**	7 00%

The expected long-term rate of return on Plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall

11. Retirement Plans (continued)

expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from Plan assets

The Plan's asset allocation and investment strategies are designed to earn returns on Plan assets consistent with a reasonable and prudent level of risk Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses Derivatives may be used to bridge specific exposure, reduce transaction costs, or modify the portfolio's duration or yield Banner uses investment managers specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines that include allowable and/or prohibited investment types Banner regularly monitors manager performance and compliance with investment guidelines

Banner's overall investment strategy is to achieve a mix of approximately 60% of investments for long-term growth and 40% for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers The target allocations for plan assets are 50% equity securities, 30% fixed-income securities, and 20% alternative investments Equity securities include U S and international investments and range from large-cap to small-cap companies Fixed-income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U S Treasuries Alternative investments include mainly hedge funds that invest in several different strategies

The fair value of the Plan's assets at December 31, 2013, by asset category, is as follows

	December 31 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Asset category					
Registered investment company funds					
U S funds	$ 9,599	$ 9,599	$ –	$ –	a
International funds	19,421	19,421	–	–	a
Alternative investments	12,127	–	–	12,127	a,c
Common/collective trust funds	1,040	–	1,040	–	a
U S government securities	19,167	–	19,167	–	a
	$ 61,354	$ 29,020	$ 20,207	$ 12,127	

11. Retirement Plans (continued)

The fair value of the Plan's assets at December 31, 2012, by asset category, is as follows

	December 31 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Asset category					
Registered investment company funds					
U S funds	$ 8,787	$ 8,787	$ –	$ –	a
International funds	17,218	17,218	–	–	a
Alternative investments	11,033	–	–	11,033	a, c
Common/collective trust funds	826	–	826	–	a
U S government securities	18,587	–	18,587	–	a
	$ 56,451	$ 26,005	$ 19,413	$ 11,033	

The table below summarizes the changes in fair value of the Plan's Level 3 assets for the years ended December 31, 2013 and 2012 (in thousands)

Ending balance at January 1, 2012	$ 10,379
Net appreciation in fair value of investments	654
Ending balance at December 31, 2012	11,033
Net appreciation in fair value of investments	**1,094**
Ending balance at December 31, 2013	**$ 12,127**

As of December 31, 2013, the Plan participated in a securities lending program through its custodian whereby the Plan lends a portion of its investments to brokers in exchange for collateral for the securities loaned The fair value of the collateral provided by the broker approximated $225,000 as of December 31, 2013 The collateral was considered a Level 1 asset under the fair value hierarchy and is valued using the market approach At December 31, 2013, the fair market value of securities on loan was approximately $221,000

11. Retirement Plans (continued)

Information about the expected cash flows for the Plan follows (in thousands)

Expected employer contributions in 2014	$	5,673
Expected benefit payments		
2015		5,759
2016		5,786
2017		5,845
2018		5,873
2019–2023		28,348

Sun Health Pension Plan

Under the terms of the agreement for the purchase of Sun Health, Banner assumed sponsorship of the Sun Health Pension Plan, a defined benefit plan, and the Sun Health Pension Plan Trust (the Trust) Sun Health Services retained the obligation to fund any required contributions to the Trust to meet the Employee Retirement Income Security Act of 1974 minimum funding requirements, and Sun Health Services retains the right to any excess assets that may exist upon termination of the Sun Health Pension Plan Benefit accruals under the Sun Health Pension Plan have been frozen since May 2007 At December 31, 2013 and 2012, Banner recorded a noncurrent liability of $22,041,000 and $42,343,000, respectively, representing the unfunded liability under the Sun Health Pension Plan, and a long-term receivable from Sun Health Services in the same amount in the accompanying consolidated balance sheets

11. Retirement Plans (continued)

The following table sets forth the benefit obligation and assets of the Sun Health Pension Plan at December 31 (using measurement dates as of December 31, 2013 and 2012, respectively)

