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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
PARK NICOLLET GROUP RETURN

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
6500 EXCELSIOR BLVD

City or town, state or province, country, and ZIP or foreign postal code
ST LOUIS PARK, MN 55426

D Employer identification number
45-5023260

E Telephone number
(952) 993-3108

G Gross receipts $ 1,616,909,950

F Name and address of principal officer
CATHERINE LENAGH
6500 EXCELSIOR BLVD
ST LOUIS PARK, MN 55426

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 ▶ 5874

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

J Website: ▶ WWW PARKNICOLLET COM

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

L Year of formation

M State of legal domicile MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO IMPROVE HEALTH AND WELL-BEING IN PARTNERSHIP WITH OUR MEMBERS, PATIENTS AND COMMUNITY

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	1,234
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	4,733,020
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	17,418,737	13,492,826
9	Program service revenue (Part VIII, line 2g)	1,194,561,165	1,220,725,539
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12,435,208	25,398,507
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,666,342	6,862,518
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,231,081,452	1,266,479,390
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	167,496	422,828
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)	727,620,366	762,686,851
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶306,733		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	452,244,235	456,893,137
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,180,032,097	1,220,002,816
19	Revenue less expenses Subtract line 18 from line 12	51,049,355	46,476,574

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	943,062,738	1,014,855,016
21	Total liabilities (Part X, line 26)	442,730,848	442,737,764
22	Net assets or fund balances Subtract line 21 from line 20	500,331,890	572,117,252

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 — 2014-11-14 Date

▶ CATHERINE LENAGH 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
ANN LAMOUREUX				P00691316

Firm's name ▶ KPMG LLP — Firm's EIN ▶ 13-5565207

Firm's address ▶ 4200 WELLS FARGO CENTER 90S 7TH STREET MINNEAPOLIS, MN 55402 — Phone no (612) 305-5000

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

TO IMPROVE HEALTH AND WELL-BEING IN PARTNERSHIP WITH OUR MEMBERS, PATIENTS AND COMMUNITY

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 $ 987,048,343 including grants of $ 422,828) (Revenue $ 1,121,201,147)

IN 2013, PARK NICOLLET HEALTH SERVICES AND AFFILIATES, A NATIONAL HEALTH CARE IMPROVEMENT LEADER, CONTINUED TO MAKE DRAMATIC PATIENT CARE ADVANCES, WIN PROMINENT AWARDS, EXPAND ACCESS TO SERVICES AND INTEGRATE EFFICIENCY INTO PARK NICOLLET HEALTH SERVICES' OPERATIONS PARK NICOLLET HEALTH SERVICES AND AFFILIATES ALSO HAVE ENHANCED COMMUNITY HEALTH, INCREASED TEAM MEMBER SATISFACTION AND PROMOTED RESEARCH AND EDUCATION PARK NICOLLET SPECIALTY CENTERS INCLUDE ALEXANDER CENTER - THE LARGEST CLINIC IN MINNESOTA SERVING THE DEVELOPMENTAL AND BEHAVIORAL NEEDS OF CHILDREN AND THEIR FAMILIES BARIATRIC SURGERY CENTER - A BARIATRIC CENTER OF EXCELLENCE THAT HAS PERFORMED MORE THAN 2,000 SURGERIES IN THE PAST FIVE YEARS EMERGENCY CENTER - OPERATING OUT OF METHODIST HOSPITAL AND TREATING MEDICAL EMERGENCIES FOR MORE THAN 50,000 PATIENTS A YEAR FRAUENSHUH CANCER CENTER - MORE THAN 2,000 CANCER CASES PER YEAR ARE DIAGNOSED AT PARK NICOLLET CANCER SERVICES INCLUDE MEDICAL ONCOLOGY, RADIATION ONCOLOGY, ONCOLOGY PSYCHIATRY AND PSYCHOTHERAPY, INTEGRATIVE THERAPIES, MUSIC THERAPY AND MORE HEART AND VASCULAR CENTER - INCLUDES A CARDIAC REHAB DEPARTMENT, CARDIOLOGY CLINIC, INTERVENTIONAL CARDIOLOGY, HEART FAILURE CLINIC, SECONDARY PREVENTION CLINIC, CARDIOVASCULAR RESEARCH PROGRAM, INTERVENTIONAL RADIOLOGY, ELECTROPHYSIOLOGY, NEURO RADIOLOGY AND A NON-INVASIVE LAB CARDIOLOGY SEES ABOUT 12,000 PATIENTS PER YEAR JANE BRATTAIN BREAST CENTER - SPECIALIZING IN BREAST IMAGING, ANNUAL SCREENING MAMMOGRAMS, BIOPSIES AND SURGERY JOINT REPLACEMENT INSTITUTE - PROVIDING KNEE, HIP AND OTHER JOINT REPLACEMENTS FOR THOSE STRUGGLING WITH SEVERE PAIN MORE THAN 1,000 JOINT REPLACEMENTS ARE PERFORMED ANNUALLY MELROSE CENTER - HELPING PATIENTS WITH EATING DISORDERS FOR MORE THAN 25 YEARS OUR MULTIDISCIPLINARY APPROACH INCLUDES MEDICAL, NUTRITIONAL, PSYCHOLOGICAL AND BEHAVIORAL CARE STRUTHERS PARKINSON'S CENTER - SERVING PATIENTS WITH PARKINSONS DISEASE THROUGH COMPREHENSIVE ASSESSMENT, INTERDISCIPLINARY TREATMENT, SUPPORT, RESEARCH AND EDUCATION TRIA ORTHOPAEDIC CENTER - INCLUDES AN ACUTE INJURY CLINIC, ORTHOPEDIC TREATMENT, ON-SITE MRI, SURGERY, PHYSICAL THERAPY AND MORE PARK NICOLLET HEALTH SERVICES MISSION IS TO TO IMPROVE HEALTH AND WELL-BEING IN PARTNERSHIP WITH OUR MEMBERS, PATIENTS AND COMMUNITY WE USE FOUR CORE VALUES TO ACCOMPLISH OUR MISSION EXCELLENCE, COMPASSION, PARTNERSHIP AND INTEGRITY HIGHLIGHTS OF 2013 THAT ILLUSTRATE PARK NICOLLET HEALTH SERVICE'S VALUES INCLUDE NEW CLINIC OPENING - PARK NICOLLET CLINIC-CHAMPLIN OPENED JAN 14 THE CLINIC OFFERS INTERNAL MEDICINE, PEDIATRICS, URGENT CARE AND EXTENDED HOURS NEW SPECIALTY CENTER - ON AUGUST 19, MAPLE GROVE PARK NICOLLET SPECIALTY CENTER OPENED SERVICES INCLUDE CARDIOLOGY, ONCOLOGY, OTOLARYNGOLOGY, RHEUMATOLOGY, GASTROENTEROLOGY, AND GENERAL SURGERY TARGET CLINIC - PARK NICOLLET PARTNERED WITH TARGET CORPORATION TO OPEN THE HEALTH & WELL-BEING CENTER AT TARGET HEADQUARTERS IN DOWNTOWN MINNEAPOLIS BURNSVILLE IMAGING AND INFUSION SERVICES - PARK NICOLLET CLINIC-BURNSVILLE ADDED NEW IMAGING SERVICES AND TECHNOLOGY, INCLUDING A LOW DOSE CT SCANNER, HIGHER TABLE WEIGHT LIMIT AND SILENT MRI MACHINE TOP WORKPLACE - IN JANUARY, PARK NICOLLET WAS NAMED ONE OF THE "TOP 150 WORKPLACES" IN THE UNITED STATES IN THE RANKING, COMPILED BY WORKPLACE DYNAMICS, PARK NICOLLET WAS PLACED INTO A NATIONAL POOL WITH 872 LARGE COMPANIES (1,000-PLUS EMPLOYEES) LEADER IN LGBT - THE HUMAN RIGHTS CAMPAIGN RECOGNIZED PARK NICOLLET METHODIST HOSPITAL AS A LEADER IN LGBT HEALTHCARE EQUALITY IN THE HEALTHCARE EQUALITY INDEX 2013 REPORT WE EARNED TOP MARKS FOR OUR COMMITMENT TO EQUITABLE, INCLUSIVE CARE FOR LGBT PATIENTS AND THEIR FAMILIES ANTICOAGULATION CENTER OF EXCELLENCE - BY SUCCESSFULLY MEETING THE RIGOROUS STANDARDS IN EACH PATIENT CARE PILLAR, PARK NICOLLET QUALIFIED FOR TWO-YEAR RECOGNITION AS AN ANTICOAGULATION CENTER OF EXCELLENCE HEALTH CARE HOME CERTIFICATION - ALL 20 PARK NICOLLET CLINIC LOCATIONS RECEIVED HEALTH CARE HOME CERTIFICATION IN NOVEMBER

4b (Code) (Expenses $ 26,951,017 including grants of $) (Revenue $ 57,758,954)

PARK NICOLLET HEALTH CARE PRODUCTS IS PART OF PARK NICOLLET HEALTH SERVICES, A NONPROFIT INTEGRATED CARE DELIVERY SYSTEM, STAFFED BY NATIONALLY RECOGNIZED HOSPITAL AND CLINIC DOCTORS, CLINICAL PROFESSIONALS, NURSES, RESEARCHERS AND OTHER STAFF AT PARK NICOLLET METHODIST HOSPITAL AND PARK NICOLLET CLINIC WHO HELP PATIENTS STAY HEALTHY AND TAKE CARE OF PATIENTS WHEN THEY ARE SICK PARK NICOLLET HEALTH CARE PRODUCTS IS A SUPPORTING ORGANIZATION WITHIN PARK NICOLLET METHODIST HOSPITAL AND PARK NICOLLET CLINIC, PROVIDING DURABLE MEDICAL EQUIPMENT (DME)/SUPPLIES SUPPORTING ONGOING PATIENT CARE PARK NICOLLET HEALTH CARE PRODUCTS FOCUS ON THE HEALTH, HEALING AND LEARNING OF PATIENTS BY PROVIDING EASY ACCESS TO PRODUCTS AND SERVICES THAT SUPPORT SUCCESSFUL SELF-MANAGEMENT OF A HEALTH CONDITION AT HOME THE PRODUCTS SUPPORT BOTH SHORT TERM ACUTE CONDITIONS AND CHRONIC LIFELONG CONDITIONS, SUCH AS EYEWEAR, HEARING AIDS, AND MANY PRODUCTS THAT CROSS INTO ALMOST EVERY MEDICAL SUBSPECIALTY PARK NICOLLET HEALTH CARE PRODUCTS, BRANDED AS THE STORES @ PARK NICOLLET, IS A GROUP OF DEPARTMENTS WITHIN PARK NICOLLET HEALTH SERVICES PROVIDING DURABLE MEDICAL EQUIPMENT (DME)/SUPPLIES SUPPORTING ONGOING PATIENT CARE HCP PARTNERS WITH YOUR CLINICIAN TO PROVIDE PRODUCTS AND SERVICES TO HELP YOU LIVE MORE COMFORTABLY THE HEALTH AND CARE STORES, WHICH MEET A GROWING DEMAND FOR SELF-CARE PRODUCTS AND SERVICES, LOCATED WITHIN PARK NICOLLET CLINICS, INCLUDE HEALTH & CARE STORE OFFERING DME PRODUCTS AT 5 LOCATIONS, HEARING CENTER & STORE WITH 3 LOCATIONS, CPAP CLINIC/STORE WITH 3 LOCATIONS AND BREASTFEEDING CENTER, (1 LOCATION WITHIN THE MEADOWBROOK HEALTH & CARE STORE), ORTHOTICS & PROSTHETICS CLINIC, (2 LOCATION), THE CONTACT LENS AND OPTICAL STORE @ PARK NICOLLET HEALTH CARE PRODUCTS, WHICH MEET GROWING DEMAND FOR SELF-CARE EYEWARE AND SERVICES, ARE AT THESE PARK NICOLLET CLINIC SITES BLOOMINGTON, BROOKDALE, BURNSVILLE, CARLSON PARKWAY (MINNETONKA), CHANHASSEN, MAPLE GROVE, MINNEAPOLIS, SHAKOPEE, AND ST LOUIS PARK THE PATIENT CARE EXPERIENCE DOES NOT END AT THE HOSPITAL OR CLINIC DOOR PATIENTS HAVE MANY SELF-CARE NEEDS TO MANAGE BOTH THEIR ACUTE AND CHRONIC HEALTH CONDITIONS, AND PARK NICOLLET HEALTH CARE PRODUCTS IS EXPANDING ITS CAPACITY TO BETTER SERVE THESE GROWING NEEDS MAJOR ACCOMPLISHMENTS FOR 2013 INCLUDE ENHANCED PRODUCT ASSORTMENTS AVAILABLE FOR PATIENTS ESPECIALLY PATIENTS LIVING WITH CHRONIC HEALTH CONDITIONS SUCH AS DIABETES, CANCER, AND BONE AND JOINT DISEASE NEW AND ROBUST DME POINT OF SALE, FINANCIAL REPORTING, INVENTORY, AND BILLING SYSTEM FOR BETTER PATIENT SERVICE AND EASE OF OBTAINING THEIR PRESCRIPTIONS EDUCATED PHYSICIANS AND CARE PROVIDERS ABOUT SERVICES AND PRODUCTS TO BETTER LINK SOLUTIONS FOR PATIENT HEALTH CARE NEEDS, INCLUDING ANNUAL STAFF SKILLS REVIEW FOR DME APPLICATIONS ENHANCED OPTICAL PRODUCT ASSORTMENTS AVAILABLE FOR PATIENTS, ESPECIALLY PATIENTS LIVING WITH CHRONIC HEALTH CONDITIONS AFFECTING THEIR VISION CONDUCTED A STUDY TO IMPROVE THE OPERATIONS AND EFFICIENCY FOR THE OPTICAL LAB LENS SERVICES TO THE OPTICAL STORES EDUCATED PHYSICIANS AND CARE PROVIDER'S ABOUT HEALTH CARE STORES PRODUCT OFFERINGS TO BETTER LINK PATIENT HEALTH CARE NEEDS TO PRODUCT SOLUTIONS, INCLUDING SMOKING CESSATION EXPANDED POINT OF CARE OPERATION AND SPECIALTY STORES IN TRIA ORTHOPEDICS AND THE NEW PLYMOUTH CLINIC ALONG WITH DME PRODUCTS OFFERED THROUGH THE TARGET STORE CLINICS, BRINGING MORE PRODUCTS DIRECTLY INTO THE CARE ENVIRONMENT TO ASSIST BOTH PROVIDERS AND PATIENTS

4c (Code) (Expenses $ 36,069,416 including grants of $) (Revenue $ 37,024,250)

PARK NICOLLET HEALTH SERVICES AFFILIATES INCURS EXPENSES ON BEHALF OF AFFILIATED TAX EXEMPT ORGANIZATIONS, PARK NICOLLET METHODIST HOSPITAL, PARK NICOLLET CLINIC, PNMC HOLDINGS, PARK NICOLLET HEALTH CARE PRODUCTS, AND PARK NICOLLET INSTITUTE, PROVIDING RENTAL SPACE AND LAB SERVICES TO ITS AFFILIATED ORGANIZATIONS IN ORDER TO ASSURE THE EFFICIENT AND PROFESSIONAL DELIVERY OF HEALTH CARE AND OTHER SERVICES TO THE COMMUNITY AND AIDS IN THE PROVISION OF LOW COST MEDICAL SERVICE

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ 1,050,068,776

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	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**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**	Yes	
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**		No
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**		No
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	482		
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	0		
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		
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		No
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**	21		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

▶ CATHERINE LENAGH 6500 EXCELSIOR BLVD
ST LOUIS PARK, MN 55426 (952) 993-3108

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)** . . . . . ▶								5,749,178	13,040,683	2,985,111

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 ▶ 1,214

			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**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *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
RJM CONSTRUCTION 5455 HWY 169 PLYMOUTH MN 55442	CONSTRUCTION SERVICES	10,639,575
UNIVERSITY OF MN PHYSICIANS 720 WASHINGTON AVENUE SE MINNEAPOLIS MN 55407	MEDICAL SERVICES	9,235,859
KNUTSON CONSTRUCTION SERVICES 7515 WAYZATA BLVD MINNEAPOLIS MN 55426	CONSTRUCTION SERVICES	4,369,072
RBM SERVICES SUITE 120 1107 HAZELTINE BLVD CHASKA MN 55318	JANITORIAL SERVICES	3,156,719
DELL FINANCIAL SERVICES 12519 COLLEXTIONS CENTER DRIVE CHICIAGO IL 60693	COMPUTER SERVICES	2,802,742

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 ▶ 132

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	1,959,664			
	e Government grants (contributions)	1e	3,987,619			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	7,545,543			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		13,492,826			
Program Service Revenue		Business Code				
	2a MEDICAL SERVICES	621400	765,003,166	765,003,166		
	b MEDICARE/MEDICAID	621400	356,197,980	356,197,980		
	c RETAIL SALES	446110	62,500,142	57,758,954	4,733,020	8,168
	d SERVICES TO AFFILIATES	561000	37,024,251	37,024,251		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		1,220,725,539			
	3 Investment income (including dividends, interest, and other similar amounts)		6,857,460			6,857,460
	4 Income from investment of tax-exempt bond proceeds		285,798			285,798
	5 Royalties					
		(i) Real / (ii) Personal				
	6a Gross rents	1,963,506				
	b Less rental expenses	1,340,221				
	c Rental income or (loss)	623,285				
	d Net rental income or (loss)		623,285			623,285
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	366,082,774 / 867,792				
	b Less cost or other basis and sales expenses	348,582,543 / 112,774				
	c Gain or (loss)	17,500,231 / 755,018				
	d Net gain or (loss)		18,255,249			18,255,249
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					
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances a	1,242,356				
	b Less cost of goods sold b	395,022				
	c Net income or (loss) from sales of inventory		847,334			847,334
	Miscellaneous Revenue	Business Code				
	11a PROPERTY MANAGEMENT	812930	2,682,021			2,682,021
	b CAFETERIA	722210	2,554,171			2,554,171
	c MISC SERVICES	722210	155,707			155,707
	d All other revenue					
	e **Total.** Add lines 11a–11d		5,391,899			
	12 **Total revenue.** See Instructions		1,266,479,390	1,215,984,351	4,733,020	32,269,193

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	392,828	392,828		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	30,000	30,000		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,692,282	1,569,576	122,706	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	623,285,886	546,669,297	76,361,086	255,503
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	34,593,666	29,857,803	4,721,880	13,983
9 Other employee benefits	65,621,805	54,103,762	11,496,166	21,877
10 Payroll taxes	37,493,212	32,021,895	5,455,947	15,370
11 Fees for services (non-employees)				
a Management				
b Legal	589,378		589,378	
c Accounting	382,049		382,049	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	499,098		499,098	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	51,006,916	33,456,244	17,550,672	
12 Advertising and promotion	3,967,820	144,153	3,823,667	
13 Office expenses	16,279,902	9,946,055	6,333,847	
14 Information technology	27,773,168	13,638,105	14,135,063	
15 Royalties . .				
16 Occupancy	41,331,552	37,963,775	3,367,777	
17 Travel	1,328,924	1,011,958	316,966	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	534,835	479,824	55,011	
20 Interest	10,040,344	10,040,344		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	46,710,202	41,514,032	5,196,170	
23 Insurance	2,792,016	2,695,287	96,729	
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 AND EQ	151,149,401	147,457,641	3,691,760	
b COST OF GOOD SOLD	40,380,398	40,380,398		
c BAD DEBT EXPENSE	25,090,744	25,090,744		
d MANAGEMENT FEES	13,720,658		13,720,658	
e All other expenses	23,315,732	21,605,055	1,710,677	
25 **Total functional expenses.** Add lines 1 through 24e	1,220,002,816	1,050,068,776	169,627,307	306,733
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		374,262	1	8,597,067
	2	Savings and temporary cash investments		344,066	2	403,712
	3	Pledges and grants receivable, net		3,812,152	3	4,388,795
	4	Accounts receivable, net		127,500,666	4	134,983,015
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	69,279
	7	Notes and loans receivable, net			7	0
	8	Inventories for sale or use		10,143,838	8	10,696,185
	9	Prepaid expenses and deferred charges		11,094,375	9	17,813,781
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,018,970,627			
	b	Less accumulated depreciation	10b 685,776,998	327,023,205	10c	333,193,629
	11	Investments—publicly traded securities		404,678,771	11	501,577,381
	12	Investments—other securities See Part IV, line 11		770,643	12	493,396
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		57,320,760	15	2,638,776
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		943,062,738	16	1,014,855,016
Liabilities	17	Accounts payable and accrued expenses		60,549,128	17	70,382,843
	18	Grants payable			18	
	19	Deferred revenue		6,939,535	19	4,727,727
	20	Tax-exempt bond liabilities		370,849,064	20	361,578,782
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,228,803	23	327,899
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		3,164,318	25	5,720,513
	26	**Total liabilities.** Add lines 17 through 25		442,730,848	26	442,737,764
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		499,512,581	27	571,120,208
	28	Temporarily restricted net assets		541,533	28	717,797
	29	Permanently restricted net assets		277,776	29	279,247
		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		500,331,890	33	572,117,252
	34	Total liabilities and net assets/fund balances		943,062,738	34	1,014,855,016