	2013	2012
	(In Thousands)	
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	**$ 104,029**	$ 105,937
Service cost	**91**	147
Interest cost	**4,147**	4,246
Actuarial (gain) loss	**(11,438)**	(888)
Benefits paid	**(3,845)**	(5,413)
Projected benefit obligation at end of year	**92,984**	104,029
Change in plan assets		
Fair value of plan assets at beginning of year	**61,686**	54,993
Actual return on plan assets	**8,252**	5,730
Employer contributions	**4,850**	6,376
Benefits paid	**(3,845)**	(5,413)
Fair value of plan assets at end of year	**70,943**	61,686
Funded status – accrued benefit recorded	**$ (22,041)**	$ (42,343)

The assumptions used to determine the projected benefit obligation include the weighted-average discount rate of 4 91% and 4 15% as of December 31, 2013 and 2012, respectively, and weighted-average expected long-term rate of return on plan assets of 7 00% as of December 31, 2013 and 2012

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Sun Health Pension Plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets

11. Retirement Plans (continued)

Banner's overall investment strategy with the Sun Health Pension Plan is to achieve a mix of approximately 60% of investments for long-term growth and 40% for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers The target allocations for plan assets are 50% equity securities, 30% fixed-income securities, and 20% alternative investments Equity securities include U S and international investments and range from large-cap to small-cap companies Fixed-income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U S Treasuries Alternative investments include mainly hedge funds that invest in several different strategies

The fair value of Banner's Sun Health Pension Plan assets at December 31, 2013, by asset category, is as follows

	December 31 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Asset category					
Registered investment company funds					
U S funds	**$ 22,810**	**$ 22,810**	**$ –**	**$ –**	**a**
International funds	**21,676**	**21,676**	**–**	**–**	**a**
Alternative investment	**13,862**	**–**	**–**	**13,862**	**a,c**
Common/collective trust funds	**12,595**	**–**	**12,595**	**–**	**a**
	$ 70,943	**$ 44,486**	**$ 12,595**	**$ 13,862**	

	December 31 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a, b, c)
		(In Thousands)			
Asset category					
Registered investment company funds					
U S funds	$ 20,324	$ 20,324	$ –	$ –	a
International funds	18,672	18,672	–	–	a
Alternative investment	12,612	–	–	12,612	a, c
Common/collective trust funds	10,078	–	10,078	–	a
	$ 61,686	$ 38,996	$ 10,078	$ 12,612	

11. Retirement Plans (continued)

The table below summarizes the changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2013 (in thousands)

Beginning balance at January 1, 2012	$	11,862
Net depreciation in fair value of investments		750
Ending balance at December 31, 2012		12,612
Net appreciation in fair value of investments		**1,250**
Ending balance at December 31, 2013	**$**	**13,862**

Information about the expected cash flows for the Sun Health Pension Plan follows (in thousands)

Expected employer contributions in 2014	$	4,052
Expected benefit payments		
2015		4,299
2016		4,546
2017		4,935
2018		5,192
2019–2023		29,806

Health and Dental Plan

Beginning in October 2012, employees of Banner are provided health and dental coverage through a combination of several programs, purchased and self-insured Health, dental, and group life coverage is funded through employee and employer contributions Banner's health, dental, and group life insurance expense was $140,450,000 and $151,404,000 for the years ended December 31, 2013 and 2012, respectively

Long-Term Disability Plan

Beginning in October 2012, employees of Banner are provided long-term disability coverage through an external insurance plan Banner's long-term disability expense was $2,987,000 and $6,320,000 for the years ended December 31, 2013 and 2012, respectively

11. Retirement Plans (continued)

Effective October 1, 2012, Banner Health converted its long-term disability coverage to a fully insured plan through an outside insurer Banner retains liability for disability claims prior to October 1, 2012, that had not been identified and adjudicated as of that date As of December 31, 2013, Banner had a liability of $196,000 to cover these claims

Supplemental Executive Retirement Plan

Banner has a supplemental executive retirement plan for certain senior executive's retirement and death benefits Banner's executive retirement plan expense was $3,740,000 and $7,646,000 for the years ended December 31, 2013 and 2012, respectively The actuarially determined liability has been discounted to present value using a discount rate of 4 5% in 2013 and 3 2% in 2012

12. Income Taxes

Banner's deferred tax assets, primarily related to BHN, are comprised of the following as of December 31 (in thousands)

	2013	2012
Deferred tax assets		
Net loss carryforwards	**$ 21,037**	$ 6,946
Allowance for doubtful accounts	**136**	159
Accrued compensation	**220**	106
Accrued expenses	**878**	11
Total deferred tax assets	**22,271**	7,222
Valuation allowance	**(22,271)**	(7,222)
Net deferred tax asset after valuation allowance	**$ –**	$ –

As of December 31, 2013, Banner has estimated federal net operating loss carryforwards of $54,700,000 that begin to expire in the year 2028 and estimated state net operating loss carryforwards of $54,600,000 that begin to expire in 2028 For financial reporting purposes, a valuation allowance of $22,271,000 and $7,222,000 at December 31, 2013 and 2012, respectively, has been established to offset deferred tax assets mainly relating to net operating losses Pursuant to standards for accounting for income taxes, Banner has established a valuation allowance equal to the net deferred tax asset due to uncertainty as to whether the net deferred tax

12. Income Taxes (continued)

asset will be realized in future periods As a result, Banner does not recognize any tax benefit until the taxable operating entities, primarily BHN, is in a tax paying position and, therefore, more likely to realize the tax benefit

A reconciliation of Banner's income taxes computed at the federal statutory rate to the income tax benefit for the year ended December 31 consists of the following (in thousands)

	2013	2012
Computed tax benefit at 34%	**$ 13,560**	$ 1,423
State taxes net of federal benefit	**1,489**	254
Change in valuation reserve	**(15,049)**	(1,677)
	$ –	$ –

Banner has not recorded any expense or accrued for any related expense for any uncertain tax positions Banner's 2007 through 2013 tax years remain subject to examination for federal income tax purposes, whereas the 2006 through 2013 tax years remain subject to examination for state taxing jurisdictions in which Banner operates

13. Commitments and Contingencies

Leases

Future minimum lease payments (excluding operating agreements), by year and in the aggregate, under noncancelable operating lease arrangements with initial or remaining terms of one year or more consist of the following at December 31, 2013 (in thousands)

2014	$ 30,625
2015	27,202
2016	22,175
2017	16,615
2018	9,356
Thereafter	25,291
	$ 131,264

13. Commitments and Contingencies (continued)

Operating Agreements

North Colorado Medical Center

Prior to December 31, 2011, Banner subleased North Colorado Medical Center (NCMC) and other real and personal property comprising substantially all of the assets located in Weld County, Colorado, and used by Banner for health care operations from NCMC, Inc pursuant to an Amended and Restated Operating Agreement (the First Amended Operating Agreement) Under the First Amended Operating Agreement, Banner was required to pay rent to NCMC, Inc monthly in two components (i) Asset Depreciation Expense and (ii) Return on Assets Asset Depreciation Expense was an amount equal to the total actual asset depreciation expense of NCMC, Inc and Return on Assets was an amount equal to 8% of the year-end net book value of NCMC, Inc 's assets NCMC, Inc was required to pay Banner $500,000 on a quarterly basis to compensate Banner for indigent care provided in the leased assets

Effective as of January 1, 2012, Banner entered into a Second Amended and Restated Operating Agreement (the Second Amended Operating Agreement) with NCMC, Inc The Second Amended Operating Agreement extended the term of the lease through December 31, 2027 Under the Second Amended Operating Agreement, Banner is required to pay rent to NCMC, Inc monthly for most assets under the same rent formula as provided in the First Amended Operating Agreement, with two exceptions (i) rent for certain real existing and future property used for ancillary health care operations is based on a fair market value rent as negotiated by the parties, and (ii) the Return on Assets for approximately $60,000,000 of infrastructure improvements to be made by NCMC, Inc to NCMC from 2012 to 2014 is 4% of the year-end net book value of such infrastructure improvements The Second Amended Operating Agreement also requires Banner to approve additional annual capital expenditures averaging $16,000,000 over the term of the Second Amended Operating Agreement Banner is also required to pay additional rent of $1,000,000 per year from 2012 through 2017 As part of the Second Amended Operating Agreement, Banner must meet certain performance criteria in its operation of NCMC, measuring quality, patient satisfaction, employee engagement, and physician satisfaction Banner was in compliance with the lease provisions as of December 31, 2013 To compensate for indigent care provided by Banner, NCMC, Inc is required to pay Banner $2,000,000 in 2012, $3,000,000 in 2013, $4,000,000 in 2014, and $5,000,000 in each year thereafter, which has been and will be recorded as contribution revenue in the year earned If, at the end of 2017, 2022, and 2027, the cumulative operating income from Banner's health care operations in Weld County exceeds 5% of the cumulative net operating revenue during the preceding five-year period, Banner will