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	1,266,479,390
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,220,002,816
3	Revenue less expenses Subtract line 2 from line 1	3	46,476,574
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	500,331,890
5	Net unrealized gains (losses) on investments	5	26,119,391
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	-810,603
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	572,117,252

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: 45-5023260
Name: PARK NICOLLET GROUP RETURN

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			
THOMAS JONES MD DIRECTOR	55 00 1 00	X						677,220	0	52,717
JEFF MENDELOFF MD DIRECTOR	55 00 1 00	X						699,828	0	59,551
ERIC SCHNED MD DIRECTOR	55 00 1 00	X						315,234	0	46,868
ANN WYNIA DIRECTOR & CHAIR	4 40	X						0	43,750	0
DONALD LEWIS DIRECTOR & VICE CHAIR	4 30	X						0	22,000	0
RUTH MICKELSON DIRECTOR & SECRETARY	3 80	X						0	22,000	0
JAMES MALECHA DIRECTOR & TREASURER	4 00	X						0	27,500	0
THOMAS R BRINSKO DIRECTOR	3 50	X						0	23,750	0
JUDITH S CORSON DIRECTOR	3 80	X						0	18,000	0
LUZ MARIA FRIAS DIRECTOR	2 70	X						0	22,500	0
JOHN E GHERTY DIRECTOR	3 20	X						0	22,500	0
SUSAN L HOYT DIRECTOR	3 30	X						0	18,750	0
TERESA M MORROW DIRECTOR	2 50	X						0	24,500	0
KENDRICK B MELROSE DIRECTOR	1 30	X						0	15,000	0
LAURA A OBERST DIRECTOR	3 00	X						0	18,750	0
BRIAN H RANK MD DIRECTOR	1 00 63 00	X						0	734,018	208,836
GREGORY S STRONG DIRECTOR	3 20	X						0	18,750	0
ELOIT A SEIDE DIRECTOR	1 70	X						0	18,750	0
RICHARD E STRUTHERS DIRECTOR	2 90	X						0	15,000	0
CHRISTOPHER H TASHJIAN MD FAAFP DIRECTOR	2 90	X						0	24,500	0
KEN L THOME DIRECTOR	3 50	X						0	22,000	0
DAVID ABELSON MD SR EXEC VP & CEO PN	55 00 1 00			X				0	1,410,881	291,935
BABETTE APLAND VP BEHAVIORAL HEALTH AND COO MELROSE	60 00 1 00			X				0	421,315	117,780
CURT BOEHMMD CMIO	55 00 1 00			X				0	302,528	40,884
STEVEN CONNELLY MD CMO SYSTEM ALIGNMENT & INTEGRATION	55 00 1 00			X				0	724,209	131,957

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			
PAUL DAMROW MD CHIEF SURGICAL SERVICES	55 00 1 00			X				0	743,810	92,297
JULIE FLASCHENRIEM VP AND CIO	55 00 1 00			X				0	402,557	102,196
LAURA FRAZIER VP SURGICAL SERVICES	55 00 1 00			X				0	319,279	83,418
ROXANNA GAPSTUR PHD SR VP & COO METHODIST HOSPITAL	55 00 1 00			X				0	400,605	83,586
CHRISTA GETCHELL PRESIDENT PNF, VP COMMUNITY ADVANCEMENT	55 00 1 00			X				0	259,392	57,812
DAVID HOMANS MD CHIEF SPECIALTY SSERVICES	55 00 1 00			X				0	611,213	104,239
MICHAEL KAUPA EXEC VP & SYSTEM ALIGNMENT & INTEGRATION	55 00 1 00			X				0	864,774	137,626
KATE KLUGHERZ VP SPECIALTY SERVICES	55 00 1 00			X				0	292,214	59,398
GARY LARSON VP FINANCIAL SERVICES	55 00 1 00			X				0	283,951	54,637
CATHERINE LENAGH VP & CFO	55 00 1 00			X				0	306,074	82,460
BRETT LONG VP STRATEGY & GROWTH, HR	55 00 1 00			X				0	315,606	86,393
KRISTI LYON VP PAYER RELATIONS	55 00 1 00			X				0	189,530	50,633
JOHN MISA MD CHIEF PRIMARY CARE	55 00 1 00			X				0	582,935	97,820
JOAN SANDSTROM VP PRIMARY CARE	55 00 1 00			X				0	392,916	87,289
MELISSA SCHOENHERR VP MARKETING AND COMMUNICATIONS & CMO	55 00 1 00			X				0	273,804	56,929
CYNTHIA TOHER MD CHIEF IMPATIENT SERVICES	55 00 1 00			X				0	660,715	114,108
DUANE SPIEGLE VP REAL ESTATE AND SUPPORT SERVICES	55 00 1 00			X				0	317,908	82,881
KATHERINE TARVESTAD VP AND CARE GROUP COMPLIANCE OFFICER	55 00 1 00			X				0	350,345	52,526
THEODORE WEGLEITNER COO TRIA	55 00 1 00			X				0	380,828	98,529
JOSHUA ZIMMERMAN CHIEF OF BEHAVORIAL HEALTH	55 00 1 00			X				0	360,926	71,877
SHELIA MCMILLAN VP & CFO	55 00			X				0	760,350	86,505
ROBERT WERLING MD MEDICAL DOCTOR	55 00					X		828,708	0	61,420
OLIVER CASS MD MEDICAL DOCTOR	55 00					X		813,295	0	62,290
MARNI FELDMANN MD MEDICAL DOCTOR	55 00					X		807,773	0	61,116
DANE CHRISTENSEN MD MEDICAL DOCTOR	55 00					X		824,126	0	62,447

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			
TIMOTHY DIEGEL MD MEDICAL DOCTOR	55 00					X		782,994	0	44,151

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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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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
PART 1	PARK NICOLLET METHODIST HOSPITAL LINE 3 170(B)(1)(A)(III) PARK NICOLLET CLINIC LINE 3 170(B)(1)(A)(III) PARK NICOLLET INSTITUTE LINE 4 170(B)(1)(A)(III) PARK NICOLLET HEALTH CARE PRODUCTS LINE 11 TYPE II, 509(A)(3) PNMC HOLDINGS LINE 11 TYPE I, 509(A)(3)
PART I LINE 11	SUPPORTING ORGANIZATIONS DETAIL PNMC HOLDINGS AND PARK NICOLLET HEALTH CARE PRODUCTS PROVIDE SUPPORT TO THE FOLLOWING ORGANIZATIONS PNMC HOLDINGS LINE 11, COLUMN (I) PARK NICOLLET CLINIC, (II) 41-0834920, (III) 170(B)(1)(A)(III), (IV) YES, (V) YES, (VI)YES, (VII) $2,252,255 PARK NICOLLET HEALTH CARE PRODUCTS LINE 11, COLUMN (I) PARK NICOLLET METHODIST HOSPITAL, (II) 41-0132080, (III) 170(B)(1)(A)(III), (IV) YES, (V) YES, (VI)YES, (VII) $5,824,213 LINE 11, COLUMN (I) PARK NICOLLET CLINIC, (II) 41-0834920, (III) 170(B)(1)(A)(III), (IV) YES, (V) YES, (VI)YES, (VII) $66,647,148

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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

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
PARK NICOLLET GROUP RETURN	45-5023260

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		56,397
j	Total Add lines 1c through 1i			56,397
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	PARK NICOLLET REIMBURSES CERTAIN PROFESSIONAL MEMBERSHIP DUES OF EMPLOYEES, A PORTION OF SUCH MEMBERSHIP DUES ARE USED BY THE PROFESSIONAL ASSOCIATIONS 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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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	21,981,337	20,854,970	22,048,592	23,127,080	40,045,623
b	Contributions	4,508,387	2,046,767	1,489,934	1,474,161	3,239,794
c	Net investment earnings, gains, and losses	2,715,649	877,865	-341,465	850,097	538,558
d	Grants or scholarships	1,988,774	1,798,265	2,342,091	3,402,746	20,696,895
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	27,216,599	21,981,337	20,854,970	22,048,592	23,127,080

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 ▶ 44 800 %
- c Temporarily restricted endowment ▶ 55 200 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		27,661,044		27,661,044
b Buildings		479,880,686	280,954,033	198,926,653
c Leasehold improvements		50,981,860	34,978,620	16,003,240
d Equipment		449,008,970	364,533,745	84,475,225
e Other		11,438,067	5,310,600	6,127,467
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				333,193,629

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	
CAPITAL LEASE OBILGATION	3,079,926
DUE TO RELATED PARTIES	2,640,587
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	5,720,513

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 V, LINE 4	THE TERM ENDOWMENT FUNDS FOR USE WITHIN PARK NICOLLET CLINIC, PARK NICOLLET INSTITUTE AND PARK NICOLLET METHODITS HOSPITAL ARE FOR GRANTS RELATED TO EDUCATION, RESEARCH AND PATIENT CARE
PART X, LINE 2	PARK NICOLLET HEALTH SERVICES AND AFFILIATES RECORDED NO LIABILITIES AT DECEMBER 31, 2013 OR JANUARY 1, 2013 FOR UNRECOGNIZED TAX BENEFITS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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) EAST ASIA AND THE PACIFIC	0	0	PROGRAM SERVICES	EDUCATION	22,197
(2) EUROPE	0	0	PROGRAM SERVICES	EDUCATION	4,047
(3) NORTH AMERICA	0	0	PROGRAM SERVICES	EDUCATION	1,220
(4)					
(5)					
3a Sub-total	0	0			27,464
b Total from continuation sheets to Part I	0	0			0
c **Totals** (add lines 3a and 3b)	0	0			27,464

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: 45-5023260
Name: PARK NICOLLET GROUP RETURN

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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 27500 0000000000 %			
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	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 38500 0000000000 %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a		No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			9,093,851	65,994	9,027,857	0 740 %
b Medicaid (from Worksheet 3, column a)			114,934,323	69,976,503	44,957,820	3 690 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			124,028,174	70,042,497	53,985,677	4 430 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		37,672	4,832,252	736,704	4,095,548	0 340 %
f Health professions education (from Worksheet 5)			6,218,989	2,231,692	3,987,297	0 330 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			6,552,134	4,369,049	2,183,085	0 180 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits		37,672	17,603,375	7,337,445	10,265,930	0 850 %
k **Total.** Add lines 7d and 7j		37,672	141,631,549	77,379,942	64,251,607	5 280 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

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	Yes	
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 15,503,177			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	136,317,106
6	Enter Medicare allowable costs of care relating to payments on line 5	6	133,934,191
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	2,382,915
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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group PARK NICOLLET METHODIST HOSPITAL

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW PARKNICOLLET COM			
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 275 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 385 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	12	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
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
PARK NICOLLET METHODIST HOSPITAL	PART V, SECTION B, LINE 3 OVER 1,100 COMMUNITY MEMBERS REPRESENTING AREA GOVERNMENT, SCHOOLS, CHURCHES, SOCIAL SERVICE AGENCIES, AND HEALTHCARE PROVIDERS WERE IDENTIFIED TO PARTICIPATE IN AN ONLINE SURVEY AND FOCUS GROUP AN ONLINE SURVEY WAS CONDUCTED USING SURVEY MONKEY THE SURVEY TOOL WAS DESIGNED TO GAIN INFORMATION FROM THE RESPONDENTS ABOUT THERE GEOGRAPHIC LOCATION ALONG WITH CONNECTIONS IN THE COMMUNITY IN ADDITION TO THE ONLINE SURVEY THESE COMMUNITY PARTICIPANTS WERE ALSO OFFERED THE OPPORTUNITY TO ATTEND ONE OF SEVEN CONNUNITY-BASED FOCUS GROUPS USING THE WORLD CAFE MODEL OF FACILITATION THESE WERE OFFERED IN SEVEN DIFFERENT LOCATIONS AND PROVIDED THE OPPORTUNITY FOR PARTICIPATNS TO ENGAGE IN DIALOGUE THAT WOULD OFFER MORE IN-DEPTH ABOUT THEIR COMMUNITIES AND THE IDENTIFIED NEEDS TEAM MEMBERS FROM PARK NICOLLET HEALTH SERVICES WERE PRESENT TO TAKE NOTES AND SUMMARIZE REPSONSES THE COMMUNITY HEALTH NEEDS ASSESSMENT LEADERSHIP TEAM REVIEWED THE INPUT FROM BOTH THE SURVEYS AND THE FOCUS GROUPS AND IDENTIFIED SEVEN KEY THEMES THAT CONSISTENTLY EMERGED AN ADDITIONAL THREE AREAS OF NEED WERE IDENTIFIED, ALTHOUGH NOT CONSISTENTLY REPORTED, THEY WERE FELT TO BE IMPORTANT FOR INCLUSION IN THIS REPORT TO BROADEN THE INFORMATION RECEIVED, MEETINGS WERE HELD WITH SMALL GROUPS OFPROFESSIONALS FOR INSIGHT GATHERING AND TARGETED TO SPECIFIC AREAS IDENTIFIED BY OURCOMMUNITY PARTICIPANTS ADDITIONAL MEETINGS WITH SOMALI COMMUNITY HEALTH WORKERSTHROUGH WELLSHARE AND RETIRED PHYSICIANS FROM METHODIST HOSPITAL WERE ALSO HELD FOCUS GROUP PARTICIPANTS INCLUDED COMMUNITY MEMBERS FROM THE FOLLWOING ORGANIZATIONS CHILDREN FIRST, IOCP, PNF SUCCESSFUL AGING INITATIVE, CRISIS CONNECTION, PILLSBUY HOUSE, MISSION, INC MINNEAPOLIS CRISIS NURSERY, SHALOM HOSPICE, TEENS ALONE, WELLSHARE, PATHWAYS, SAINTS HEALTHCARE FOUNDATION, SHAKOPEE SCHOOL DISTRICT, CITY OF SHAKOPEE, PRIOR LAKE/SAVAGE SCHOOL DISSTRICT, PNHS STROKE INSPIRE, ST MARY'S HELATH CLINICS, CITY OF ST LOUIS PARK, DEPOT COFFEE HOUSE, STEP, YOUTH CARE, CHILDREN'S DENTAL SERVICE, BLOOMINGTON SCHOOL DISTRICT, ALZHEIMER'S ASSOCIATION, LENOX CENTER, COMMUNITY IN COLLABORATION COUNCIL, GREATER WAYZATA AREA OF COMMERCE, COMMUNITY EDUCATION ADVISORY COUNCIL, WAYZATA SCHOOL DISTRICT,ST DAVID'S CENTER FOR CHILD AND FAMILY DEVELOPMENT, ST LOUIS PARK SCHOOL DISTRICT, CITY OF CHANHASSEN, RELATE COUNSELING CENTER, HOPIKINS SCHOOL DISTRICT, ICA, STORE TO DOOR, CITY OF GOLDEN VALLEY, GREATER MINNEAPOLIS COUNCIL OF CHURCHES
PARK NICOLLET METHODIST HOSPITAL	PART V, SECTION B, LINE 5D PARK NICOLLET HEALTH SERVICES BOARD OF DIRECTOR'S APPROVED THE IMPLEMENTATION STRATEGY FOR PARK NICOLLET METHODIST HOSPITAL DURING 2012 A COPY OF THE COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY IS POSTED TO THE PARK NICOLLET WEBSITE AT HTTP //WWW PARKNICOLLET COM/COMMUNITYANDVOLUNTEERISM/COMMUNITY%20NEEDS%20HEALTH%20ASSESSMENT
PARK NICOLLET METHODIST HOSPITAL	PART V, SECTION B, LINE 20D PARK NICOLLET USES THE DISCOUNT RATE ASSOCIATED WITH OUR "MOST PREFERRED PAYER WHICH IS DIFINED AS OUR LARGEST COMMERICAL PAYER
PARK NICOLLET METHODIST HOSPITAL	PART V, SECTION B, LINE 22 PARK NICOLLET CHARGES ITS PATIENTS GROSS CHARGES IF THE PATIENT HAS ELECTIVE SURGURY, WHICH IS NOT MEDICALLY NECESSARY

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? **30**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 6A	PARK NICOLLET FOUNDATION A RELATED ORGANIZATION OF PARK NICOLLET METHODIST HOPSITAL COMPLETES AN ORGANIZATION WIDE ANNUAL COMMUNITY BENEFIT REPORT THAT INCLUDES PARK NICOLLET METHODIST HOSPITAL AND OTHER AFFILIATED ENTITIES
PART I, LINE 7	PARK NICOLLET METHODIST HOSPITAL USES THE COST-TO-CHARGE RATIO METHOD WHEN CALCULATING THE AMOUNTS REPORTED ON PART I LINE 7 THE COST -TO-RATIO WAS DERIVED USING WORKSHEET 2, RATIO OF PATIENT CARE-COST-TO-CHARGE, FROM THE SCHEDULE H INSTRUCTIONS

Form and Line Reference	Explanation
PART III, LINE 2	BAD DEBT IS ACCOUNTED FOR ON THE FINANCIAL STATEMENTS BY ESTIMATING PATIENT LIABILITY NET OF ANY CHARITY CARE AND THEN CALCULATING WHAT PORTION OF THAT WILL NOT BE COLLEXTED BASED HISTORICAL UNCOLLECTABLE RATES WHEN A PATIENT MEETS OUR FINANCIAL REQUIREMENTS IT IS CLASSIFIED AS CHARITY CARE, IF THEY DO NOT QUALIFY, THEIR SERVICES WILL BE WRITTEN OFF AS BAD DEBT PARK NICOLLET METHODIST HOSPITAL DOES NOT INCLUDE ANY CHARITY CARE IN THEIR BAD DEBT EXPENSE CALCULATION
PART III, LINE 3	PARK NICOLLET METHODIST HOSPITAL AND ITS AFFILIATES WORK WITH THOSE QUALIFYING FOR CHARITY CARE ALONG EVERY STEP OF THE PROCESS INCLUDING ACCEPTING APPLICATIONS FOR FINANCIAL ASSISTANCE AFTER PREVIOUS ATTEMPTS TO WORK WITH THE PATIENT FAIL EVERY EFFORT IS MADE TO WORK WITH THE PATIENT TO PROVIDE FINANCIAL ASSISTANCE WHEN APPROPRIATE WHILE THERE ARE PEOPLE WHO DO NOT COOPERATE WITH THE HOSPITAL REGARDING PAYMENT PLANS, FINANCIAL ASSISTANCE OR WITH THOSE TRYING TO HELP THEM GET ON GOVERNMENT PROGRAMS, IT IS IMPOSSIBLE TO KNOW THEIR REASON FOR NOT COOPERATING AND THEREFORE KNOW WHETHER THEY MAY HAVE QUALIFIED FOR CHARITY CARE PARK NICOLLET DOESNT HAVE PREDICTIVE SOFTWARE WHICH WOULD MAKE ASSUMPTIONS BASED ON HOUSING SITUATION, CREDIT REPORTS, ETC AND RECOMMEND ASSISTANCE WITHOUT A PROCESS FOR GATHERING INCOME VERIFICATION IN LIGHT OF THE FOREGOING FACTS, PARK NICOLLET IS UNABLE TO REASONABLY DETERMINE WHETHER ANY AMOUNT OF BAD DEBT COULD HAVE BEEN CLASSIFIED AS CHARITY CARE

Form and Line Reference	Explanation
PART III, LINE 4	PARK NICOLLET METHODIST HOSPITAL'S AUDITED FINANCIAL STATEMENTS INCLUDE A FOOTNOTE DISCUSSING BAD DEBT EXPENSE, AR ALLOWANCE OF DOUBFUL ACCOUNTS THE FOOTNOTE IS LOCATED ON PAGE 22 OF THE ATTACHED AUDIT REPORT
PART III, LINE 8	PARK NICOLLET METHODIST HOSPITAL BELIEVES THAT ALL OF THE MEDICARE LOSS SHOULD BE CLASSIFIED AS A COMMUNITY BENEFIT IF THESE SERVICES WERE NOT PROVIDED BY US THEY WOULD BECOME THE OBLIGATION OF THE FEDERAL GOVERNMENT BASED ON THIS, MEDICARE LOSSES SHOULD BE INCLUDED AS A COMMUNITY BENEFIT BECAUSE THE LOSSES ARE INCURRED IN PERFORMING AN IMPORTANT PUBLIC SERVICE THE MEDICARE LOSS FOR PARK NICOLLET METHODIST HOSPITAL IS BASED ON THE MEDICARE COST REPORT AS INSTRUCTED PER THE 990 SCHEDULE H INSTRUCTIONS THE MEDICARE COST REPORT ONLY INCLUDES ALLOWABLE COSTS FOR TRADITIONAL MEDICARE PRODUCTS ALLOWABLE COOSTS ARE DEFINED BY THE CENTERS FOR MEDICARE AND MEDICAID AND DO NOT INCLUDE ALL OF THE COSTS THAT ARE INCURRED WHILE PROVIDING SERVICES IF ALL COSTS WERE INCLUDED IN THE CALCULATION ALONG WITH OUR MEDICARE ADVANTAGE PRODUCTS OUR MEDICARE LOSS WOULD BE $9 0 MILLION