13. Commitments and Contingencies (continued)

pay to NCMC, Inc 50% of such excess If cumulative operating income for the five-year period is less than zero, NCMC, Inc will pay Banner 50% of the amount by which the operating income was less than zero, provided that the aggregate Asset Depreciation Expense paid by Banner during such five-year period, less the reconciliation payment made by NCMC, Inc , may not be less than the amount of the scheduled annual debt service made by NCMC, Inc during such period Banner is not aware of any additional payments to be paid for the five-year period ended on December 31, 2017

During 2012, NCMC, Inc commenced the $60,000,000 infrastructure improvement construction project at NCMC In accordance with the lease accounting standards, Banner is considered to have substantially all of the risks of ownership of NCMC during the construction period as Banner will continue to pay rent during the construction period Accordingly, Banner has recorded an asset entitled Property leased from NCMC, Inc and a corresponding obligation entitled Lease obligation with NCMC, Inc of $205,951,000 in 2012 and an additional asset and corresponding obligation of $16,781,000 was recorded in 2013 Once construction is complete, Banner will evaluate the recording of the NCMC asset and liability in accordance with the sale/leaseback accounting standards The Property leased from NCMC, Inc is being depreciated over the lease term and total depreciation expense recorded by Banner for the years ended December 31, 2013 and 2012, amounted to $18,687,000 and $15,930,000, respectively Interest expense recorded by Banner on the Lease obligation with NCMC, Inc amounted to $12,932,000 and $13,243,000 for the years ended December 31, 2013 and 2012, respectively

Total payments made to NCMC, Inc amounted to $32,040,000 and $30,104,000 for the years ended December 31, 2013 and 2012, respectively

Greater Fairbanks Community Hospital

Banner leases from the Greater Fairbanks Community Hospital Foundation (the Foundation) a hospital facility, a skilled nursing facility, and a physician clinic The entities together are referred to as the Facility The lease obligates Banner to operate the Facility and pay basic rent based on the fair market value per square foot for the Facility, adjusted annually In exchange for rents to be paid, the lease obligates the Foundation to purchase all future equipment for the Facility In addition to the basic rent, additional rent payments are required to be made by Banner to the Foundation based on excess cash flows, net of expenses, as defined The net effect of the additional rent payments is that Banner retains the net operating income from the Facility, up to 4 50% of the net operating revenue, and pays the balance of the net income to the Foundation as

13. Commitments and Contingencies (continued)

additional rent Rental expense under the Facility's operating lease totaled $33,158,000 and $32,054,000 for the years ended December 31, 2013 and 2012, respectively In 2011, Banner and the Foundation extended the expiration of the stated term of the lease from January 1, 2013 to January 1, 2033 The lease can be terminated at any time without cause by either Banner or the Foundation with one year's notice

Amounts charged to expense for all operating leases totaled $101,594,000 in 2013 and $102,688,000 in 2012

Debt Guarantee

Banner has guaranteed payment of the principal and interest on various debt offerings of NCMC, Inc pursuant to the limited guaranty agreements entered into with the bond trustee Under the limited guaranty agreements applicable to the NCMC, Inc Series 2013, 2012, 2003A, and 2003B bonds, Banner agrees to pay the principal and interest on such bonds in the event of default by NCMC, Inc , however, the aggregate amount payable under the limited guaranty agreements applicable to the Series 2013, 2012, 2003A, and 2003B bonds is limited to the rent otherwise payable under the Second Amended Operating Agreement As of December 31, 2013, $218,340,000 (unaudited) was outstanding under the NCMC, Inc Series 2013, 2012, 2003A, and 2003B bonds, net of an amount held in escrow The maximum annual debt service on the NCMC, Inc Series 2013, 2012, 2003A, and 2003B bonds is approximately $19,296,000 (unaudited) In the event of default by NCMC, Inc , Banner has agreed to pay directly to the trustee, monthly, the portion of the rent equal to NCMC, Inc 's debt service obligation Such payments are to be credited against rent and all other payment obligations to NCMC, Inc under the Second Amended Operating Agreement Banner is not obligated to pay any amounts that become due on such bonds as a result of acceleration of the principal of the bonds under the Master Indenture Banner's obligations under the limited guaranty agreements cease upon the termination of the Second Amended Operating Agreement Banner did not record a liability for the limited guaranty agreements at December 31, 2013 or 2012