Form and Line Reference	Explanation
PART III, LINE 9B	THE COLLECTION POLICY INCORPORATES THE REQUIREMENTS AS STATED BY THE MINNESOTA ATTORNEY GENERAL AND VIEWS ACCOUNT RESOLUTION THROUGH THE PARK NICOLLET FINANCIAL ASSISTANCE PROGRAM AS AN OPTION FOR ACCOUNT RESOLUTION THIS OPTION IS SHARED WITH DEBTORS VIA STATEMENTS, LETTERS AND AS PART OF COLLECTION CALLS TO AND FROM DEBTORS FROM PARK NICOLLET AND COLLECTION AGENCIES PARK NICOLLETS FINANCIAL ASSISTANCE PROGRAM IS ALSO DESCRIBED IN PAMPHLETS AND ON OUR WEBSITE THE WEBSITE INCLUDE A SUMMARY OF OUR FINANCIAL ASSISTANCE POLICY AS WELL AS FREQUENTLY ASKED QUESTIONS AND HOW TO APPLY DOCUMENTS IF THE DEBTOR QUALIFIES FOR FINANCIAL ASSISTANCE, COLLECTION EFFORTS CEASE AND CHARGES ARE CLEARED FROM THEIR ACCOUNT -*
PART VI QUESTION 2 PART 1	IN 2012, PARK NICOLLET HEALTH SERVICES METHODIST HOSPITAL COMPLETED ITS COMMUNITY HEALTH NEEDS ASSESSMENT THIS ASSESSMENT WAS THE CULMINATION OF WORK THAT BEGAN IN 2011 AND WAS PRESENTED TO AND APPROVED BY THE PARK NICOLLET BOARD OF DIRECTORS IN DECEMBER 2012 THIS WORK RESULTED IN THE CREATION OF THE PARK NICOLLET METHODIST HOSPITAL 2013-2015 IMPLEMENTATION STRATEGY TO MEET COMMUNITY HEALTH NEEDS IDENTIFIED THROUGH THIS PROCESS TO DEVELOP THIS NEEDS ASSESSMENT, PARK NICOLLET DREW UPON LONG-STANDING RELATIONSHIPS WITH THE BROADER COMMUNITY IT SERVES AND INTERNAL RESOURCES FOCUSING ON RESEARCH AND DATA ANALYTICS FOR 23 YEARS, PARK NICOLLET HAS CONVENED POPULATIONS OF PATIENTS, GOVERNMENT AND SERVICE ORGANIZATIONS IN ITS SERVICE AREA IN ORDER TO IDENTIFY AND ACT UPON COMMUNITY NEEDS THESE CONVENING ACTIVITIES BECAME A VALUABLE TOOL TO SURVEY AND IDENTIFY NEEDS ACROSS THE PARK NICOLLET METHODIST HOSPITAL AND PARK NICOLLET CLINIC SERVICE AREAS PARK NICOLLET FOUNDATION DEVELOPED AND INTEGRATED A SUCCESSFUL COMMUNITY CONNECTIVITY MODEL IN ITS PLANNING PROCESS, DEVELOPING PRIORITIES AND GOALS ACROSS THE ENTIRE ORGANIZATION AS A CONVENER OF COMMUNITIES ACROSS THE SERVICE AREA, PARK NICOLLET ENGAGED INDIVIDUALS WITHIN THE COMMUNITY, SOCIAL SERVICE AGENCIES BOTH PUBLIC AND PRIVATE, ESTABLISHED COMMUNITY ORGANIZATIONS AND COMMUNITY LEADERS IN ORDER TO IDENTIFY AREAS OF UNMET NEED WITHIN THE COMMUNITY PARK NICOLLET ALSO BROUGHT TO BEAR INTERNAL EXPERTISE, HEALTH DATA AND ADMINISTRATIVE RESOURCES TO PARTNER WITH THE COMMUNITY TO IDENTIFY NEEDS THESE RESOURCES INCLUDE MEDICAL EXPERTISE, DATA ANALYTICS AND RESEARCH STAFF, FINANCIAL AND BUSINESS SERVICES AND OTHER ADMINISTRATIVE SERVICES IDENTIFIED AS IMPORTANT THROUGH THE CONVENING PROCESS THIS CONVENING ACTIVITY HAS RESULTED IN THE CREATION OF INITIATIVES ACROSS THE COMMUNITIES SERVED BY PARK NICOLLET METHODIST HOSPITAL AND PARK NICOLLET CLINIC THESE INITIATIVES INCLUDE PARK NICOLLET-SPONSORED COMMUNITY CLINICS GROWING THROUGH GRIEF PROGRAMS PROVIDING GRIEF SUPPORT AND EDUCATION TO CHILDREN WHO HAVE EXPERIENCED DEATH OF A LOVED ONE NO SHOTS, NO SCHOOL IMMUNIZATION INITIATIVES PROVIDING ENHANCED ACCESS FOR CHILDREN NEEDING IMMUNIZATIONS AS PART OF THE NO SHOTS, NO SCHOOL PROGRAM HEALTHY COMMUNITY COLLABORATIVES GROUPS TO DISCUSS THE HEALTH NEEDS OF RESIDENTS IN THE COMMUNITY AND DEVELOPING PROGRAMS TO ADDRESS THOSE NEEDS THERE ARE CURRENTLY THREE HEALTHY COMMUNITY COLLABORATIVES SUPPORTED BY THE PARK NICOLLET FOUNDATION, SERVING SCOTT COUNTY, DAKOTA COUNTY AND NORTHWEST HENNEPIN COUNTY A SUCCESSFUL AGING INITIATIVE IN ST LOUIS PARK PROVIDING SUPPORT TO SENIOR CITIZENS IN THE COMMUNITY TO ADDRESS THEIR VARIOUS MEDICAL AND SOCIAL NEEDSCOMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) PROCESSTHE CONVENING ROLE PARK NICOLLET PLAYS IS SUCCESSFUL IN IDENTIFYING ONGOING NEEDS ACROSS THE MANY COMMUNITIES WE SERVE IN 2011, PARK NICOLLET BEGAN A MORE FORMAL PROCESS TO IDENTIFY THE GREATEST AREAS OF UNMET NEED THE CONVENING ROLE WE PLAY IS CRITICAL FOR IDENTIFYING AND CREATING CONNECTIONS TO ADDRESS NEEDS OF RESIDENTS IN THE COMMUNITY HOWEVER, THE CHNA PROCESS WAS MORE FORMALIZED AND ANALYTIC IN NATURE TO PINPOINT AND PRIORITIZE THE MOST PREVALENT NEEDS IN THE COMMUNITY DEMOGRAPHIC ANALYSIS/DATAA VARIETY OF DATA SOURCES WAS USED TO COLLECT AND ANALYZE THE GEOGRAPHIC, SOCIO-ECONOMIC AND HEALTH DATA ON THE COMMUNITIES IN THE PARK NICOLLET HEALTH SERVICES' SERVICE AREA THESE DATA SOURCES PROVIDE A FRAMEWORK FOR REACHING OUT TO COMMUNITY MEMBERS, LOCAL GOVERNMENT AND SOCIAL SERVICE AGENCIES AND SOCIAL SUPPORT GROUPS WITHIN THE COMMUNITY THE SOURCES USED TO UNDERTAKE OUR COMMUNITY HEALTH NEEDS ASSESSMENT INCLUDE THOMSON REUTERS MINNESOTA STATE DEMOGRAPHIC CENTER THE METROPOLITAN COUNCIL THE U S CENSUS BUREAU THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT THE MINNESOTA DEPARTMENT OF HEALTH, CENTER FOR HEALTH STATISTICS THE UNIVERSITY OF WISCONSIN POPULATION HEALTH INSTITUTE THE CENTERS FOR DISEASE CONTROL (CDC) AND PREVENTIONS BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) CDC NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION NATIONAL CENTER FOR HEALTH STATISTICS THE MINNESOTA HOSPITAL ASSOCIATION INTERNAL PARK NICOLLET DATATHE CHNA PROCESS IS DESIGNED TO REACH BROADLY INTO THE COMMUNITY TO IDENTIFY NEEDS, GAPS AND BARRIERS TO HEALTH AND HEALTH SERVICES DEPLOYING PRIMARY RESEARCH, DATA ANALYSIS, VALIDATION AND PRIORITIZATION, THE ASSESSMENT PROCESS IDENTIFIED THE FOLLOWING SEVEN KEY THEMES OF NEED 1 MENTAL HEALTH2 OBESITY3 SENIORS4 CONNECTING COMMUNITY RESOURCES5 ACCESS AND AFFORDABILITY OF CARE6 WELLNESS 7 CULTURALLY SENSITIVE CARETHE PROCESS ALSO IDENTIFIED THE NEED FOR TEEN AND YOUNG ADULT DRUG AND ALCOHOL ABUSE, TEEN PREGNANCY AND PARENTING AND SMOKING CESSATION, HOWEVER, THESE NEEDS DID NOT ELEVATE THEMSELVES TO THE LEVEL OF THE SEVEN IDENTIFIED THEMES DUE TO THE AVAILABILITY OF SERVICES ALREADY AVAILABLE IN THE COMMUNITY PARK NICOLLET METHODIST HOSPITALS CHNA WAS DESIGNED TO PROVIDE BROAD COMMUNITY INPUT FROM BOTH PRIMARY RESEARCH AND ANALYSIS OF EXISTING COMMUNITY DATA PARK NICOLLET WAS ABLE TO DRAW UPON THE ABOVE MENTIONED INITIATIVES AND PROCESSES TO UNDERTAKE THIS ANALYSIS OF COMMUNITY NEED THE KEY ELEMENTS OF THE CHNA PROCESS INCLUDED THE FOLLOWING TEAMS AND PROCESSES 1 A LEADERSHIP TEAM THAT WAS CHARGED TO CONDUCT THE 2011/2012 NEEDS ASSESSMENT THE RESPONSIBILITIES OF THIS TEAM INCLUDED RESEARCH AND UNDERSTANDING OF THE REQUIREMENTS OF A COMMUNITY HEALTH NEEDS ASSESSMENT, DEVELOPING A STRATEGIC DESIGN FOR PRIMARY RESEARCH AND DATA ANALYTICS, VALIDATION AND PRIORITIZATION OF THE RESULTS AND PREPARATION OF A FINAL FORMAL REPORT THAT WOULD BE PRESENTED TO THE PARK NICOLLET HEALTH SERVICES BOARD OF DIRECTORS 2 A GUIDANCE GROUP THE GUIDANCE GROUP PROVIDED THE SKILLS AND EXPERTISE OF A DIVERSE REPRESENTATION OF PARK NICOLLET METHODIST HOSPITAL PARK NICOLLET FOUNDATION AREA SCHOOLS LOCAL SOCIAL SERVICE AGENCIES MEMBERS OF THE COMMUNITY COUNTY GOVERNMENT HEALTH AGENCIESTHE GUIDANCE GROUP MET THREE TIMES TO REVIEW THE PROPOSED PLAN DESIGN FOR THE CHNA, REVIEW PRELIMINARY RESULTS, ASSIST WITH PRIORITIZATION OF THE NEEDS IDENTIFIED AND PROVIDE INPUT INTO POTENTIAL RESPONSES TO THE IDENTIFIED NEEDS 3 PRIMARY RESEARCH MORE THAN 1,100 COMMUNITY MEMBERS REPRESENTING CHURCHES, GOVERNMENT, SCHOOLS, SOCIAL SERVICE AGENCIES AND HEALTH CARE PROVIDERS WERE IDENTIFIED TO PARTICIPATE IN AN ONLINE SURVEY AND FOCUS GROUP MEETINGS ACROSS OUR SERVICE AREA PARK NICOLLET LEADERS WERE ALSO INVOLVED IN THIS SURVEY AND FOCUS GROUP PROCESS THE SURVEY WAS CONDUCTED USING SURVEY MONKEY THE SURVEY TOOL WAS DESIGNED TO OBTAIN INFORMATION FROM THE RESPONDENTS ABOUT THEIR GEOGRAPHIC LOCATION AND THEIR CONNECTIONS IN THE COMMUNITY THE SURVEY ASKED THE FOLLOWING QUESTIONS OF RESPONDENTS WHICH GEOGRAPHIC REGION DO YOU MOST AFFILIATE WITH? USING STATE DEMOGRAPHIC DATA FROM THE STATE DEMOGRAPHER, RESPONDENTS WERE GIVEN SEVEN GEOGRAPHIC LOCATIONS TO CHOOSE FROM WITHIN THE SERVICE AREA, WITH CITIES IDENTIFIED WITHIN EACH REGION IN YOUR OPINION, WHAT ARE THE MAJOR HEALTH CARE CONCERNS IN YOUR COMMUNITY? WHICH HEALTH CARE CONCERNS OF THOSE LISTED IS THE MOST IMPORTANT FOR THE COMMUNITY TO ADDRESS? WHAT ROLE SHOULD PARK NICOLLET CLINIC AND METHODIST HOSPITAL PLAY IN RESPONDING TO THE MOST IMPORTANT CONCERNS YOU IDENTIFY? ARE YOU AWARE OF ANY SERVICES OFFERED IN YOUR COMMUNITY TO ADDRESS CONCERNS YOU IDENTIFIED? 4 FOCUS GROUPS USING THE WORLD CAF MODEL OF FACILITATION, COMMUNITY PARTICIPANTS WERE ALSO OFFERED THE OPPORTUNITY TO ATTEND ONE OF SEVEN COMMUNITY-BASED FOCUS GROUP MEETINGS EACH FOCUS GROUP WAS ENCOURAGED TO DISCUSS WHAT TOP NEEDS MOST IMPACT THE HEALTH AND WELLNESS OF INDIVIDUALS AND FAMILIES IN YOUR LOCAL COMMUNITY? WHAT WOULD IT TAKE TO CREATE THE CHANGE NEEDED TO ADDRESS THESE ISSUES? WHAT IS THE UNIQUE ROLE OF PARK NICOLLET METHODIST HOSPITAL IN RESPONDING TO THOSE NEEDS? WHO IN THE COMMUNITY SHOULD BE INVOLVED AND WHY SHOULD THEY CARE?THE RESULTS FROM THE SURVEY AND THE FOCUS GROUPS WERE TABULATED THE LEADERSHIP TEAM THEN REVIEWED THE SUMMARIES AND IDENTIFIED SEVEN KEY THEMES THAT CONSISTENTLY EMERGED IN THE DATA 5 ADDITIONAL GROUP MEETINGS TO BROADEN THE INFORMATION GATHERED, ADDITIONAL MEETINGS WERE ALSO HELD WITH SMALL GROUPS OF PROFESSIONALS FOR INSIGHT GATHERING AND TARGETED TO SPECIFIC AREAS IDENTIFIED BY COMMUNITY PARTICIPANTS AS A RESULT MEETINGS WERE ALSO HELD WITH SOMALI COMMUNITY HEALTH WORKERS AND RETIRED PHYSICIANS FROM METHODIST HOSPITAL

Form and Line Reference	Explanation
PART VI QUESTION 2 PART 2	6 VALIDATION PROCESS ONCE THE KEY THEMES OF NEED WERE IDENTIFIED AND PRIORITIZED, MEETINGS WERE SCHEDULED WITH COUNTY HEALTH DEPARTMENTS TO DISCUSS OUR FINDINGS AND COMPARE THEM WITH RESULTS FROM THEIR OWN COUNTY NEEDS ASSESSMENTS, AND TO IDENTIFY ANY POTENTIAL GAPS THAT MAY EXIST FROM OUR OWN RESEARCH PRIORITIZATION OF COMMUNITY HEALTH NEEDS ONCE THE RESPONSES THROUGH THE SURVEY AND FOCUS GROUP PROCESS WERE COLLATED, THE RESULTS WERE PRESENTED TO THE CHNA GUIDANCE GROUP, PARK NICOLLET HEALTH SERVICES EXECUTIVE AND MANAGEMENT GROUP AND THE PARK NICOLLET FOUNDATION BOARD OF DIRECTORS FOR REVIEW, COMMENT AND PRIORITIZATION PARTICIPANTS WERE ASKED TO RANK EACH IDENTIFIED THEME BASED ON TWO CRITERIA IMPORTANCE OR IMPACT THAT THE THEME HAD ON COMMUNITY HEALTH NEED AND HOW STRONGLY THE THEME CORRELATED WITH PARK NICOLLET'S STRENGTHS AS A HEALTH CARE SYSTEM THE RESULTS WERE THEN AGGREGATED, SUMMARIZED THROUGH AVERAGING OF RANK VALUES AND PLOTTED INTO A BUBBLE GRAPH THIS PROCESS INFORMED PARK NICOLLET ON THE MAJOR THEMES OF NEED IDENTIFIED BY THE COMMUNITY AND RESULTED IN THE DEVELOPMENT OF A "PARK NICOLLET METHODIST HOSPITAL 2013-2015 IMPLEMENTATION STRATEGY" TO MEET COMMUNITY HEALTH NEEDS SINCE THE CONCLUSION OF THIS PROCESS, PARK NICOLLET HIRED STAFF TO LEAD THIS PROCESS
PART VI QUESTION 5 PART 1	PARK NICOLLET HEALTH SERVICES FURTHERS ITS EXEMPT PURPOSES IN MULTIPLE WAYS THROUGH METHODIST HOSPITAL, PARK NICOLLET CLINIC, SPECIALTY PROGRAMS AND ITS COMMITMENT TO RESEARCH AND EDUCATION PARK NICOLLET STRIVES TO MEET ITS COMMITMENT TO THE TRIPLE AIM OF PROVIDING HIGH QUALITY HEALTH CARE AT AN AFFORDABLE COST TO THE COMMUNITY BY ENHANCING THE PATIENT EXPERIENCE PARK NICOLLET'S COMMITMENT TO THE PATIENT AND FAMILY EXPERIENCE IS ARTICULATED THROUGH A FOCUS ON HEAD + HEART, TOGETHER (HHT) "HEAD" REFERS TO OUR WORK AROUND EVIDENCE-BASED MEDICINE, OUR ATTENTION TO CLINICAL OUTCOMES, THE WAY WE WILL USE DATA TO MAKE DECISIONS ABOUT THE BEST CARE PROTOCOL TO FOLLOW, AND TO THE BUSINESS OF RUNNING A LARGE HEALTHCARE SYSTEM "HEART" IS ALL ABOUT PROVIDING COMPASSIONATE CARE IN THE MOMENT AND KEEPING OUR PATIENTS AT THE CENTER OF EVERYTHING WE DO AND EVERY DECISION WE MAKE WHEN WE WORK ACROSS BOUNDARIES WITH OUR PATIENTS AND FAMILIES, WE WONT DO THINGS "TO" OR "FOR" PATIENTS WE WILL DO THINGS WITH PATIENTS AND THEIR FAMILIES "TOGETHER" MEANS DOING BOTH HEAD- AND HEART-CENTERED ACTIVITIES IN COMBINATION IT ALSO MEANS WORKING AS A TEAM ACROSS DEPARTMENTS AND SPECIALTIES, ALL OF US UNITED AROUND CARING TOGETHER WITH OUR PATIENTS, THEIR FAMILIES IN THE COMMUNITIES WE SERVE PARK NICOLLET HEALTH SERVICES FURTHERS ITS EXEMPT PURPOSE THROUGH ITS 426 BED METHODIST HOSPITAL IN ST LOUIS PARK, 20 CLINIC LOCATIONS IN ITS 96 ZIP CODE SERVICE AREA, 30 LINES OF SPECIALTY SERVICES AND EIGHT SPECIALTY CENTERS PARK NICOLLET FOUNDATION SERVES AS THE CONVENER OF THE COMMUNITIES WE SERVE, INVOLVING ADMINISTRATIVE AND MEDICAL STAFF IN ITS INTEGRATED SYSTEM, TO ASSESS COMMUNITY NEED AND FACILITATE A BROAD ARRAY OF CLINICAL AND SPECIALTY SERVICES AND THE ADMINISTRATIVE SUPPORT TO MEET UNMET NEEDS IN THE COMMUNITY PARK NICOLLET FOUNDATION ALSO PROVIDES FINANCIAL ASSISTANCE TO COMMUNITY ORGANIZATIONS AND SERVICES THAT ARE CONSISTENT WITH NEEDS IDENTIFIED BY ITS BOARD OF DIRECTORS PARK NICOLLET FOUNDATIONS BOARD OF DIRECTORS IS A COMMUNITY BOARD AND PROVIDES ACTIVE PARTICIPATION IN THE NONPROFIT MISSION OF THE ORGANIZATION PARK NICOLLETS INTEGRATED SYSTEM PROVIDES COMMUNITY BENEFIT TO UNDERSERVED POPULATIONS THROUGH CONVENING OF COMMUNITIES, EDUCATION AND SUPPORT OF PATIENTS AND COMMUNITY MEMBERS DIAGNOSED WITH CHRONIC DISEASE, AND RESEARCH TO IMPROVE QUALITY OF LIFE HEALTH PROFESSIONALS WITHIN THE INTEGRATED SYSTEM ASSIST PATIENTS IN THE COMMUNITY, IN THE STATE, IN THE NATION, AND AROUND THE WORLD WHO NEED SPECIALIZED PROGRAMS AND SERVICES FOR VARIOUS CONDITIONS PARK NICOLLET ALSO IS A RECOGNIZED LEADER IN PROCESS IMPROVEMENTS TO COORDINATE PATIENT CARE AND PROVIDE PATIENTS WITH SOCIAL SUPPORT SYSTEMS TO IMPROVE POPULATION HEALTH THIS HAS BEEN ACCOMPLISHED THROUGH ITS INITIATIVES THROUGH THE PHYSICIAN GROUP PRACTICE DEMONSTRATION PROGRAM SPONSORED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES PARK NICOLLET ALSO PARTICIPATES IN THE PIONEER ACO DEMONSTRATION THAT IS SPONSORED BY THE CENTER FOR MEDICARE AND MEDICAID INNOVATION IN ADDITION TO INNOVATING AROUND CARE DELIVERY DESIGN AND PATIENT SUPPORT SERVICES, PARK NICOLLET PARTICIPATES IN MULTIPLE LEARNING INITIATIVES THROUGH THE DEMONSTRATION PROGRAM TO SHARE ITS KNOWLEDGE AND LESSONS LEARNED WITH OTHER ORGANIZATIONS ACROSS THE COMMUNITY AND THE COUNTRY PARK NICOLLET HAS BEEN COMMITTED TO THESE EFFORTS IN SUPPORT OF ITS COMMITMENT TO THE TRIPLE AIM OF IMPROVING HEALTH, PATIENT EXPERIENCE AND AFFORDABILITY BY PROVIDING COMMUNITIES WITH SUPPORT SYSTEMS ASSISTING PATIENTS AND FAMILIES TO IMPROVE THEIR HEALTH PARK NICOLLET SUPPORTS COMMUNITY SPONSORED CLINICS IN 2013, IN ADDITION TO FUNDING PROGRAMS AND SERVICES TO ENHANCE THE PATIENT/FAMILY EXPERIENCE, THE PARK NICOLLET FOUNDATION GRANTED NEARLY $950,000 DIRECTLY TO ORGANIZATIONS THAT SUPPORT THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE WE OFFER NO-CHARGE HEALTH CARE TO CHILDREN FROM INFANCY THROUGH HIGH SCHOOL AT OUR COMMUNITY CLINICS IN BROOKLYN CENTER, BURNSVILLE, ST LOUIS PARK AND WAYZATA NO-CHARGE AND LOW-COST DENTAL AND MENTAL HEALTH CARE IS AVAILABLE BY APPOINTMENT AT SELECT CLINICS PARTICIPATING FAMILIES INCLUDE THOSE WHO ARE UNABLE TO AFFORD HEALTHCARE, ARE NEW TO THE AREA OR HAVE SENSITIVE HEALTHCARE NEEDS WALK-IN VISITORS ARE WELCOME AT ALL LOCATIONS ALL CLINICS ARE OPERATED IN PARTNERSHIP WITH LOCAL SCHOOL DISTRICTS AND FUNDED BY PARK NICOLLET FOUNDATION IN 2013, THERE WERE MORE THAN 2,850 VISITS TO THESE CLINICS IMMUNIZATIONS MINNESOTA LAW REQUIRES IMMUNIZATIONS, OR WRITTEN PROOF OF EXEMPTION, FOR SCHOOL-AGE CHILDREN TO ATTEND SCHOOL PARK NICOLLET FOUNDATION COLLABORATES WITH SCHOOL DISTRICTS TO HAVE ALL CHILDREN IMMUNIZED PARK NICOLLET OFFERS ENHANCED ACCESS FOR CHILDREN NEEDING IMMUNIZATIONS AS PART OF THE NO SHOTS, NO SCHOOL PROGRAM, WHICH IS AVAILABLE MAY, AUGUST AND THE FIRST TWO WEEKS OF SEPTEMBER PARTICIPATING SCHOOL DISTRICTS ENCOURAGE PARENTS TO SCHEDULE APPOINTMENTS WITH A PRIMARY CARE DOCTOR EARLY TO ENSURE REQUIRED IMMUNIZATIONS ARE GIVEN AND DOCUMENTED WELL IN ADVANCE OF STARTING SCHOOL IT TAKES AT LEAST FOUR MONTHS TO COMPLETE THE HEPATITIS B SERIES PARK NICOLLET PROVIDES IMMUNIZATION-ONLY VISITS ON A SAME-DAY APPOINTMENT BASIS, IMMUNIZES CHILDREN WITHOUT A DOCTOR VISIT OR PREVENTIVE CARE EXAM AT THE TIME OF IMMUNIZATION, IMMUNIZES CHILDREN NOT PREVIOUSLY ESTABLISHED AS PATIENTS WITH THE CLINIC, AND PROVIDES IMMUNIZATIONS TO CHILDREN WITH NO DIRECT CHARGE TO FAMILIES PARK NICOLLET SPONSORED COMMUNITY COLLABORATIVES PARK NICOLLET FOUNDATION REGULARLY CONVENES COLLABORATIVE GROUPS TO DISCUSS ISSUES AND TOPICS AFFECTING RESIDENTS IN THE COMMUNITY THESE MEETINGS ARE HELD AT DIFFERENT LOCATIONS THROUGHOUT PARK NICOLLET'S SERVICE AREA THE FOLLOWING ARE SOME EXAMPLES OF THIS WORK CHILDREN FIRST DAKOTA COUNTY HEALTHY COMMUNITY COLLABORATIVE MEADOWBROOK COLLABORATIVE NORTHWEST HENNEPIN HEALTHY COMMUNITY PARTNERSHIP ST LOUIS PARK SUCCESSFUL AGING INITIATIVE SCOTT COUNTY HEALTHY COMMUNITY COLLABORATIVE

Form and Line Reference	Explanation
PART VI QUESTION 5 PART 2	THE FOLLOWING ARE EXAMPLES OF SPECIFIC ACTIVITIES THAT ARE SUPPORTED BY THE PARK NICOLLET FOUNDATION AND PARK NICOLLET HEALTH SERVICES AND DEMONSTRATE THE ORGANIZATIONS COMMITMENT TO THE COMMUNITY AND MEETING UNMET COMMUNITY NEEDS 1 GROWING THROUGH GRIEF PROGRAMGROWING THROUGH GRIEF IS A SCHOOL SUPPORT PROGRAM THAT PROVIDES 1 1 COUNSELING AND GROUPS FOR CHILDREN AND TEENS WHO HAVE EXPERIENCED THE DEATH OF SOMEONE IMPORTANT IN THEIR LIFE MORE THAN 475 STUDENTS ARE SERVED BY THE PROGRAM ON A WEEKLY BASIS 54 GROUPS AND 59 1 1 COUNSELING SESSIONS OCCUR WEEKLY THE CHILDREN AND TEENS AGE RANGE SERVED IS 5 YEARS OF AGE TO 18 YEAR OLDS ALL SOCIO-ECONOMIC GROUPS ARE SERVED STUDENTS SERVED ARE IN THE SCHOOL DISTRICTS OF OSSEO-MAPLE GROVE, WAYZATA, HOPKINS, MOUND-WESTTONKA, MINNETONKA, ST LOUIS PARK, CHANHASSEN/CHASKA, BURNSVILLE, EDINA, MINNEAPOLIS, EASTVIEW AND ROSEMOUNT HIGH SCHOOLS COUNSELORS SERVE ON THE EMERGENCY RESPONSE TEAM FOR SCHOOLS COUNSELORS ARE CERTIFIED TRAUMATOLOGISTS THIS PROGRAM IS SUPPORTED BY PARK NICOLLET FOUNDATION TOTAL EXPENSES FOR 2013 WERE $259,667 2 RESEARCH AND EDUCATION ACTIVITIESRESEARCH IS EMBEDDED IN DEPARTMENTS AND STRATEGIES ACROSS PARK NICOLLET TO SUPPORT QUALITY INITIATIVES AND THE PATIENT EXPERIENCE RESEARCH ENCOMPASSES INVESTIGATOR-INITIATED STUDIES, CLINICAL TRIALS, PRACTICE-BASED RESEARCH, OUTCOMES AND QUALITY IMPROVEMENT PROJECTS, DATA ANALYTICS, STATISTICS, SURVEY DEVELOPMENT AND FOCUS GROUPS AT PARK NICOLLET AND METRO MINNESOTA COMMUNITY CLINICAL ONCOLOGY PROGRAM, BETWEEN 400 AND 500 RESEARCH STUDIES ARE ACTIVE EACH YEAR PARK NICOLLET AUTHORS PUBLISHED 68 PEER-REVIEWED PAPERS, BOOKS AND BOOK CHAPTERS IN 2013, SHARING THEIR FINDINGS WITH THE MEDICAL COMMUNITY PARK NICOLLET INSTITUTE PROVIDES THE INFRASTRUCTURE AND RESOURCES TO SUPPORT RESEARCH AND CLINICAL QUALITY GOALS OF THE ORGANIZATION, WHICH INCLUDES THE FOLLOWING NEEDS ASSESSMENT AND FEASIBILITY MENTORING AND TRAINING SCIENTIFIC AND HUMANS SUBJECTS REVIEW REGULATORY COMPLIANCE AND REPORTING GRANT MANAGEMENT, INCLUDING APPLICATION PREPARATION AND SUBMISSION, CONTRACT AND AGREEMENT NEGOTIATION, FINANCE, BUDGET DEVELOPMENT, IDENTIFICATION OF FUNDING SOURCES PROTOCOL DEVELOPMENT AND RESEARCH DESIGN MANUSCRIPT AND POSTER/PRESENTATION PREPARATION DATABASE DEVELOPMENT, DATA CLEANING, STATISTICS AND ANALYTICS, SURVEY REVIEW AND DESIGN, FOCUS GROUP FACILITATION STUDY OPERATIONS SUPPORT INCLUDING RECRUITMENT, CONSENTING, ENROLLING, DATA COLLECTION/ENTRYPARK NICOLLET INSTITUTE'S PATIENT EDUCATION DEPARTMENT PROVIDES EDUCATIONAL TOOLS TO SUPPORT PATIENTS IN PREVENTING AND MANAGING ILLNESS AND IMPROVING HEALTH WE PROVIDE PROGRAMS, CLASSES, VIDEOS, WEB CONTENT AND DECISION SUPPORT TOOLS TO HELP PATIENTS TAKE AN ACTIVE ROLE IN THEIR HEALTH THESE RESOURCES HELP PATIENTS PREVENT AND MANAGE COMMON HEALTH PROBLEMS, LIVE WELL WITH CHRONIC CONDITIONS, PREPARE FOR PROCEDURES AND IMPROVE OVERALL HEALTH AND WELL-BEING IN 2013, WE HELD 376 PATIENT EDUCATION CLASSES FOR 2,954 ATTENDEES WE CONDUCTED 7,266 DIABETES EDUCATION VISITS WE PUBLISHED 396 NEW OR REVISED PATIENT EDUCATION MATERIALS OUR PARK NICOLLET HEALTH LIBRARY PROVIDES RESOURCES AND SERVICES FOR PATIENTS, FAMILY AND THE COMMUNITY THIS INCLUDES LITERATURE SEARCHES AND DOCUMENT DELIVERY, AS WELL AS ACCESS TO PRINT, ONLINE AND INTERNET RESOURCES IN 2013, THE LIBRARY RECEIVED 1,194 VISITORS AND CONDUCTED 414 INFORMATION SEARCHES FOR PATIENTS AND THEIR FAMILIES THE INSTITUTE'S PROFESSIONAL EDUCATION DEPARTMENT PROVIDES LEARNING ACTIVITIES TO ENHANCE PHYSICIAN KNOWLEDGE, COMPETENCE AND PERFORMANCE CONTINUING MEDICAL EDUCATION (CME) STAFF PARTNERS WITH PARK NICOLLET PHYSICIANS AND DEPARTMENTS TO MANAGE A COMPREHENSIVE EDUCATIONAL PROGRAM THROUGH ACTIVITIES DESIGNED TO MEET INDIVIDUAL AND DEPARTMENT NEEDS OUR OFFICE OF CONTINUING MEDICAL EDUCATION GRANTED 25,796 CME CREDITS THROUGH 72 PROFESSIONAL EDUCATION ACTIVITIES IN 2013, REACHING 7,564 PARTICIPANTS 3 ADVANCED CARE PLANNING AND HOSPICE EDUCATIONADVANCE CARE PLANNING THE PROGRAM GOAL IS TO IMPROVE THE QUALITY OF PATIENT CARE BY CREATING AND IMPLEMENTING A BLUEPRINT OF IDEAL MANAGEMENT/PROGRESSION OF CARE PLANNING AND GOALS DISCUSSION OVER THE COURSE OF ADULT LIFE WE AIM TO 1) DEFINE THE BEST PRACTICE OF PROGRESSION OF CONVERSATIONS AND CARE PLANNING, 2) IMPROVE THE DELIVERY OF TIME APPROPRIATE UTILIZATION OF EXISTING ADVANCE CARE PLANNING INTERVENTIONS, 3) DEVELOP OR ADOPT NEW TOOLS AND PROCESSES WHERE GAPS EXIST, AND 4) IMPROVE COMMUNICATION OF GOALS AND TREATMENT PREFERENCES ACROSS CARE SETTINGS IN 2013, 35 COMMUNITY PRESENTATIONS WERE HELD AND 594 INDIVIDUALS ATTENDED, 48 GROUP ADVANCE CARE PLANNING CLASSES WERE HELD IN PARK NICOLLET CLINICS AND THE COMMUNITY AND 104 INDIVIDUALS ATTENDED THOSE CLASSES ARE OPEN TO THE PUBLIC THE AVERAGE TIME INVOLVED PER CLASS AND COMMUNITY PRESENTATION IS 2 5 HOURS PER SESSION INCLUDING TRAVEL TIME TEN INDIVIDUAL SUPPORT SESSIONS WERE HELD IN ST LOUIS PARK AS PART OF THE SUCCESSFUL AGING INITIATIVE PARISH NURSING PARK NICOLLET HAS FIVE PARISH NURSE PROGRAMS AND FINANCIALLY PROVIDES THE BENEFITS ALLOCATION FOR ALL OF THE NURSES PARK NICOLLET FOUNDATION PROVIDED PARTIAL FINANCIAL SUPPORT FOR ONE PROGRAM DURING 2013 AND HAS PROVIDED SEED FUNDING TO ASSIST NEW PROGRAMS TO START UP AND OPERATE ADDITIONAL BENEFITS ARE PROVIDED THROUGH THE SYSTEM THE GOALS OF THE PROGRAM ARE TO PROVIDE EDUCATION REGARDING WELLNESS AND HEALTHY LIFESTYLE, ASSESSMENT OF CONGREGANTS AND COMMUNITY MEMBERS AND REFERRAL TO APPROPRIATE RESOURCES, AND PROGRAM DEVELOPMENT IN THE AREAS OF HEALTH AND WELLNESS SERVICES PROVIDED INCLUDE BLOOD PRESSURE MONITORING AND REFERRAL FOR FOLLOW-UP AS NEEDED, ONE-TO-ONE VISITS TO CLIENTS IN THEIR HOMES FOR ASSESSMENT OF HEALTH ISSUES AND REFERRAL TO COMMUNITY RESOURCES, COUNSELING REGARDING HEALTH ISSUES, INDIVIDUAL AND GROUP EDUCATION ON HEALTH RELATED ISSUES (ADVANCE CARE PLANNING, EXERCISE, DIET, AGING, LIFESTYLE FACTORS, ETC) THE CONGREGATIONS WE WORK WITH HAVE AN INCREASING NUMBER OF ELDERLY MEMBERS AND THE NURSES OFTEN ASSIST IN COORDINATING WITH OTHER HEALTH CARE PROFESSIONALS COMMUNITY PRESENTATIONS ABOUT HOSPICE THE HOSPICE PROGRAM PROVIDES COMMUNITY EDUCATION ABOUT HOSPICE AND END OF LIFE ISSUES AT NO CHARGE TO THE PARTICIPANTS IN 2013, 11 EDUCATIONAL PROGRAMS WERE HELD A TOTAL OF 240 PEOPLE ATTENDED THE COMMUNITY EDUCATION EVENTS EACH OF THESE EVENTS LASTED 1 5 HOURS TWO HOSPICE STAFF MEMBERS PRESENTED AT EACH SESSION 4 PROVIDING PATIENT FINANCIAL ASSISTANCEPARK NICOLLET METHODIST HOSPITAL PARTICIPATES IN MULTIPLE UNIQUE FINANCIAL ASSISTANCE PROGRAMS, INCLUDING OUR OWN FINANCIAL ASSISTANCE (FA) WE INFORM OUR PATIENTS IN MULTIPLE WAYS ABOUT OUR FA PROGRAM AND OTHER FINANCIAL ASSISTANCE OPTIONS FOR SERVICES RECEIVED AT PNHS A LIST OF COMMUNICATIONS FOR PATIENT RELATING TO FINANCIAL ASSISTANCE FOLLOWS HOSPITAL BOOKLETS GIVEN TO EMERGENCY CENTER PATIENTS AND INPATIENTS WEBSITE HAS FA INFORMATION UNDER PATIENT ACCOUNTS & SERVICES A FINANCIAL ASSISTANCE CALCULATOR IS AVAILABLE TO ALLOW QUICK AND EASY ESTIMATION OF ELIGIBILITY UNDER THE PROGRAM A LIST OF FREQUENTLY ASKED QUESTIONS TO ANSWER COMMONLY ASKED QUESTIONS RELATED TO THE PROGRAM FA APPLICATION CAN BE PRINTED FOR SUBMISSION ALL BALANCE FORWARD PATIENT STATEMENTS WITH A BALANCE OF $200 OR GREATER INCLUDE AN FA APPLICATION AND INSTRUCTION TO COMPLETE THE APPLICATION ALONG WITH ANSWERS TO FREQUENTLY ASKED QUESTIONS ABOUT THE FA PROGRAM IN ADDITION TO THE WRITTEN MATERIALS, CUSTOMER SERVICE, COLLECTIONS, FINANCIAL COUNSELORS AND ACCOUNT SPECIALISTS INFORM PATIENTS ABOUT ASSISTANCE OPTIONS, INCLUDING GOVERNMENT PROGRAMS AND FA MOST CUSTOMER SERVICE AND COLLECTION WORK IS DONE OVER THE PHONE, THOUGH MANY OF OUR CLINICS AND THE HOSPITAL HAVE STAFF ON SITE TO ASSIST IN APPLYING FOR FA PARK NICOLLET METHODIST HOSPITAL AND CLINIC STAFF HAVE ALSO BEEN TRAINED TO ASSIST PATIENTS IN APPLYING FOR GOVERNMENT PROGRAMS WE ALSO CONTRACT WITH AN OUTSIDE SERVICE TO ASSIST PATIENTS IN THE GOVERNMENT PROGRAM APPLICATION PROCESS IN MORE COMPLICATED CIRCUMSTANCES
PART VI QUESTION 5 PART 3	5 ADVOCARE PROGRAMADVOCARE IS A FREE CONFIDENTIAL SERVICE PROVIDED TO PARK NICOLLET PATIENTS, EMPLOYEES AND COMMUNITY MEMBERS WHO ARE LIVING WITH DOMESTIC ABUSE ADVOCARE OFFERS ON-CALL COVERAGE 24 HOURS A DAY, 365 DAYS A YEAR ADVOCATES PROVIDE FACE-TO-FACE AND PHONE ADVOCACY FOR PATIENTS AT METHODIST HOSPITAL, PARK NICOLLET CLINIC AND URGENT CARES, MELROSE CENTER, AND OFFER OFFICE APPOINTMENTS ADVOCATES ALSO PROVIDE PHONE ADVOCACY FOR COMMUNITY CALLS WHAT DO ADVOCATES PROVIDE TO PATIENTS AND EMPLOYEES WHO ARE LIVING WITH DOMESTIC ABUSE? CRISIS COUNSELING ADVOCACY SAFETY PLANNING INFORMATION AND EDUCATION EMERGENCY HOUSING RESOURCES (FOR VICTIMS OF DOMESTIC ABUSE) LEGAL RESOURCES INFORMATION ABOUT SUPPORT GROUPS ON-GOING SUPPORTADVOCARES IMPACT 2007-2012 ADVOCARE PROVIDED SERVICES TO 4811 ABUSE VICTIMS 3682 OF THESE CLIENTS WERE SEEN ON PARK NICOLLET GROUNDS WHILE THE CLIENT WAS RECEIVING SOME SORT OF MEDICAL CARE 748 OF THESE CLIENTS WERE COMMUNITY MEMBERS WHO RECEIVED SERVICES OVER THE PHONE 381 OF THESE CLIENTS WERE PARK NICOLLET EMPLOYEES 6 CHAPLAINCY PROGRAMSPARK NICOLLET'S CHAPLAINCY PROGRAMS ARE SUPPORTED BY THE PARK NICOLLET FOUNDATION THROUGH FUNDING FROM THE FOUNDATION JEWISH CHAPLAINCY COVERAGE FUNDING FOR WHICH HELPS SUPPORT OUR JEWISH CHAPLAIN AND HIS WORK FUNDS ARE USED TO PAY FOR EXPENSES FOR THE DAILY MINISTRY THAT IS PROVIDED BY THIS CHAPLAIN FOR OUR JEWISH PATIENTS AND FAMILY MEMBERS CLINICAL PASTORAL EDUCATION FUNDING IS ALSO MADE AVAILABLE FOR OUR HOSPICE CHAPLAIN RESIDENT THIS RESIDENT PROVIDES SPIRITUAL CARE AND GRIEF SUPPORT TO HOME AND IN-PATIENT HOSPICE PATIENTS AND FAMILY MEMBER, AND PARTICIPATES IN OUR CLINICAL PASTORAL EDUCATION PROGRAM, AN INTENSIVE GRADUATE LEVEL EXPERIENCE THAT PROMOTES PERSONAL AND PROFESSIONAL GROWTH AND MORE EFFECTIVE MINISTRY 7 EATING DISORDERS SUPPORT AND EDUCATION SERVICESPARK NICOLLET MELROSE CENTER WORKED CLOSELY WITH PARK NICOLLET FOUNDATION TO IDENTIFY GAPS AND UNDERSERVED NEEDS IN TREATING EATING DISORDERS IN 2013 WE CONTINUED OUR HOUSING ASSISTANCE PROGRAM FOR OUTSTATE AND OUT-OF-STATE PATIENTS WITH A DUAL DIAGNOSIS OF EATING DISORDERS AND DIABETES PROVIDED MUSIC THERAPY SERVICES TO PATIENTS SO THEY COULD EXPRESS AND PROCESS INFORMATION IN NEW AND CREATIVE WAYS OFFERED CHAPLAINCY SERVICES SIX DAYS PER WEEK PROVIDED CERTIFICATION TRAINING FOR FAMILY BASED THERAPY (FBT) THIS CERTIFICATION ALLOWS US TO HAVE A CERTIFIED FBT THERAPIST ON STAFF WITH THE LONG-TERM GOAL OF PROVIDING SUPERVISION, SO ADDITIONAL MELROSE STAFF MAY BECOME CERTIFIED FBT IS THE EVIDENCE-BASED TREATMENT MODEL FOR TREATING ADOLESCENTS WITH EATING DISORDERS WITH AN EFFECTIVENESS RATE OF 60 TO 80 PERCENT REACHED MORE THAN 6,000 INDIVIDUALS WITH EDUCATIONAL PRESENTATIONS, EXHIBITS AT PROFESSIONAL AND COMMUNITY CONFERENCES, TOURS OF MELROSE CENTER, AND MEETINGS WITH FAMILIES, PROVIDERS AND COMMUNITY PARTNERS8 SUCCESSFUL AGING INITIATIVE (SENIOR SUPPORT SERVICES)THE MISSION OF THE PARK NICOLLET SUCCESSFUL AGING INITIATIVE IS TO CONVENE ON NEED AND LEARN FROM THE ST LOUIS PARK COMMUNITY IN ORDER TO BUILD A VITAL AGING COMMUNITY WHERE SENIORS AND THEIR CARE PARTNERS WILL FEEL SUPPORTED AND HAVE ACCESS TO HEALTH CARE, SERVICES, WORK AND VOLUNTEER OPPORTUNITIES WORK COMMITTEES WITHIN THE INITIATIVE HAVE INCLUDED SENIORS STAY SAFE AT HOME, ADVANCE CARE PLANNING, GET UP AND GET ACTIVE, ACT ON ALZHEIMER'S, AND TRANSPORTATION 9 OFFICE OF POPULATION HEALTHPARK NICOLLET CONTINUED EFFORTS THIS YEAR (2012) TO ADVANCE POPULATION HEALTH, PATIENT EXPERIENCE AND AFFORDABILITY UNDER OUR PARTNERSHIP WITH CMS WE AGREED TO TAKE FINANCIAL RISK FOR QUALITY AND AFFORDABILITY FOR OUR ATTRIBUTED MEDICARE FEE-FOR-SERVICE PATIENTS AS A RESULT OF THIS COMMITMENT WE WORKED WITH PATIENTS AND CARE TEAMS TO IDENTIFY OPPORTUNITIES FOR IMPROVING HEALTH OUTSIDE OF SCHEDULED OFFICE VISITS, URGENT CARE, EMERGENCY CARE OR INPATIENT STAYS IN PURSUIT OF A CONTINUOUS HEALING RELATIONSHIP AND, THROUGH THE USE OF HIGH-TOUCH CARE COORDINATION AND CASE MANAGEMENT WE HELPED PATIENTS ACCESS THE CARE THEY NEEDED WHEN THEY NEEDED IT AND AVOID UNNECESSARILY EXPENSIVE OR INVASIVE SERVICES IN PARTNERSHIP WITH PHYSICIANS, NURSES, PHARMACISTS AND OTHER MEMBERS OF THE MEDICAL HOME WE IMPLEMENTED EFFORTS TO IMPROVE MEDICATION THERAPY, EASE TRANSITIONS OF CARE, FOLLOW UP WITH PATIENTS AFTER HOSPITALIZATION AND ADDRESS PATIENTS IN OUR COMMUNITY WITH COMPLEX MEDICAL AND SOCIAL NEEDS IN ADDITION TO THE INITIATIVES SITED ABOVE THE FOUNDATION PROVIDES FINANCIAL AND OTHER SUPPORT TO ASSIST COMMUNITY NON-PROFIT PARTNERS IN 2012 THAT SUPPORT INCLUDED PHARMACY FOR HEALTHY YOUTH AND COMMUNITY CLINICS THIS GRANT SUPPORTS THE PROVISION OF OUTPATIENT MEDICATIONS TO THE UNINSURED AND UNDER-INSURED YOUTH THROUGH THE FOUR PARK NICOLLET FOUNDATION COMMUNITY CLINICS AND HEALTHY MINDS, A MENTAL HEALTH PROGRAM FOR HOPKINS YOUTH CHILDREN FIRST THIS GRANT FROM THE FOUNDATION HELPED THE CHILDREN FIRST ORGANIZATION SPREAD THE ASSET-BUILDING PHILOSOPHY OF THE SEARCH INSTITUTE THROUGHOUT THE COMMUNITY OF ST LOUIS PARK IT SUPPORTS EFFORTS TO ENCOURAGE ALL FACETS OF THE COMMUNITY TO FOCUS ON MAKING LIFE BETTER FOR ITS YOUTH MEADOWBROOK COLLABORATIVE THIS GRANT SUPPORTED PROGRAM IMPLEMENTATION IN THE AREAS OF HEALTH, EDUCATION AND SAFETY FOR THE RESIDENTS OF THE MEADOWBROOK NEIGHBORHOOD, A LOCAL COMMUNITY IN NEED THAT IS SITUATED NEXT DOOR TO PARK NICOLLET METHODIST HOSPITAL STROKE INSPIRE PROGRAM STROKE INSPIRE PROVIDES SUPPORT, EDUCATION, RESOURCES, AND THERAPIST-GUIDED GROUPS TO STROKE AND BRAIN INJURY SURVIVORS, THEIR FAMILIES AND CAREGIVERS, PARK NICOLLET STAFF AND THE SURROUNDING COMMUNITY WEST SUBURBAN TEEN CLINIC (MYHEALTH) THE WEST SUBURBAN TEEN CLINIC OFFERS ACCESS TO ADOLESCENT-FOCUSED MENTAL HEALTH SERVICES IN TWO LOCATIONS THIS GRANT SUPPORTED FIVE ADDITIONAL HOURS PER WEEK OF MENTAL HEALTH CARE AND ALLOWED FOR AN INCREASE IN THE VARIETY OF CARE DELIVERY METHODS, INCLUDING OFFERING DIALECTICAL BEHAVIOR THERAPY (DBT) GROUPS STAFF MEMBERS HAVE CLOSE RELATIONSHIPS WITH TEACHERS, ADMINISTRATORS, AND SCHOOL COUNSELORS IN MORE THAN 20 SCHOOL DISTRICTS, WHERE STAFF CONDUCT PRESENTATIONS AND HOST YOUTH DEVELOPMENT GROUPS ON-SITE IN ADDITION THE CLINIC MAINTAINS REFERRAL RELATIONSHIPS WITH HUNDREDS OF OTHER MIDDLE SCHOOLS, JUNIOR HIGHS, HIGH SCHOOLS, ALTERNATIVE SCHOOLS, AND COMMUNITY COLLEGES IN THE AREA INTERCONGREGATIONAL COMMUNITIES ASSOCIATION THIS GRANT SUPPORTED THE HEALTH OF THE COMMUNITY (PRIMARILY NEEDY SENIORS) BY SUPPORTING A REFRIGERATED TRUCK TO DELIVERY GROCERIES, INCLUDING PURCHASING GAS AND PAYING THE SALARY OF A DRIVER/COORDINATOR IN COLLABORATION WITH THE LOCAL SCHOOL DISTRICT, YOUTH LEARN ABOUT HUNGER THROUGH FOOD DRIVE COLLECTIONS IN THEIR SCHOOLS ST LOUIS PARK EMERGENCY PROGRAM (STEP) STEP PROVIDES RENT ASSISTANCE TO KEEP RESIDENTS IN THEIR HOMES, TRANSPORTATION TO MEDICAL APPOINTMENTS, AND OTHER SOCIAL SERVICES FOR THE ELDERLY THE PARK NICOLLET FOUNDATION GRANT PARTIALLY FUNDED A PART-TIME TRANSPORTATION COORDINATOR TO WORK WITH SENIOR CITIZENS TO ADDRESS THEIR NEED FOR SERVICES RESOURCEWEST THIS GRANT ALLOWED FOR THE PROVISION OF IN-DEPTH MENTAL HEALTH THERAPY TO UNINSURED INDIVIDUALS, COUPLES AND FAMILIES IN THE HOPKINS AND MINNETONKA SCHOOL DISTRICTS IT ALSO PROVIDED RESOURCES TO REDUCE TRANSPORTATION BARRIERS THAT CAN MAKE IT DIFFICULT FOR THOSE SERVED BY RESOURCEWEST TO FOLLOW THROUGH ON REFERRALS TO OFFSITE PROVIDERS TEENS ALONE PARK NICOLLET SUPPORT HELPS TEENS ALONE PROVIDE YEAR-ROUND, FREE AND CONFIDENTIAL COUNSELING AND CRISIS SERVICES TO YOUTH AND PARENTS IN THE WESTERN SUBURBS OF MINNEAPOLIS THE ORGANIZATION ADDRESSES ISSUES OF DRUG AND ALCOHOL ABUSE, EMOTIONAL, SEXUAL AND PHYSICAL ABUSE, RACIAL ISSUES, PREGNANCY, SEXUAL ORIENTATION, FAMILY BREAKUPS, AND TEEN HOMELESSNESS INTERFAITH COMMUNITY OUTREACH AND COMMUNITY PARTNERS (IOCP) THE CONECT (COMMUNITY ORGANIZATIONS NETWORKING COMPASSIONATELY TOGETHER) PROGRAM OF THE IOCP SERVES MORE THAN 800 FAMILIES LIVING IN EIGHT LOW-INCOME, MULTI-UNIT APARTMENT NEIGHBORHOODS IN PLYMOUTH, MINNESOTA IT OFFERS ONSITE FAMILY AND CHILDREN SUPPORT SERVICES AND STRONG LINKS WITH COMMUNITY RESOURCES IT ALSO ENGAGES RESIDENTS IN BUILDING HEALTHY NEIGHBORHOODS YMCA RIDGEDALE BRANCH THIS GRANT SUPPORTED THE EXPANSION OF YMCA SERVICES IN MINNETONKA HEIGHTS, A VERY LOW INCOME COMMUNITY WITHIN THE TERRITORY SERVED BY PARK NICOLLET HEALTH SERVICES THE GRANT PROVIDES FOR DIRECT PROGRAM IMPLEMENTATION COSTS, INCLUDING SUPPLIES, FOOD, STAFFING, RESIDENT ASSISTANCE, TRANSPORTATION, CHILDCARE ASSISTANCE, CLASS FEES, SPORT TEAM/COMMUNITY EDUCATION FEES AND EMERGING NEEDS