In October 2004, Banner entered into a limited guarantee of the scheduled payments of principal and interest owed by the Foundation with respect to the $120,000,000 Revenue Bonds (the Bonds) issued simultaneously by the Alaska Industrial Development and Export Authority (the Authority), the proceeds of which were used to finance expansion and improvements of the Hospital In 2009, Banner entered into three additional limited guarantees of the scheduled payments of principal and interest owed by the Foundation with respect to three series of revenue

13. Commitments and Contingencies (continued)

bonds in the aggregate initial principal amount of $90,630,000 (the 2009 Bonds, and together with the 2004 bonds, the Bonds) The limited guarantees are only in effect during the period that the lease for the Facility is in effect If the lease is terminated by either Banner or the Foundation, the limited guarantee will cease to be effective Moreover, Banner receives a credit against its rent obligation for any amount that it pays under the limited guarantee The annual scheduled debt service for the Bonds is projected to be approximately $6,900,000 (unaudited), which is less than the basic rent currently owed under the lease, and substantially less than the sum of the basic rent and projected additional rent Under certain circumstances, the annual scheduled debt service can be increased in accordance with an accelerated redemption of the Bonds In those circumstances, the aggregate amount payable under the limited guarantees is expressly limited to the amount of the rent otherwise payable by Banner under the lease Under any reasonably foreseeable circumstance, management believes that the aggregate amount payable under the limited guarantees will never exceed the rent otherwise payable under the lease Therefore, Banner did not record a liability for the limited guarantee at December 31, 2013 and 2012

Facility Construction

Banner is undertaking significant renovation and expansion projects at several of its facilities The cost to complete construction and purchase equipment for these projects is estimated to be $235,000,000 (unaudited)

MD Anderson Cancer Center

Banner entered into an agreement with MD Anderson Physician Network (MD Anderson) to develop and operate a comprehensive cancer program consisting of inpatient beds and an outpatient cancer center that was constructed on the campus of Banner Gateway Medical Center, which opened in 2011 Under the terms of the agreement, Banner retains ownership of the cancer program and cancer center MD Anderson provides clinical oversight and other program support services and is reimbursed for these services based on a fixed and variable fee schedule outlined in the agreement Banner paid fees of approximately $5,664,000 and $5,049,000 to MD Anderson for the years ended December 31, 2013 and 2012, respectively

13. Commitments and Contingencies (continued)

Compliance with Laws and Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers

Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties as well as significant repayments for patient services previously billed Compliance with such laws and regulations can be subject to future review and interpretation as well as regulatory actions unknown or unasserted at this time

Self-Disclosure of Potential Violations of the Stark Law

Through its compliance program, Banner has identified certain situations that raised potential issues with respect to compliance with the strict requirements of the Stark Law (42 U S C §1395nn) and the corresponding regulations (42 CFR §411 351 et seq) The issues included missing signatures on agreements, operating under agreements after their stated expiration, and other technical issues Banner's investigation showed little or no benefit to physicians and no inappropriate costs to any governmental entity as a result of these technical violations Banner self-disclosed these issues to CMS in 2010, utilizing the Self-Referral Disclosure Protocol issued by CMS in September 2010 As required by the Self-Referral Disclosure Protocol, Banner informed CMS that the estimated value of the physician referrals potentially affected by the matters identified in the self-disclosure is approximately $20,400,000 CMS has not yet responded substantively to the self-disclosure Because there is very little experience with CMS's settlement of matters disclosed by hospitals under the Self-Referral Disclosure Protocol, the ultimate outcome is difficult to estimate However, management believes that it has adequately provided for the most likely outcome from the self-disclosure based on the information available at this time Management intends to settle any such liability on the basis that the technical and inadvertent nature of the potential violations, the absence of any benefit to the physicians involved in the potential violations, the absence of any damage to any governmental health program, and the voluntary nature of the disclosure are significant mitigating factors that warrant reductions in the potential exposure