Form and Line Reference	Explanation
PART VI, LINE 3	PARK NICOLLET METHODIST HOSPITAL PARTICIPATES IN MULTIPLE UNIQUE FINANCIAL ASSISTANCE PROGRAMS, INCLUDING OUR OWN FINANCIAL ASSISTANCE (FA) WE INFORM OUR PATIENTS IN MULTIPLE WAYS ABOUT OUR FA PROGRAM AND OTHER FINANCIAL ASSISTANCE OPTIONS FOR SERVICES RECEIVED AT PNHS APPROXIMATELY 14 PERCENT OF HOSPITAL PATIENTS PARTICIPATE IN STATE PUBLIC PROGRAMS AND APPROXIMATELY 2 PERCENT ARE UNINSURED A LIST OF COMMUNICATIONS FOR PATIENTS RELATING TO FINANCIAL ASSISTANCE FOLLOWS HOSPITAL BOOKLETS GIVEN TO INPATIENTS WEB SITE, FA INFORMATION FOUND IN BILLING AND INSURANCE SECTION FAQ ON FA FA CALCULATOR ONLINE CALCULATOR ALLOWS QUICK AND EASY ESTIMATION OF ELIGIBILITY UNDER THE PROGRAM FA APPLICATION APPLICATION MAY BE PRINTED FOR SUBMISSION INFORMATION ON MEDICAL ASSISTANCE, INCLUDING ELIGIBILITY AND APPLICATION PROCESS PATIENT STATEMENTS ALL BALANCE FORWARD STATEMENTS, REGARDLESS OF BALANCE, INCLUDE A FINANCIAL ASSISTANCE APPLICATION AND RESPONSES TO FREQUENTLY ASKED QUESTIONS REGARDING FAIN ADDITION TO THE WRITTEN MATERIAL, CUSTOMER SERVICE, COLLECTIONS AND HOSPITAL PATIENT ACCESS LIAISONS (PALS) INFORM PATIENTS ABOUT ASSISTANCE OPTIONS, INCLUDING GOVERNMENT PROGRAMS AND FA PALS ARE ON-SITE IN THE HOSPITAL AND CAN MEET WITH PATIENTS IN THEIR ROOMS OR PRIOR TO ADMISSION MOST CUSTOMER SERVICE AND COLLECTIONS WORK IS DONE THOUGH PHONE CALLS, BUT OUR MAIN CLINIC HAS AN ON-SITE LOCATION FOR PERSONAL CONVERSATIONS PARK NICOLLET METHODIST HOSPITAL STAFF IS TRAINED IN HELPING PATIENTS APPLY FOR MEDICAL ASSISTANCE AND HAS ALSO CONTRACTED WITH OUTSIDE SERVICES TO ASSIST PATIENTS IN THE APPLICATION PROCESS FOR MEDICAL ASSISTANCE IN MORE COMPLICATED CIRCUMSTANCES
PART VI, LINE 4	PARK NICOLLET HEALTH SERVICES IS AN INTEGRATED DELIVERY SYSTEM THAT INCLUDES PARK NICOLLET METHODIST HOSPITAL, 20 CLINIC LOCATIONS AND 10 SPECIALTY CARE CENTERS, ALL OF WHICH ARE LOCATED IN THE WEST METROPOLITAN AREA OF THE TWIN CITIES THE SERVICE AREA FOR THE SYSTEM DEFINES THE COMMUNITIES WE SERVE AND PRIMARILY INCLUDES THE COUNTIES OF HENNEPIN, CARVER, DAKOTA, AND SCOTT PARK NICOLLET HEALTH SERVICES ALSO SERVES PATIENTS IN WRIGHT, RICE, SIBLEY AND LE SEUER COUNTIES PARK NICOLLET HEALTH SERVICES DRAWS PATIENTS FROM A LARGER 96 ZIP CODE SERVICE AREA PARK NICOLLET METHODIST HOSPITAL'S PRIMARY CATCHMENT AREA COVERS A SMALLER 28 ZIP CODE SERVICE AREA NINETY PERCENT OF PARK NICOLLET'S OUTPATIENT CLINIC VISITS AND 88 PERCENT OF METHODIST HOSPITAL ADMISSIONS COME FROM THE 96 ZIP CODE SERVICE AREA FIFTY-FOUR PERCENT OF METHODIST HOSPITAL ADMISSIONS COME FROM THE 28 ZIP CODE SERVICE AREA THE POPULATION DENSITY IN THE PARK NICOLLET SERVICE AREA CONSISTS OF A MIX OF URBAN, SUBURBAN, EXURBAN AND RURAL COMMUNITIES IN ORDER TO FIT OUR ANALYSIS TO MORE SPECIFIC COMMUNITIES WITHIN THE BROADER SERVICE AREA, OUR ASSESSMENT FOCUSED ON THE SUB SERVICES AREAS DEFINED IN THE FOLLOWING MANNER CORE SERVICE AREA MINNEAPOLIS SERVICE AREA NORTH EAST SERVICE AREA NORTH WEST SERVICE AREA SOUTH EAST SERVICE AREA SOUTH WEST SERVICE AREA WEST SERVICE AREATHIS BREAKDOWN ASSURES THAT NEEDS ARE PROPERLY IDENTIFIED IN ACCORDANCE WITH THE SPECIFIC POPULATION OF PATIENTS SERVED BY SERVICE AREA AND REFLECTS POPULATION DENSITY SOCIO-ECONOMIC FACTORS IT ALSO PERMITS SURVEY AND FOCUS GROUP RESPONDENTS TO SPEAK TO NEEDS BASED UPON THEIR OWN LOCAL COMMUNITY POPULATION DEMOGRAPHICSBASED ON 2010 ESTIMATES, 1 65 MILLION PEOPLE RESIDE WITHIN THE PARK NICOLLET 96 ZIP CODE SERVICE AREA 535,000 PEOPLE (ONE-THIRD) RESIDE WITHIN THE SMALLER 28 ZIP CODE SERVICE AREA POPULATION DENSITY VARIES BY THE SEVEN SERVICE AREAS PARK NICOLLET SERVES AND IS DESCRIBED BELOW CORE SERVICE AREA (401,085) MINNEAPOLIS SERVICE AREA (249,171) NORTH EAST SERVICE AREA (184,062) NORTH WEST SERVICE AREA (226,685) SOUTH EAST SERVICE AREA (334,393) SOUTH WEST SERVICE AREA (101,825) WEST SERVICE AREA (157,176)PARK NICOLLET'S SERVICE AREA (96 ZIP CODES) IS ESTIMATED TO GROW 3 2 PERCENT IN THE NEXT FIVE YEARS THE MOST SIGNIFICANT GROWTH IN POPULATIONS IS PROJECTED TO OCCUR IN THE SUBURBAN AND EX-URBAN SERVICE AREAS WHILE THE CORE SERVICE AREA, THE MINNEAPOLIS SERVICE AREA, AND THE NORTH EAST SERVICE AREA POPULATIONS ARE EXPECTED TO EXPERIENCE NO GROWTH DURING THE NEXT 20 YEARS THE POPULATION GROWTH IN THE BROADER PARK NICOLLET SERVICE AREA IS EXPECTED TO GROW BY LESS THAN 1 PERCENT PER YEAR, HOWEVER, THE BIGGEST CHANGE DURING THIS 20 YEAR PERIOD WILL BE THE AGING OF THE POPULATION SERVED BY PARK NICOLLET DURING THE NEXT 20 YEARS THE 65-PLUS AGE GROUP IS ESTIMATED TO MORE THAN DOUBLE THE FOLLOWING SECTION DESCRIBES THE DEMOGRAPHIC CONSTITUENCIES SERVED BY PARK NICOLLET HEALTH SERVICES THE AGING POPULATION THE CORE SERVICE AREA CONTAINS A MORE AGED DEMOGRAPHIC THAN THE OTHER SERVICE AREAS SERVED BY PARK NICOLLET IN THE CORE SERVICE AREA, 15 PERCENT OF THE POPULATION IS 65-PLUS YEARS OLD AND 45 PERCENT ARE 45-PLUS YEARS OLD THE NORTH WEST AND THE SOUTH EAST SERVICE AREAS HAVE A LOW DISTRIBUTION OF POPULATION AGED 65-PLUS THE FIRST RING SUBURBS (GOLDEN VALLEY, RICHFIELD, ST LOUIS PARK, NEW HOPE AND EDINA) HAVE LARGE SENIOR POPULATIONS THERE ARE ALSO DENSE POCKETS OF AGED (65-PLUS) IN BURNSVILLE, APPLE VALLEY, MINNEAPOLIS, BROOKLYN CENTER, BROOKLYN PARK, WAYZATA AND EXCELSIOR 30 PERCENT OF SENIORS IN THE PARK NICOLLET SERVICE AREA ARE CURRENTLY IN SITUATIONS WHERE THEY ARE LIVING ALONE MINORITY POPULATIONS PARK NICOLLET HEALTH SERVICES SERVICE AREA CONTAINS A VERY DIVERSE POPULATION OF PATIENTS THERE IS WIDE VARIATION IN POPULATIONS SERVED ACROSS THE SEVEN SUB-SERVICE AREAS THE NORTH EAST SERVICE AREA AND THE MINNEAPOLIS SERVICE AREA HAVE THE LARGEST MINORITY POPULATIONS, 49 PERCENT AND 40 PERCENT RESPECTIVELY THE WEST AND THE NORTH WEST SERVICE AREAS HAVE LOW MINORITY POPULATIONS, 7 PERCENT AND 8 PERCENT RESPECTIVELY THE MOST PREVALENT MINORITY GROUPS ALSO VARY BY SERVICE AREA HISPANIC POPULATION IS THE TOP MINORITY GROUP IN THREE OF SEVEN SERVICE AREAS (MINNEAPOLIS, SOUTH WEST AND WEST) ASIAN POPULATION IS THE TOP MINORITY GROUP IN THREE OF SEVEN SERVICE AREAS (CORE, NORTH WEST AND SOUTH EAST) BLACK POPULATION IS THE TOP MINORITY GROUP IN ONE OF THE SEVEN SERVICE AREAS (NORTH EAST)MINORITY POPULATION DENSITY IS GREATER IN AREAS IN OR NEAR TO THE URBAN CORE OF THE TWIN CITIES DURING THE NEXT FIVE YEARS, THE PARK NICOLLET SERVICE AREA POPULATION IS ESTIMATED TO GROW BY 3 8 PERCENT THE MINORITY POPULATIONS ARE EXPECTED TO ACCOUNT FOR 79 PERCENT OF THAT GROWTH POPULATION GROWTH IN THE HISPANIC POPULATION IS EXPECTED TO SEE THE LARGEST INCREASE OVER THE NEXT FIVE YEARS (22 3 PERCENT) THE LARGEST PORTION OF THE INCREASE IN THE HISPANIC POPULATION IS EXPECTED TO OCCUR IN THE MINNEAPOLIS SERVICE AREA NEARLY ALL SERVICE AREAS EXPECT TO SEE DOUBLE DIGIT INCREASES IN MINORITY POPULATIONS THROUGH 2015 POPULATION INCOME AND ACCESS TO INSURANCE THE DIVERSITY IN INCOME IN THE PARK NICOLLET SERVICE AREA ALSO IS WIDE-RANGING WHILE THE PARK NICOLLET SERVICE AREA CONTAINS 22 OF THE TOP 25 WEALTHIEST ZIP CODES (SITUATED IN THE WEST/NORTH WEST SERVICE AREAS), THE EASTERN SERVICE AREA CONTAINS SEVERAL LOW INCOME ZIP CODES (CORE, MINNEAPOLIS, NORTH EAST SERVICE AREAS) THE WEST, NORTH WEST, SOUTH EAST AND SOUTH WEST SERVICE AREAS HAVE THE HIGHEST DISTRIBUTION OF UPPER INCOME HOUSEHOLDS LIKE INCOME, THE SUBURBAN/EXURBAN SERVICE AREAS (NORTH WEST, SOUTH EAST, SOUTH WEST AND WEST) HAVE A HIGH PERCENTAGE OF THE POPULATION THAT IS COMMERCIALLY INSURED (80-PLUS PERCENT) THE SUB-SERVICE AREAS WITH THE HIGHEST PERCENT OF MEDICARE PATIENTS INCLUDE THE CORE (16 PERCENT), MINNEAPOLIS (10 8 PERCENT), NORTH EAST (10 5 PERCENT) AND WEST (10 4 PERCENT) THE MINNEAPOLIS AND THE NORTH EAST SERVICE AREAS HAVE HIGH MEDICAID POPULATIONS COMPARED TO THE OTHER SERVICE AREAS, WITH THE MINNEAPOLIS SERVICE AREA HAVING 16 7 PERCENT AND THE NORTH EAST SERVICE AREA HAVING 14 3 PERCENT

Form and Line Reference	Explanation
PART VI, LINE 6	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 PARK NICOLLET METHODIST HOSPITAL IS PART OF PARK NICOLLET HEALTH SERVICES, AN INTEGRATED HEALTH SYSTEM OTHER AFFILIATES INCLUDE 1) PARK NICOLLET CLINICS IN 19 LOCATIONS, AND OTHER CARE LOCATIONS, 2) PARK NICOLLET FOUNDATION, THE PHILANTHROPIC ARM OF PARK NICOLLET HEALTH SERVICES HELPING TO BRING RESOURCES TO NEEDS IN ITS COMMUNITIES, 3) PARK NICOLLET INSTITUTE, FOCUSED ON EDUCATION AND RESEARCH FOR PARK NICOLLET HEALTH SERVICES AND ITS COMMUNITY, 4)PARK NICOLLET HEALTH CARE PRODUCTS, PROVIDING RETAIL PHARMACY AND HEALTH RELATED PRODUCTS THROUGH EXISTING PARK NICOLLET LOCATIONS ALL AFFILIATES ARE UNDER A COMMON BOARD OF DIRECTORS PARK NICOLLET FOUNDATION HAS A SEPARATE BOARD WHICH IS OVERSEEN BY THE PARK NICOLLET HEALTH SERVICES BOARD THE COMMUNITIES HEALTH NEEDS ARE SHARED AMONG THE AFFILIATES AND DECISIONS REGARDING THE EFFECTIVE USE OF RESOURCES TO RESPOND TO THESE NEEDS ARE COORDINATED A SPECIFIC EXAMPLE OF THIS COORDINATION OF SERVICES TO RESPOND TO COMMUNITY NEED IS WITH THE FOUR SCHOOL-AFFILIATED COMMUNITY CLINICS INITIAL DEVELOPMENT, FUNDING AND ONGOING FACILITATION IS PROVIDED BY THE PARK NICOLET FOUNDATION, STAFFING THROUGH THE PARK NICOLLET CLINICS, LABORATORY AND OTHER DIAGNOSTIC SERVICES THROUGH PARK NICOLLET METHODIST HOSPITAL, AND OUTPATIENT MEDICATIONS, EYE GLASSES, AND DME SUPPLIES THROUGH PARK NICOLLET HEALTH CARE PRODUCTS
PART VI, LINE 7, REPORTS FILED WITH STATES	MN

Additional Data

Software ID:
Software Version:
EIN: 45-5023260
Name: PARK NICOLLET GROUP RETURN

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	STRUTHER'S PARKINSON CENTER 6701 COUNTRY S PARKINSON CENTER GOLDEN VALLEY, MN 55427	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
2	PARK NICOLLET MELROSE INSTITUTE 3625 MONTEREY DRIVE ST LOUIS PARK, MN 55416	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
3	3900 CLINICAMBULATORY SURGICAL CENTER 3900 PARK NICOLLET BOULEVARD ST LOUIS PARK, MN 55416	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
4	MEADOWBROOK MEDICAL BUILDING 3931 LOUISIANA AVE S ST LOUIS PARK, MN 55426	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
5	PRAIRIE CENTER 8455 FLYING CLOUD DRIVE EDEN PRAIRIE, MN 55344	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
6	BLOOMINGTON CLINIC 5320 HYLAND GREENS DRIVE BLOOMINGTON, MN 55437	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
7	BROOKDALE CLINIC 6000 EARLE BROWN DRIVE BROOKLYN CENTER, MN 55430	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
8	BURNSVILLE CLINIC 1400 FAIRVIEW DRIVE BURNSVILLE, MN 55337	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
9	CARLSON PARKWAY CLINIC 15111 TWELVE OAKS CENTER DRIVE MINNETONKA, MN 55305	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
10	CHANHASSEN CLINIC 300 LAKE DRIVE E CHANHASSEN, MN 55317	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
11	CREEKSIDE 6600 EXCELSIOR BLVD ST LOUIS PARK, MN 55426	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
12	CT-MRI CENTER 4951 EXCELSIOR BLVD ST LOUIS PARK, MN 55416	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
13	EAGAN CLINIC 1885 PLAZA DRIVE EAGAN, MN 55122	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
14	GOLDEN VALLEY CLINIC 8240 GOLDEN VALLEY DRIVE GOLDEN VALLEY, MN 55427	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
15	LAKEVILLE CLNIC 18432 KENRICK AVE LAKEVILLE, MN 55044	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
16	MAPLE GROVE CLNIC 15800 95TH AVE N MAPLE GROVE, MN 55369	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
17	MAPLE GROVE OB 9855 HOSPITAL DRIVE SUITE 275 MAPLE GROVE, MN 55369	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
18	MAPLE GROVE REHAB 9827 MAPLE GROVE PKWY N MAPLE GROVE, MN 55369	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
19	MINNEAPOLIS CLINIC 2001 BLAISDELL AVE S MINNEAPOLIS, MN 55404	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
20	MINNETONKA - SHOREWOOD CLINIC 19685 HIGHWAY 7 SHOREWOOD, MN 55331	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
21	PLYMOUTH CLINIC 3007 HARBOR LANE N PLYMOUTH, MN 55447	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
22	PRIOR LAKE CLINIC 4670 PARK NICOLLET AVE SE PRIOR LAKE, MN 55372	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
23	SHAKOPEE CLINIC 1415 ST FRANCIS AVE SHAKOPEE, MN 55379	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
24	SHAKOPEE CLINIC 1515 ST FRANCIS AVE SHAKOPEE, MN 55379	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
25	SHAKOPEE CLINIC 1601 ST FRANCIS AVE SHAKOPEE, MN 55379	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
26	ST LOUIS PARK CLINIC 3800 PARK NICOLLET BLVD ST LOUIS PARK, MN 55416	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
27	ST LOUIS PARK CLINIC 3850 PARK NICOLLET BLVD ST LOUIS PARK, MN 55416	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
28	WAYZATA MEDICAL BUILDING 250 CENTRAL AVE N WAYZATA, MN 55391	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
29	ROGERS CLINIC 13688 ROGERS DRIVE ROGERS, MN 55374	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE
30	CHAMPLIN CLINIC 12142 BUSINESS PARK BLVD N CHAMPLIN, MN 55316	RESEARCH AND TREATMENT OF PARKINSON'S DISEASE

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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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) PARK NICOLLET FOUNDATION 6500 EXCELSIOR BLVD ST LOUIS PARK, MN 55426	23-7346465	501(C)(3)	212,731				GRANT MONEY TO OTHER ORGANIZATIONS
(2) MINNESOTA MEDICAL FOUNDATION 200 OAK STREET SE SUITE 300 MINNEAPOLIS, MN 55455	41-6027707	501(C)(3)	150,000				NEUROSURGERY FUND
(3) UNIVERSITY OF MN FOUNDATION 200 OAK STREET SE SUITE 500 MINNEAPOLIS, MN 55455	41-6042488	501(C)(3)	11,668				SCHOOL OF NURSING

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	21	30,000			

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

Return Reference	Explanation
PART I, LINE 2	THE PARK NICOLLET SERVICE LEAGUE HAS A STUDENT VOLUNTEER SCHOLARSHIP PROGRAM TO GIVE FINANCIAL SUPPORT TO STUDENT VOLUNTEERS WHO HAVE PROVIDED EXCEPTIONAL VOLUNTEER SERVICE AND ARE INTERESTED IN FURTHERING THEIR EDUCATIONS APPLICANTS MUST BE AN ACTIVE STUDENT VOLUNTEER, A SENIOR IN HIGH SCHOOL AND WHO HAS APPLIED TO A POST-HIGH SCHOOL EDUCATION PROGRAM AND MUST BE DEDICATED VOLUNTEER AT PARK NICOLLET METHODIST HOSPITAL OCCASIONALLY PARK NICOLLET METHODIST HOSPITAL GRANTS MONIES TO OTHER TAX-EXEMPT ORGANIZATIONS CONDUCTION PROGRAMS AND/OR RESEARCH THAT WILL ULTIMATELY BENEFIT THOSE SERVICED BY PARK NICOLLET HEALTH SERVICES AND AFFILIATES, DURING CALENDAR YEAR 2013 GRANTS WERE MADE TO PARK NICOLLET FOUNDATION FOR IMPROVEMENT TO MEDICAL SERVICES, MEDICAL RESEARCH AND HEALTHY PATIENTS

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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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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
PART I, LINES 4A-B	THE AMOUNT OF SEVERANCE COMPENSATION AND BENEFITS PROVIDED TO EACH OF THE INDIVIDUALS ON SEVERANCE DURING 2013 IS AS FOLLOWS SHEILA MCMILLAN $101,077 SCHEDULE J, PART I, LINE 4B SENIOR LEADERS OF PARK NICOLLET HEALTH SERVICES AND AFFILIATES ARE GIVEN THE OPPORTUNITY TO PARTICIPATE IN THE CAPITAL ACCUMULATION ACCOUNT PLAN THE CAPITAL ACCUMULATION ACCOUNT PLAN (CAA PLAN) PARTICIPATION IS LIMITED TO SENIOR LEADERS AND ALL THE VICE PRESIDENTS EACH PARTICIPANT RECEIVES AN ANNUAL ALLOWANCE EQUAL TO THE SUM OF (I) A STATED PERCENT OF SALARY, (II) VOLUNTARY SALARY DEFERRALS THE ALLOWANCE IS CREDITED TO A BOOKKEEPING ACCOUNT EARNINGS ARE CREDITED TO THE ACCOUNT BASED ON THE PERFORMANCE OF SIMULATED INVESTMENTS BENEFITS VEST UPON THE EARLIEST OF REMAINING EMPLOYED TO AN ELECTIVE VESTING DATE (TWO YEARS TO AGE 68), INVOLUNTARY TERMINATION WITHOUT CAUSE, DISABILITY, DEATH, OR NOT COMPETING FOR 24 MONTHS FOLLOWING VOLUNTARY OR FOR-CAUSE TERMINATION BENEFITS ARE PAID IN A SINGLE LUMP SUM UPON VESTING PARTICIPANTS ARE GENERAL CREDITORS OF THE EMPLOYER FOR THE PAYMENT OF THE BENEFITS THE FOLLOWING PARTICIPANTS RECEIVED PAYOUTS FROM A RELATED ORGANIZATION, PARK NICOLLET HEALTH SERVICES, RELATED TO CAA PLAN LAST NAME FIRST NAME 2013 COMPENSATION CONNELLY, STEVEN $ 52,281 DAMROW, PAUL, MD $ 27,770 FLASCHENRIEM, JULIE $ 29,208 FRAZIER, LAURA $ 18,275 GAPSTUR, ROXANNA $ 25,322 HOMANS, DAVID $ 40,453 KAUPA, MICHAEL $ 61,277 LARSON, GARY $ 31,668 LENAGH, CATHERINE $ 17,015 LONG, BRETT $ 18,005 MCMILLAN, SHEILA $ 12,129 MISA, JOHN $ 97,612 SANDSTROM, JOAN $ 35,286 SPIEGLE, DUANE $ 26,810 WEGLEITNER, THEODORE $ 34,820 OFFICERS AND DIRECTORS EMPLOYED BY HEALTHPARTNERS, INC HAVE DEFERRED COMPENSATION IN COLUMN C OF SCHEDULE J, PART II WHICH INCLUDE AMOUNTS FROM A NONQUALIFIED 457(F) PLAN, THE FOLLOWING PARTICIPANTS RECEIVED PAYOUTS DAVID ABELSON, MD $ 113,160 BABETTE APLAND $ 9,023 MARY BRAINERD $ 130,379 BRIAN RANK, MD $ 30,313
PART I, LINE 7	ALL PHYSICIANS, EMPLOYED BY AND SEEING PATIENTS FOR PARK NICOLLET HEALTH SERVICES AND AFFILIATES, ARE ELIGIBLE FOR A 3% ACCESS INCENTIVE PAYOUT BASED ON THEIR DEPARTMENT REACHING CERTAIN GOALS INCLUDING ACCESS FOR PATIENTS AND QUALITY INITIATIVES IN THEIR ROLES AS EXECUTIVES EMPLOYED BY PARK NICOLLET HEALTH SERVICES, THE EXECUTIVES ARE ELIGIBLE FOR INCENTIVE PAYOUTS THE INCENTIVE AWARD WILL BE 30% FOR THE CFO, COO, CMO AND 25% FOR ALL OTHER EXECUTIVES WITH AN OPPORTUNITY FOR INCENTIVE CREDIT ABOVE THE TARGET LEVEL THE ULTIMATE PAYOUT INCLUDES A REDUCTION/INCREASE MULTIPLIER DEPENDING ON WHETHER THE CONSOLIDATED PARK NICOLLET HEALTH SERVICES ORGANIZATION REACHED THAT YEAR'S OPERATING MARGIN GOAL AS SET BY THE BOARD OF DIRECTORS EACH PARTICIPANT WILL BE RESPONSIBLE FOR TWO FINANCIAL GOALS, AND NOT LESS THAN THREE AND NOT MORE THAN FIVE INDIVIDUAL STRATEGIC OBJECTIVES IN THEIR ROLES AS MANAGEMENT EMPLOYED BY PARK NICOLLET HEALTH SERVICES, CERTAIN MANAGERS ARE ELIGIBLE FOR INCENTIVE PAYOUTS THE INCENTIVE AWARD WILL BE 15% OF THEIR ANNUAL BASE PAY COMPENSATION WITH AN OPPORTUNITY FOR INCENTIVE CREDIT ABOVE THE TARGET LEVEL THE ULTIMATE PAYOUT INCLUDES A REDUCTION/INCREASE MULTIPLIER DEPENDING ON WHETHER THE CONSOLIDATED PARK NICOLLET HEALTH SERVICES ORGANIZATION REACHED THAT YEAR'S OPERATING MARGIN GOAL AS SET BY THE BOARD OF DIRECTORS INCENTIVE PAYMENTS ARE A FUNCTION OF BOTH INDIVIDUAL AND ORGANIZATIONAL PERFORMANCE THE PARTICIPANT MUST BE ASSIGNED AT LEAST THREE, AND NOT MORE THAN FOUR FOCUSED INCENTIVE OBJECTIVE, ONE OF WHICH MUST BE FINANCIAL IN NATURE