13. Commitments and Contingencies (continued)

Kyphoplasty/Vertebroplasy Review

In February 2010, Banner received a request from the U S Attorney's Office for the Western District of New York for information concerning kyphoplasty procedures performed at Banner Boswell Medical Center Banner has been informed that this request is part of a national investigation under the False Claims Act into kyphoplasty procedures performed on an inpatient basis that allegedly should have been performed on an outpatient basis The investigation was subsequently expanded to include other Banner hospitals and vertebroplasty procedures, which are similar to kyphoplasties Banner is cooperating with the investigation, and has produced the requested information Although Banner has been in settlement negotiations with the Department of Justice, the ultimate outcome is difficult to estimate However, management believes that it has adequately provided for the most likely range of outcomes based upon the information available at this time

Implantable Cardioverter Defibrillator Review

In March 2010, Banner Good Samaritan Medical Center received a Civil Investigative Demand from the U S Department of Justice pursuant to a national investigation under the False Claims Act regarding the usage of implantable cardioverter defibrillators and related devices (collectively, ICD) The ICD investigation has subsequently been expanded to include other Banner hospitals Banner is cooperating with the investigation and has produced the requested information Although Banner has been in settlement negotiations with the Department of Justice, no final settlement has been executed However, management believes that it has adequately provided for the most likely outcome based upon these negotiations

Medical Lien Settlement Litigation

Banner is a defendant in pending class action litigation (*Winters v. Banner Health*) challenging Banner's authority under state law to enforce healthcare provider liens authorized under Arizona law upon third-party recoveries that may be obtained by patients who receive treatment from Banner and who are covered under the Arizona Health Care Cost Containment System ("AHCCCS") The lawsuit alleges that Banner's enforcement of healthcare provider liens to obtain payment in addition to that paid by AHCCCS is preempted by federal law governing Medicaid, and challenges both the continuing enforcement of such liens, and the lien collections obtained previously by Banner under documented settlements with patients covered by AHCCCS While the trial court has granted summary judgment against Banner in the portion of

13. Commitments and Contingencies (continued)

the lawsuit pertaining to current collections, the court granted summary judgment in favor of Banner with respect to the plaintiffs' attempt to recover amounts previously collected by Banner under prior documented settlement agreements The latter issue is on appeal to the Arizona Court of Appeals Although management intends to vigorously defend this aspect of the trial court's ruling concerning prior settlements, there is no assurance that the summary judgment will be upheld on appeal If the ruling is reversed on appeal, it is anticipated that the range of liability based on the amounts collected within the limitations period could exceed $3,000,000, plus pre-judgment interest, attorneys' fees and costs

Copyright Infringement Claim

In January, 2014, Banner received a claim for copyright infringement relating to a series of videos that the claimant asserts were shown on Banner's in-hospital closed circuit television system at various Banner hospitals, and a demand for damages in excess of $1,000,000 Banner is in the process of investigating the claim and possible defenses At this time, it is not possible to determine the likelihood of an unfavorable outcome if the claim is pursued, or the range of potential damages

In addition to general and professional liability claims, Banner is involved in litigation and regulatory investigations arising in the ordinary course of business In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on Banner's consolidated financial position, results of operations, or cash flows

14. Subsequent Event

Banner Health and Regional Care Services Corporation, the parent company of Casa Grande Regional Medical Center (CGRMC), have signed an Asset Purchase Agreement (APA) dated February 4, 2014 The completion of the APA follows a Letter of Intent that was signed and announced by the two organizations on December 30, 2013, together with Banner's agreement to provide interim funding for CGRMC operations The acquisition is anticipated to be completed in May, 2014 As provided in the APA, CGRMC filed for reorganization under Chapter 11 in the federal bankruptcy court in Tucson on February 4, 2014 The CGRMC Foundation was exempted from this reorganization Banner has agreed to continue funding for CGRMC operations during the bankruptcy and through the closing of the acquisition Completion of the acquisition is subject to approval of the APA and associated plan of reorganization by the bankruptcy court