Additional Data

Software ID:
Software Version:
EIN: 45-5023260
Name: PARK NICOLLET GROUP RETURN

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				
THOMAS JONES MD DIRECTOR	(I) (II)	588,321 0	20,367 0	68,532 0	0 0	52,717 0	729,937 0	0 0
JEFF MENDELOFF MD DIRECTOR	(I) (II)	625,741 0	18,870 0	55,217 0	0 0	59,551 0	759,379 0	0 0
ERIC SCHNED MD DIRECTOR	(I) (II)	252,453 0	7,391 0	55,390 0	0 0	46,868 0	362,102 0	0 0
BRIAN H RANK MD DIRECTOR	(I) (II)	0 538,408	0 144,639	0 50,971	0 167,347	0 41,489	0 942,854	0 27,358
DAVID ABELSON MD SR EXEC VP & CEO PN	(I) (II)	0 889,915	0 367,419	0 153,547	0 230,400	0 61,535	0 1,702,816	0 0
BABETTE APLAND VP BEHAVIORAL HEALTH AND COO MELROSE	(I) (II)	0 296,526	0 82,373	0 42,416	0 80,472	0 37,308	0 539,095	0 269,491
CURT BOEHMMD CMIO	(I) (II)	0 229,248	0 70,624	0 2,656	0 0	0 40,884	0 343,412	0 0
STEVEN CONNELLY MD CMO SYSTEM ALIGNMENT & INTEGRATION	(I) (II)	0 494,416	0 165,631	0 64,162	0 59,760	0 72,197	0 856,166	0 0
PAUL DAMROW MD CHIEF SURGICAL SERVICES	(I) (II)	0 602,745	0 100,689	0 40,376	0 29,318	0 62,979	0 836,107	0 27,670
JULIE FLASCHENRIEM VP AND CIO	(I) (II)	0 280,423	0 79,086	0 43,048	0 34,620	0 67,576	0 504,753	0 29,209
LAURA FRAZIER VP SURGICAL SERVICES	(I) (II)	0 226,033	0 68,544	0 24,702	0 27,720	0 55,698	0 402,697	0 18,275
ROXANNA GAPSTUR PHD SR VP & COO METHODIST HOSPITAL	(I) (II)	0 285,729	0 80,685	0 34,191	0 36,780	0 46,806	0 484,191	0 25,322
CHRISTA GETCHELL PRESIDENT PNF, VP COMMUNITY ADVANCEM	(I) (II)	0 189,577	0 61,036	0 8,779	0 17,280	0 40,532	0 317,204	0 0
DAVID HOMANS MD CHIEF SPECIALTY SSERVICES	(I) (II)	0 539,526	0 11,298	0 60,389	0 49,613	0 54,626	0 715,452	0 0
MICHAEL KAUPA EXEC VP & SYSTEM ALIGNMENT & INTEGRA	(I) (II)	0 527,715	0 260,755	0 76,304	0 63,600	0 74,026	0 1,002,400	0 61,278
KATE KLUGHERZ VP SPECIALTY SERVICES	(I) (II)	0 217,591	0 65,986	0 8,637	0 19,350	0 40,048	0 351,612	0 0
GARY LARSON VP FINANCIAL SERVICES	(I) (II)	0 182,622	0 60,116	0 41,213	0 10,378	0 44,259	0 338,588	0 31,668
CATHERINE LENAGH VP & CFO	(I) (II)	0 214,802	0 63,926	0 27,346	0 25,545	0 56,915	0 388,534	0 17,015
BRETT LONG VP STRATEGY & GROWTH, HR	(I) (II)	0 224,775	0 63,151	0 27,680	0 27,600	0 58,793	0 401,999	0 18,056
KRISTI LYON VP PAYER RELATIONS	(I) (II)	0 150,206	0 31,322	0 8,002	0 10,140	0 40,493	0 240,163	0 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOHN MISA MD CHIEF PRIMARY CARE	(I) (II)	0 357,338	0 109,413	0 116,184	0 43,200	0 54,620	0 680,755	0 97,812
JOAN SANDSTROM VP PRIMARY CARE	(I) (II)	0 264,094	0 80,518	0 48,304	0 32,160	0 55,129	0 480,205	0 35,266
MELISSA SCHOENHERR VP MARKETING AND COMMUNICATIONS & CM	(I) (II)	0 207,826	0 58,300	0 7,678	0 19,350	0 37,579	0 330,733	0 0
CYNTHIA TOHER MD CHIEF IMPATIENT SERVICES	(I) (II)	0 504,101	0 140,075	0 16,539	0 48,571	0 65,537	0 774,823	0 0
DUANE SPIEGLE VP REAL ESTATE AND SUPPORT SERVICES	(I) (II)	0 204,974	0 74,851	0 38,083	0 18,900	0 63,981	0 400,789	0 26,810
KATHERINE TARVESTAD VP AND CARE GROUP COMPLIANCE OFFICER	(I) (II)	0 253,901	0 86,637	0 9,807	0 30,900	0 21,626	0 402,871	0 0
THEODORE WEGLEITNER COO TRIA	(I) (II)	0 258,188	0 75,321	0 47,319	0 31,560	0 66,969	0 479,357	0 34,820
JOSHUA ZIMMERMAN CHIEF OF BEHAVORIAL HEALTH	(I) (II)	0 314,986	0 34,616	0 11,324	0 26,460	0 45,417	0 432,803	0 0
SHELIA MCMILLAN VP & CFO	(I) (II)	0 314,858	0 160,679	0 284,813	0 21,900	0 64,605	0 846,855	0 174,864
ROBERT WERLING MD MEDICAL DOCTOR	(I) (II)	799,487 0	26,070 0	3,151 0	0 0	61,420 0	890,128 0	0 0
OLIVER CASS MD MEDICAL DOCTOR	(I) (II)	784,709 0	23,334 0	5,252 0	0 0	62,290 0	875,585 0	0 0
MARNI FELDMANN MD MEDICAL DOCTOR	(I) (II)	782,969 0	23,448 0	1,356 0	0 0	61,116 0	868,889 0	0 0
DANE CHRISTENSEN MD MEDICAL DOCTOR	(I) (II)	802,739 0	20,057 0	1,330 0	0 0	62,447 0	886,573 0	0 0
TIMOTHY DIEGEL MD MEDICAL DOCTOR	(I) (II)	529,089 0	17,902 0	236,003 0	0 0	44,151 0	827,145 0	0 0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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
(1) ROBERT WERLING MD		SALARY DRAW IN EXCESS		X	15,092	15,092		No		No		No
(2) DANE CHRISTENSEN MD		SALARY DRAW IN EXCESS		X	35,378	35,378		No		No		No
(3) MARNI FELDMANN MD		SALARY DRAW IN EXCESS		X	11,513	11,513		No		No		No
(4) TIMOTHY DIEGEL MD		SALARY DRAW IN EXCESS		X	7,296	7,296		No		No		No
Total		▶ $				69,279						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) RANDI NORBY	ROXANNA GAPSTUR, PHD	127,577	EMPLOYMENT	Yes	
(2) SUSAN SPIEGLE	DUANE SPIEGLE	44,342	EMPLOYMENT	Yes	

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
PARK NICOLLET GROUP RETURN

Employer identification number

45-5023260

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4	AS OF JANUARY 1, 2013, PARK NICOLLET METHODIST HOSPITAL AND PARK NICOLLET CLINIC ADOPTED AMENDED AND RESTATED BYLAWS THIS OCCURRED IN CONJUNCTION WITH PARK NICOLLET HEALTH SERVICES AND ITS SUBSIDIARIES BECOMING PART OF THE HEALTHPARTNERS ORGANIZATION OF RELATED HEALTH CARE DELIVERY AND FINANCING ENTITIES THE CHANGES TO THE BYLAWS ALIGNED THE LANGUAGE AND PROVISIONS WITH THE AMENDED AND RESTATED BYLAWS OF PARK NICOLLET HEALTH SERVICES, AND ARE NOT MATERIAL CHANGES NOTABLY, FOR THE SIGNIFICANT MATTERS THAT REQUIRE SUPERMAJORITY APPROVAL OF THE BOARD, THE AMENDED BYLAWS LOWER THE THRESHOLD FROM 3/4S OF ALL DIRECTORS TO 2/3RDS OF ALL DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	PARK NICOLLET HEALTH SERVICES IS THE SOLE MEMBER OF PARK NICOLLET METHODIST HOSPITAL, PARK NICOLLET CLINIC, PARK NICOLLET INSTITUTE AND PARK NICOLLET HEALTH CARE PRODUCTS PARK NICOLLET CLINIC IS THE SOLE MEMBER OF PNMC HOLDINGS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE BOARD OF DIRECTORS OF PARK NICOLLET METHODIST HOSPITAL, PARK NICOLLET CLINIC, PARK NICOLLET INSTITUTE, PNMC HOLDINGS AND PARK NICOLLET HEALTH CARE PRODUCTS ARE THOSE INDIVIDUALS WHO ARE CONTEMPORANEOUSLY MEMBERS OF THE BOARD OF DIRECTORS OF PARK NICOLLET HEALTH SERVICES

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	ALL DECISIONS, INCLUDING DISSOLUTION OF THE ORGANIZATION, MADE BY THE GOVERNING BODY OF PARK NICOLLET METHODIST HOSPITAL, PARK NICOLLET CLINIC, PARK NICOLLET INSTITUTE, PNMC HOLDINGS AND PARK NICOLLET HEALTH CARE PRODUCTS ARE SUBJECT TO THE APPROVAL OF THE BOARD OF DIRECTORS OF PARK NICOLLET HEALTH SERVICES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	PARK NICOLLET GROUP PREPARES THE FORM 990 WITHIN THE FINANCE DEPARTMENT WITH ASSISTANCE FROM INDIVIDUALS IN HUMAN RESOURCES, MARKETING, AND OPERATIONS UPON COMPLETION OF GATHERING THE NECESSARY INFORMATION FOR THE RETURN, THE FORM WAS REVIEWED BY THE PARK NICOLLET GROUP'S ACCOUNTING FIRM DRAFTS OF THE FORM WERE ALSO REVIEWED BY THE ASSISTANT CONTROLLER - ACCOUNTING OPERATIONS, VICE PRESIDENT OF FINANCE, CHIEF FINANCIAL OFFICER, AND THE AUDIT AND COMPLIANCE COMMITTEE. AFTER ALL REVIEWS WERE COMPLETE, THE FORM 990 WAS GIVEN TO EACH MEMBER OF THE BOARD OF DIRECTORS FOR APPROVAL PRIOR TO FILING THE RETURN

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	AT PARK NICOLLET HEALTH SERVICES ALL KEY EMPLOYEES, DIRECTORS, AND OFFICERS ARE REQUIRED TO FILL OUT A CONFLICT OF INTEREST DISCLOSURE STATEMENT EACH YEAR, HOWEVER THE OBLIGATION TO REPORT POTENTIAL CONFLICTS IS ONGOING PARK NICOLLET HEALTH SERVICES BOARD MONITORS POTENTIAL CONFLICTS OF INTEREST ON THE PART OF BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES PURSUANT TO ITS CONFLICT OF INTEREST POLICY UNDER THE POLICY, ALL BOARD MEMBERS AND OFFICERS ANNUALLY ARE PROVIDED A COPY FO THE POLICY AND REQUIRED TO COMPLETE A QUESTIONNAIRE INDENTIFYING ANY POTENTIAL CONFLICTS OF INTEREST THE GENERAL COUNCEL REVIEWS THE COMPLETED QUESTIONNAIRES AND PROVIDES A REPORT TO THE GOVERNANCE COMMITTEE OF THE BOARD THE REPORT IDENTIFIES ANY SIGNIFICANT POTENTIAL CONFLICTS DISCLOSED IN THE COMPLETED QUESTIONNAIRES A WRITTEN REPORT IS PROVIDED TO THE CHAIR AND CHIEF EXECUTIVE OFFICER (CEO) BOARD AGENDAS AND EXECUTIVE DECISIONS ARE MONITORED IN RELATION TO THIS POLICY `

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE PARK NICOLLET HEALTH SERVICES' BOARD OF DIRECTORS IS RESPONSIBLE FOR THE IMPLEMENTATION AND OVERSIGHT OF EXECUTIVE COMPENSATION AND BENEFIT PLANS PARK NICOLLET USES AN OUTSIDE CONSULTANT TO PROVIDE A YEARLY MARKET BASED INDEX OF SALARY ADJUSTMENTS FOR EXECUTIVES IN SIMILAR LEADERSHIP POSITIONS THE BOARD OF DIRECTORS REVIEWS THE SALARY RANGES AND RECOMMENDS SALARY INCREASES FOR EACH EXECUTIVE, INCLUDING THE CEO, BASED UPON THE BOARD OF DIRECTORS' EVALUATION OF JOB PERFORMANCE AND EXPERIENCE LEVEL OF THE INDIVIDUAL WITHIN THE ORGANIZATION THE AVERAGE SALARY INCREASES FOR ALL PARK NICOLLET EXECUTIVES CANNOT EXCEED THE AVERAGE MARKET SALARY INCREASE REPORTED FOR EXECUTIVES BY THE CONSULTANT THE COMPENSATION COMMITTEE THEN REVIEWS AND APPROVES COMPENSATION ADJUSTMENTS BASED ON THE INFORMATION PROVIDED BY THE OUTSIDE CONSULTANTS AND THE BOARD OF DIRECTORS' RECOMMENDATIONS FOR CERTAIN PHYSICIANS, THE MAJORITY OF PAY DISCLOSED IS FOR HIS/HER WORK AS A PHYSICIAN FOR PARK NICOLLET INSTITUTE OR PARK NICOLLET CLINIC A SMALL STIPEND IS ADDED FOR SERVING ON THE BOARD OF DIRECTORS THE FOLLOWING IS A DESCRIPTION OF HOW PAY FOR PHYSICIANS' PATIENT CARE WORK IS DETERMINED THE PARK NICOLLET HEALTH SERVICES' BOARD OF DIRECTORS IS RESPONSIBLE FOR THE IMPLEMENTATION AND OVERSIGHT OF THE PHYSICIAN COMPENSATION AND BENEFIT PLANS THE BOARD OF DIRECTORS DELEGATES THE DAY-TO-DAY ADMINISTRATION OF THE PHYSICIAN COMPENSATION PLAN TO THE CEO THE CHIEF MEDICAL OFFICER, WHO REPORTS DIRECTLY TO THE CEO, ADMINISTERS THE COMPENSATION PROGRAM A COMPENSATION AND BENEFITS COMMITTEE SERVES IN AN ADVISORY CAPACITY TO THE CMO IN ORDER TO ADMINISTER PHYSICIAN COMPENSATION WITHIN THE BUDGET TO ENSURE FAIRNESS AND ALIGNMENT WITH PARK NICOLLET HEALTH SERVICES' GOALS THE RESPONSIBILITIES OF THE CMO RECOMMENDING COMPENSATION POLICIES AND PLAN DESIGNS FOR PHYSICIANS TO THE CEO AND BOARD OF DIRECTORS, OVERSEEING COMPENSATION PLAN OPERATION AND PAYMENTS TO CLINICAL DEPARTMENTS, EVALUATING COMPENSATION PLAN FOR PERFORMANCE ON A PERIODIC BASIS, SERVING AS FINAL APPEAL PROCESS FOR ISSUES UNRESOLVED BY INDIVIDUALS, DEPARTMENT CHAIRS AND CHIEFS OF SERVICES ANNUALLY, INFORMATION ON EACH PHYSICIAN'S PAY AND PRODUCTIVITY IS GRAPHED AGAINST THE SURVEY RESULTS FOR THE SAME YEAR THIS INFORMATION IS PRESENTED TO THE COMPENSATION COMMITTEE OF THE PARK NICOLLET HEALTH SERVICES BOARD OF DIRECTORS FOR REVIEW PARK NICOLLET HEALTH SERVICES' PHYSICIAN PAY PROGRAM IS DESIGNED TO ENSURE MARKET BASED PAY FOR MARKET BASED PRODUCTIVITY STANDARDS THE MARKET IS DETERMINED BY THE AMERICAN MEDICAL GROUP ASSOCIATION (AMGA) NATIONAL PHYSICIAN COMPENSATION SURVEY DATA, WHICH PROVIDES MARKET DATA FOR BOTH COMPENSATION AND PRODUCTIVITY WHEN APPROPRIATE, THE CMO MAY RECOMMEND ADJUSTMENTS TO THESE GUIDELINES WITH EVIDENCE OF LOCAL MARKET DATA

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	PARK NICOLLET GROUP MEMBERS' GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST PARK NICOLLET HEALTH SERVICES, AS THE PARENT ORGANIZATION OF THE PARK NICOLLET GROUP, MAILS ITS CONSOLIDATED AUDITED FINANCIAL STATEMENTS TO FINANCIAL INSTITUTIONS, GOVERNMENTAL INSTITUTIONS, BOARD MEMBERS, MEDIA REPRESENTATIVES, VENDORS, AND THE MINNESOTA HOSPITAL ASSOCIATION (MHA) PARK NICOLLET HEALTH SERVICES DISCLOSES QUARTERLY FINANCIAL STATEMENTS TO BONDHOLDERS AND MHA THE ANNUAL AUDITED AND QUARTERLY FINANCIAL STATEMENTS ARE ALSO POSTED AT EMMA MSRB ORG THE FORMS 990 ARE AVAILABLE UPON REQUEST OR FROM THE STATE OF MINNESOTA OR AT GUIDESTAR ORG

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NET ASSETS RELEASED FROM RESTRICTIONS 279,748 GRANTS RUN THROUGH THE FOUNDATION -1,090,351

Return Reference	Explanation
PAGE 1, LINE H(A)	LIST OF SUBORDINATE ORGANIZATIONS NAME, ADDRESS AND EINS PARK NICOLLET METHODIST HOSPITAL 41-0132080 6500 EXCELSIOR BLVD, ST LOUIS PARK MN 55426 PARK NICOLLET INSTITUTE 41-0961862 3800 PARK NICOLLET BLVD ST LOUIS PARK MN 55416 PARK NICOLLET HEALTH CARE PRODUCTS 01-0638901 3800 PARK NICOLLET BLVD ST LOUIS PARK MN 55416 PARK NICOLLET CLINIC 41-0834920 3800 PARK NICOLLET BLVD ST LOUIS PARK MN 55416 PNMC HOLDINGS 41-1741792 3800 PARK NICOLLET BLVD ST LOUIS PARK MN 55416

Return Reference	Explanation
FORM 990 PART IV LINE 24A	PARK NICOLLET HEALTH SERVICES, ALONG WITH RELATED ORGANIZATIONS, IS JOINTLY LIABLE FOR THE TAX EXEMPT BONDS HELD BY PARK NICOLLET HEALTH SERVICES UNDER A MASTER TRUST AGREEMENT THE MEMBERS OF THE JOINTLY LIABLE GROUP, WHICH IS COLLECTIVELY REFERRED TO AS THE "OBLIGATED GROUP", INCLUDE PARK NICOLLET CLINIC, PARK NICOLLET METHODIST HOSPITAL, PNMC HOLDINGS, PARK NICOLLET INSTITUTE, AND PARK NICOLLET HEALTH CARE PRODUCTS IN ACCORDANCE WITH REPORTING REQUIREMENTS FOR SCHEDULE K, ALL OUTSTANDING TAX EXEMPT BONDS ARE REPORTED SOLELY ON THE SCHEDULE K OF PARK NICOLLET HEALTH SERVICES

Return Reference	Explanation
PART V LINE 3A	PARK NICOLLET HEALTH CARE PRODUCTS HAS UNRELATED BUSINESS GROSS INCOME OVER $1,000

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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
PARK NICOLLET GROUP RETURN

Employer identification number
45-5023260

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) METHODIST BRAIN LAB LEASING LLC 6500 EXCELSIOR BLVD ST LOUIS PARK, MN 55426 20-8725994	HEALTH CARE	MN	PARK NICOLLET METHODIST HOSPITAL					No			No	

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) No
See Additional Data Table									

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
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		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
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		No
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		No
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