14. Subsequent Event (continued)

On February 26, 2014, Dignity Healthcare filed an objection in the bankruptcy court to the proposed sale of CGRMC pursuant to the APA, and submitted a competing bid for purchase of CGRMC Although Banner intends to contest vigorously the objection of Dignity Healthcare and the consideration of the competing offer, the ultimate outcome of this challenge cannot be predicted at this time

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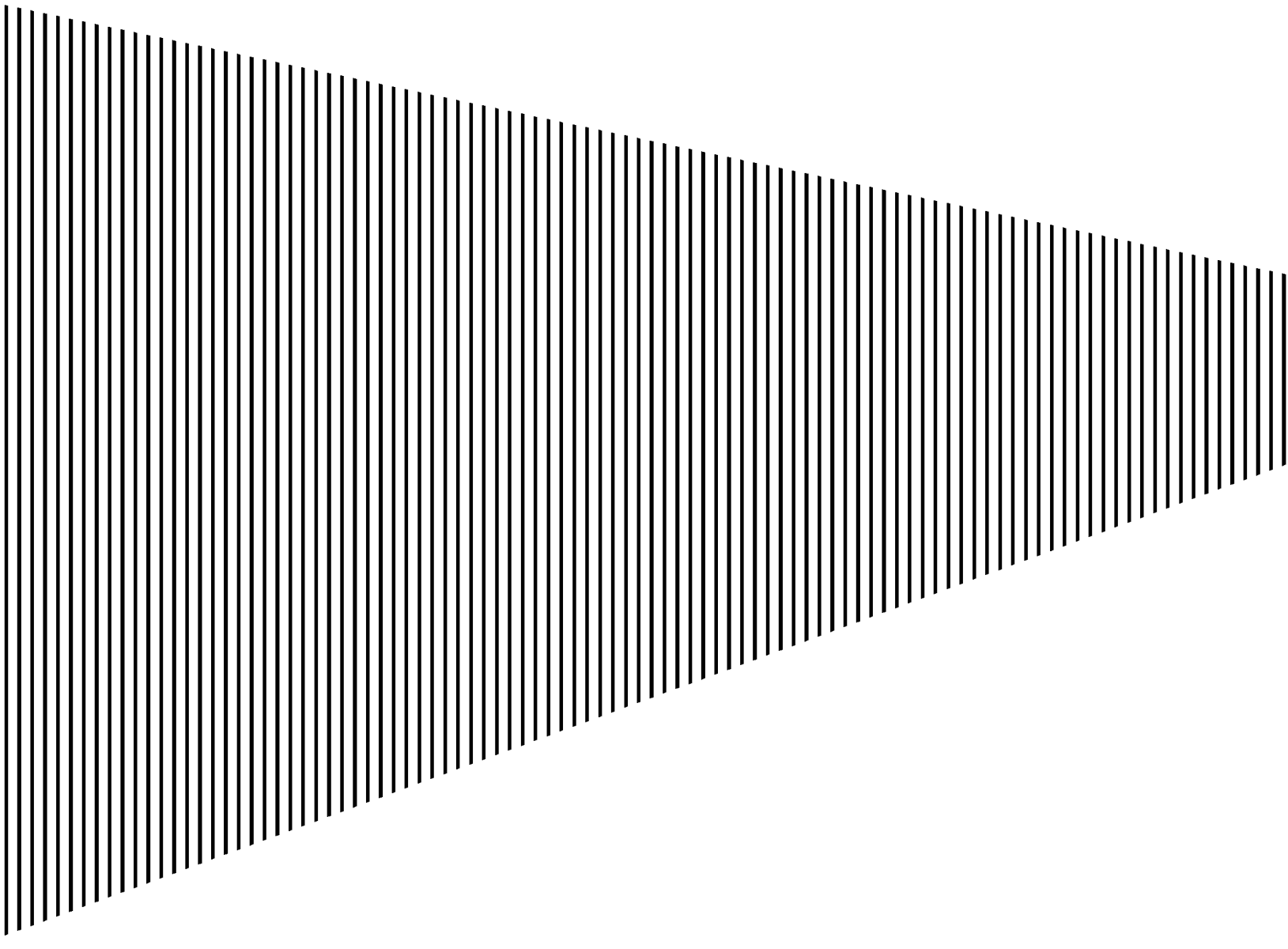
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