Additional Data

Software ID:
Software Version:
EIN: 45-5023260
Name: PARK NICOLLET GROUP RETURN

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) PARK NICOLLET HEALTH SERVICE 6500 EXCELSIOR BLVD ST LOUIS PARK, MN 55426 36-3465840	HEALTH CARE ADMINSTRATIONS	MN		LINE 11C, III-FI			No
(1) PARK NICOLLET FOUNDATION 6500 EXCELSIOR BLVD ST LOUIS PARK, MN 55426 23-7346465	GRANTS TO SERVE THE COMMUNITY	MN	501(C)(1)	LINE 7	PARK NICOLLET HEALTH SERVICES	Yes	
(2) TRIA ORTHOPEADIC CENTER RESEARCH INSTITUTE 8100 NOIRTHLAND DRIVE BLOOMINGTON, MN 55431 20-0033919	HEALTH CARE RESEARCH AND EDUCATION	MN	501(C)(1)	LINE 11A, I	PARK NICOLLET HEALTH SERVICES	Yes	
(3) HEALTHPARTNERS INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1693838	HYBRID STAFF MODEL/NETWORK MODEL HEALTH MAINTENANCE ORGANIZATION	MN	501(C)(4)	509(A)(3) TYPE I	N/A	Yes	
(4) HPI - RAMSEY 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1793333	CORPORATE PLANNING AND OVERSIGHT	MN	501(C)(3)	509(A)(3) TYPE I	HEALTHPARTNERS INC	Yes	
(5) GROUP HEALTH PLAN INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-0797853	STAFF MODEL HEALTH MAINTENANCE ORGANIZATION	MN	501(C)(3)	170(B)(1)(A)(III)	HEALTHPARTNERS INC	Yes	
(6) HEALTHPARTNERS INSTITUTE FOR EDUCATION AND RESEARCH 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1670163	HEALTHCARE EDUCATION & RESEARCH	MN	501(C)(3)	509(A)(3) TYPE I	GROUP HEALTH PLAN INC	Yes	
(7) CAPITOL VIEW TRANSITIONAL CARE CENTER 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-2011453	POST HOSPITALIZATION PATIENT CARE	MN	501(C)(3)	170(B)(1)(A)(III)	HPI - RAMSEY	Yes	
(8) REGIONS HOSPITAL 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-0956618	HOSPITAL	MN	501(C)(3)	170(B)(1)(A)(III)	HPI - RAMSEY	Yes	
(9) REGIONS HOSPITAL FOUNDATION 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1888902	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	MN	501(C)(3)	170(B)(1)(A)(VI)	HPI - RAMSEY	Yes	
(10) RHSC INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1891928	HEALTHCARE STAFFING	MN	501(C)(3)	509(A)(3) TYPE II	HEALTHPARTNERS INC	Yes	
(11) RH-WISCONSIN 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 20-2287016	CORPORATE PLANNING AND OVERSIGHT	WI	501(C)(3)	509(A)(3) TYPE II	HPI - RAMSEY	Yes	
(12) PHYSICIANS NECK AND BACK CLINICS 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 27-0684883	SPECIALTY PATIENT CARE	MN	501(C)(3)	509(A)(3) TYPE II	GROUP HEALTH PLAN INC	Yes	
(13) HUDSON HOSPITAL INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 39-0804125	HOSPITAL	WI	501(C)(3)	170(B)(1)(A)(III)	RH-WISCONSIN	Yes	
(14) HUDSON HOSPITAL FOUNDATION INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 39-1279567	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	WI	501(C)(3)	170(B)(1)(A)(VI)	HUDSON HOSPITAL INC	Yes	
(15) WESTERN WISCONSIN EMERGENCY MEDICAL SERVICES COMPANY 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 26-3616590	PROVIDE MEDICAL TRANSPORT SERVICES	WI	501(C)(3)	509(A)(3) TYPE II	RH-WISCONSIN	Yes	
(16) LAKEVIEW MEMORIAL HOSPITAL FOUNDATION 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1386635	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	MN	501(C)(3)	509(A)(3) TYPE II	STILLWATER HEALTH SYSTEM	Yes	
(17) LAKEVIEW MEMORIAL HOSPITAL ASSOCIATION INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-0811697	HOSPITAL	MN	501(C)(3)	170(B)(1)(A)(III)	STILLWATER HEALTH SYSTEM	Yes	
(18) STILLWATER MEDICAL GROUP 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 83-0379473	PHYSICIANS GROUP	MN	501(C)(3)	509(A)(2)	STILLWATER HEALTH SYSTEM	Yes	
(19) STILLWATER HEALTH SYSTEM 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 30-0221189	CORPORATE PLANNING AND OVERSIGHT	MN	501(C)(3)	509(A)(3) TYPE II	HPI - RAMSEY	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(21) WESTFIELDS HOSPITAL INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 39-0808442	HOSPITAL	WI	501(C)(3)	170(B)(1)(A)(III)	RH-WISCONSIN	Yes	
(1) WESTFIELDS HOSPITAL FOUNDATION INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 39-1770913	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	WI	501(C)(3)	509(A)(3) TYPE I	WESTFIELDS HOSPITAL INC	Yes	
(2) RAMSEY INTEGRATED HEALTH SERVICES 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1503090	IN-HOME PATIENT CARE	MN	501(C)(3)	509(A)(2)	HPI - RAMSEY	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
PARK NICOLLET ENTERPRISES 6500 EXCELSIOR BLVD ST LOUIS PARK, MN 55426 41-1656735	REAL ESTATE FOR RELATED ORGANICATION	MN	PARK NICOLLET HEATLH SERVICES	C	4,640,133	16,369,858	100 000 %		No
HEALTHPARTNERS ADMINISTRATORS INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1629390	THIRD PARTY ADMINISTRATOR	MN	HEALTHPARTNERS INC	C					No
HEALTHPARTNERS ASSOCIATES INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 52-2365151	MEDICAL CLINIC STAFFING AND ASSET MANAGEMENT	MN	HEALTHPARTNERS ADMINISTRATORS INC	C					No
HEALTHPARTNERS SERVICES INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1683568	MEDICAL CLINIC STAFFING AND ASSET MANAGEMENT	MN	HEALTHPARTNERS ADMINISTRATORS INC	C					No
HEALTHPARTNERS VENTURES INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1838197	DEVELOP HEALTHCARE BUSINESS OPPORTUNITIES	MN	HEALTHPARTNERS INC	C					No
HEALTHPARTNERS INSURANCE COMPANY 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1683523	MEDICAL AND DENTAL INSURANCE	MN	HEALTHPARTNERS ADMINISTRATORS INC	C					No
DENTAL SPECIALTIES INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 45-1297583	PROFESSIONAL DENTAL SERVICES	MN	HEALTHPARTNERS ADMINISTRATORS INC	C					No
HEALTHPARTNERS CENTRAL MINNESOTA CLINICS INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1236798	MEDICAL CLINIC STAFFING	MN	HEALTHPARTNERS ADMINISTRATORS INC	C					No

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
PARK NICOLLET HEALTH SERVICES	K	138,962,376	COST
PARK NICOLLET HEALTH SERVICES	Q	575,489,327	COST
PARK NICOLLET HEALTH SERVICES	J	4,116,523	COST
PARK NICOLLET HEALTH SERVICES	R	110,307,420	COST
METHODIST BRAIN LAB LEASING LLC	K	630,749	COST
METHODIST BRAIN LAB LEASING LLC	S	246,683	COST
HEALTHPARTNERS INC	L	44,991,020	COST

HEALTHPARTNERS, INC.

Consolidated Financial Statements and
Additional Consolidating Information

December 31, 2013 and January 1, 2013

(With Independent Auditors' Report Thereon)

HEALTHPARTNERS, INC.

Table of Contents

KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Audit and Compliance Committee
HealthPartners, Inc

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of HealthPartners, Inc and subsidiaries (the Company), which comprise the consolidated statements of financial position as of December 31, 2013 and January 1, 2013, and the related consolidated statement of activities and cash flows for the year ended December 31, 2013, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HealthPartners, Inc and subsidiaries as of December 31, 2013 and January 1, 2013, and the results of their operations and their cash flows for the year ended December 31, 2013, in accordance with U S generally accepted accounting principles

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The accompanying consolidating information, supplemental schedules for HealthPartners Obligated Group, and supplemental schedules for Park Nicollet Health Services listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* **in considering the Company's internal control over financial** reporting and compliance

KPMG LLP

Minneapolis, Minnesota
March 28, 2014

HEALTHPARTNERS, INC.

Consolidated Statements of Financial Position

December 31, 2013 and January 1, 2013

(In thousands)

Assets		December 31, 2013	January 1, 2013
Current assets			
Cash and cash equivalents	$	546,727	536,360
Investments, at fair value		695,298	659,543
Investments whose use is limited, at fair value		18,915	17,314
Accounts receivable, net		440,833	428,799
Other current assets		81,679	68,262
Total current assets		1,783,452	1,710,278
Investments whose use is limited, at fair value		174,460	150,070
Other investments, at fair value		795,695	658,419
Property, plant, and equipment, net		943,421	910,425
Deferred compensation		45,339	34,949
Goodwill and other intangible assets		21,321	19,235
Other		122,802	57,267
Total assets	$	3,886,490	3,540,643
Liabilities and Net Assets			
Current liabilities			
Unpaid medical claims	$	151,633	182,563
Accounts payable		244,177	260,263
Provider payable		48,992	48,353
Salaries and employee benefits payable		226,259	209,943
Accrued real estate taxes, income taxes, and interest		20,651	20,081
Deferred revenue		38,611	48,029
Current portion of long-term debt		25,080	21,381
Total current liabilities		755,403	790,613
Long-term debt – less current portion		770,471	710,646
Deferred employee benefits		52,925	90,215
Postretirement benefit obligation		15,660	20,502
Other		85,543	88,006
Total liabilities		1,680,002	1,699,982
Net assets			
Unrestricted		2,161,716	1,799,264
Temporarily restricted		33,134	30,020
Permanently restricted		11,638	11,377
Total net assets		2,206,488	1,840,661
Total liabilities and net assets	$	3,886,490	3,540,643

See accompanying notes to consolidated financial statements

HEALTHPARTNERS, INC.

Consolidated Statement of Activities

Year ended December 31, 2013

(In thousands)

	2013
Revenues	
Premiums earned	$ 2,585,024
Net health service revenue	2,249,886
Other revenue	308,521
Investment income and net realized gains	79,625
Total revenues	5,223,056
Expenses	
Health services	
Salaries and employee benefits	1,631,963
Health services purchased	
Professional	904,584
Hospitalization	624,847
Pharmacy	404,380
Supplies and other	588,845
Depreciation	112,547
Interest	38,729
Total health services	4,305,895
Administrative services	
Salaries and employee benefits	235,780
Supplies and other	271,420
Depreciation	26,270
Interest	1,538
Total administrative services	535,008
Health services taxes and assessments	
MCHA assessments	51,315
Medical care surcharge	34,860
Premium tax	30,530
Income and other taxes	13,864
Total health services taxes and assessments	130,569
Total expenses	4,971,472
Excess of revenues over expenses	251,584
Recognition of change in pension and postretirement funded status	94,690
Change in net unrealized gains and losses on investments	14,553
Restricted contributions	3,794
Net assets released from restrictions	(1,553)
Other	2,759
Increase in net assets	365,827
Net assets – beginning of year	1,840,661
Net assets – end of year	$ 2,206,488

See accompanying notes to consolidated financial statements

HEALTHPARTNERS, INC.

Consolidated Statement of Cash Flows

Year ended December 31, 2013

(In thousands)

		2013
Cash flows provided by operating activities		
Increase in net assets	$	365,827
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in net unrealized gains on investments		(14,553)
Change in pension and postretirement funded status		(94,690)
Depreciation		138,817
Decrease (increase) in		
Accounts receivable		(12,034)
Other current assets		(13,417)
Deferred compensation		(10,390)
Goodwill and other intangible assets		(2,086)
Other assets		(4,510)
(Decrease) increase in		
Unpaid medical claims		(30,930)
Accounts payable		(16,086)
Provider payable		639
Accrued expenses		16,886
Deferred revenue		(9,418)
Deferred employee benefits and postretirement benefit obligation		(8,467)
Other liabilities		(2,463)
Net cash provided by operating activities		303,125
Cash flows used in investing activities		
Purchases of investments		(309,802)
Sales, maturities, and repayments of investments		288,600
Purchases of other investments		(583,503)
Sales, maturities, and repayments of other investments		446,227
Purchases of property, plant, and equipment		(171,813)
Purchases of investments whose use is limited		(111,087)
Sales, maturities, and repayments of investments whose use is limited		85,096
Net cash used in investing activities		(356,282)
Cash flows provided by financing activities		
Proceeds from issuance of long-term debt		92,500
Payments on long-term debt		(28,976)
Net cash provided by financing activities		63,524
Increase in cash and cash equivalents		10,367
Cash and cash equivalents – beginning of year		536,360
Cash and cash equivalents – end of year	$	546,727
Supplemental cash flow information		
Cash paid for interest	$	41,017
Supplemental disclosure of noncash investing activities		
Additions of property, plant, and equipment funded through accounts payable	$	7,600

See accompanying notes to consolidated financial statements

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

HealthPartners, Inc and subsidiaries (HP) is a integrated healthcare delivery system that provides healthcare services and coverage to approximately 832,000 members of HP insurance products as well as healthcare services to the general public throughout Minnesota and surrounding states It provides these services through a network of 80 owned and leased primary and specialty care medical facilities and 22 dental facilities with over 1,100 full-time-equivalent medical and dental physicians and 5 owned hospitals with over 1,000 acute care beds, as well as contracting with various primary and specialty medical facilities and dental facilities, physician groups, hospitals, and related healthcare providers located primarily in the Twin Cities and Western Wisconsin areas

The consolidated financial statements of HP include the following organizations

Group Health Plan, Inc (GHI)
HealthPartners, Inc (HPI)
HealthPartners Insurance Company (HPIC)
HealthPartners Administrators, Inc (HPAI)
Regions Hospital (Regions)
Park Nicollet Health System (PNHS)
Stillwater Health System (Lakeview Health)
Hudson Hospital (HH)
Hudson Hospital Foundation (HHF)
Westfields Hospital (WH)
Westfields Hospital Foundation (WHF)
HealthPartners Central Minnesota Clinics, Inc (HPCMC)
Physicians Neck & Back Clinics, Inc (PNBC)
Ramsey Integrated Health Services (IHS)
Capital View Transitional Care Center (CVTCC)
Dental Specialties, Inc (DSI)
Western Wisconsin Emergency Medical Services Company (WEMS)
HPI-Ramsey
RH-Wisconsin, Inc (RHW)
RHSC, Inc (RHSC)
HealthPartners Services, Inc (HPSI)
HealthPartners Associates, Inc (HPA)
HealthPartners East Side Holding, LLC (HESH)
HealthPartners Ventures, Inc (HPV)
HealthPartners Property Development Company, LLC (HPDC)
HealthPartners Institute for Education and Research (HPIER)
Regions Hospital Foundation (RHF)

Effective January 1, 2013, HP and PNHS combined organizations under a single, consumer-governed board of directors for the benefit of its patients, members, and the community

(Continued)

HP and PNHS accounted for this transaction as a merger under Accounting Standards Codification (ASC) Subtopic 958-805, *Not-for Profit Entities—Business Combination* and will therefore use the carryover basis of accounting No consideration was paid by either HP or PNHS PNHS is a nonprofit, integrated healthcare system located in St Louis Park, Minnesota PNHS provides care and support to the Minneapolis and surrounding communities through a 426 acute care bed hospital, 593 full-time-equivalent physicians practicing 45 specialties at 20 primary care clinics, 2 ambulatory surgery centers, 11 retail pharmacies, and 8 healthcare product retail stores

PNHS is the parent company of Park Nicollet Methodist Hospital (Methodist), Park Nicollet Clinic (PNC) including PNMC Holdings a subsidiary of PNC, Park Nicollet Foundation (PNF), Park Nicollet Institute (PNI), Park Nicollet Health Care Products (PNHCP), Park Nicollet Enterprises (PNE), and Tria Orthopedic Center, LLC (TRIA)

GHI and HPI are not-for-profit corporations licensed as health maintenance organizations (HMO) in Minnesota

GHI, PNHS, Regions, Methodist, Lakeview Health, HH, HHF, WH, WHF, PNC, PNF, PNI, PNHCP, PNBC, IHS, CVTCC, WEMS, HPI-Ramsey, RHW, RHSC, HPIER, and RHF are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (IRC) HPI is exempt under Section 501(c)(4) of the IRC HESH, HPDC, and TRIA are limited liability corporations All other organizations are for-profit taxable organizations

HPI-Ramsey is the parent organization of Regions, Lakeview Health, IHS, CVTCC, RHF, and RHW

RHW is the parent organization of HH, HHF, WH, WHF, and WEMS

(b) Basis of Accounting

The consolidated financial statements are prepared in conformity with U S generally accepted accounting principles (GAAP) All significant intercompany balances and transactions have been eliminated in consolidation

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions, such as contractual allowances, allowances for doubtful accounts receivable, and charity care, due to third-party payors, postretirement benefit obligation, general and professional liability claims, estimated unpaid medical and dental claims, medical loss ratio (MLR) rebates, and workers' compensation claims liability, that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

(d) Cash and Cash Equivalents

HP considers investments with a maturity of three months or less to be cash and cash equivalents and are carried at cost, which approximates fair value. Cash and cash equivalents held for long-term or restricted as to use are classified as investments and are excluded from cash and cash equivalents.

(e) Investments

Investments consist of marketable equity securities and fixed income securities. The investments are carried at fair value and are not included as investments whose use is limited or other investments.

Fixed maturity securities, which may be sold prior to maturity, are classified as available-for-sale and are carried at fair value. Premiums and discounts are amortized or accreted using the interest yield method. Interest income is earned on an accrual basis.

Marketable equity securities are generally classified as available-for-sale and are carried at fair value. HP recognizes dividend income on equity securities upon the declaration of the dividend.

(f) Investments Whose Use is Limited and Other Investments

Investments whose use is limited that are intended to be used for current operations are classified as current assets and are carried at fair value based on quoted market prices.

Investments whose use is limited and other investments that are not intended to be used for current operations are, therefore, classified as noncurrent assets and are carried at fair value based on quoted market prices.

(g) Realized and Unrealized Gains and Losses

Realized and unrealized gains and losses are determined using the specific security identification method. HP regularly reviews each investment in its various asset classes to evaluate the necessity of recording impairment losses for other-than-temporary declines in fair value. During these reviews, HP evaluates many factors, including, but not limited to, the length of time and the extent to which the current fair value has been below the cost of the security, specific credit issues such as collateral, financial prospects related to the issuer, HP's intent and ability to hold or sell the security, and current economic conditions.

Other-than-temporary impairment (OTTI) is recognized in earnings for a fixed maturity security in an unrealized loss position when it is anticipated that the amortized cost will not be recovered. In such situations, the OTTI recognized in earnings is the entire difference between the fixed maturity security's amortized cost and its fair value only when either HP has the intent to sell the fixed maturity security or it is more likely than not that HP will be required to sell the fixed maturity security before recovery of the decline in the fair value below amortized cost. If neither of these two conditions exists, the difference between the amortized cost basis of the fixed maturity security and the present value of the projected future cash flows expected to be collected is recognized as an OTTI in earnings (credit loss). If the fair value is less than the present value of projected future cash flows expected to be collected, this portion of the OTTI related to other-than credit factors (noncredit

loss) is recorded in net assets as changes in net unrealized gains on investments for noncredit losses on investments When an unrealized loss on a fixed maturity security is considered temporary, HP continues to record the unrealized loss in net assets as changes in net unrealized loss gains on investments and not in earnings For equity securities which, when an OTTI has occurred, continue to be impaired for the entire difference between the equity security's cost and its fair value with a corresponding charge to earnings

For nonstructured fixed maturity securities, an OTTI is recorded when HP believes that it is no longer probable that HP will recover all amounts due under the contractual terms of the security

For structured fixed maturity securities, an OTTI is recorded when HP believes that based on expected future cash flows, HP will not recover all amounts due under the contractual terms of the security The credit loss component considers inputs from outside sources along with managements' opinion of factors to develop inputs into the cash flow analysis These inputs include, among other things, default assumptions on underlying loans, recovery assumptions once underlying loans are in default and a number of other economic inputs into the model

For equity securities, an OTTI is recorded when HP does not have the ability and intent to hold the security until forecasted recovery, or if the forecasted recovery is not within a reasonable period Mutual funds are reviewed by analyzing the characteristics of the underlying investments and the outlook for the asset class along with the ability and intent to hold investments

All other material unrealized losses are reviewed for any unusual event that may trigger an OTTI Determination of the status of each analyzed investment as other-than-temporary or not is made based on these evaluations with documentation of the rationale for the decision

Upon recognizing an OTTI, the new cost basis of the security is the previous amortized cost basis less the OTTI recognized in investment income and net realized gains and losses The new cost basis is not adjusted for any subsequent recoveries in fair value

HP may, from time to time, sell invested assets subsequent to the balance sheet date that were considered temporarily impaired at the balance sheet date for several reasons Conversely, HP may not sell invested assets that it asserted that it intended to sell at the balance sheet date The rationale for the change in HP's ability and intent generally focuses on unforeseen changes in the economic facts and circumstances related to the invested asset subsequent to the balance sheet date, significant unforeseen changes in HP's liquidity needs, or changes in tax laws or the regulatory environment HP had no material sales of invested assets in an unrealized loss position subsequent to December 31, 2013

Certain organizations of HP have **elected the "fair value option," in accordance with accounting** guidance, for certain financial assets For those financial assets, changes in unrealized gains and losses are recorded in investment income and net realized gains and losses within the consolidated statement of activities

(h) Other Current Assets

Other current assets include pharmaceutical, medical and surgical supplies inventories, which are valued at the lower of average cost or market

(i) Property, Plant, and Equipment, Net

Property, plant, and equipment, net is recorded at cost, and depreciation is computed on the straight-line method over the estimated useful lives of the related assets as follows

Land improvements	5–40 years
Buildings and building improvements	10–40 years
Equipment	3–15 years
Leasehold improvements	5–15 years

Equipment under capital lease is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation in the consolidated statement of activities

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

(j) Goodwill and Intangible Assets

Goodwill and intangible assets are assets representing the future economic benefits arising from business acquisitions Goodwill and intangible assets are reviewed for impairment at least annually in accordance with the provisions of ASC Topic 350, *Intangibles—Goodwill and Other* Goodwill is analyzed for impairment in a two step process The first step compares the fair value of the reporting entity with the reporting entities carrying value, including goodwill If the fair value of the reporting entity exceeds its carrying value, goodwill of the reporting entity is considered not impaired If the carrying value of the reporting entity exceeds its fair value, the second step of the goodwill impairment test shall be performed to measure the amount of impairment loss, if any, to be recognized Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting entity's goodwill over the implied fair value of that goodwill The implied fair value of goodwill is determined by allocating the fair value of the reporting entity in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting entity's goodwill Fair value of the reporting entity is determined using a discounted cash flow analysis Intangible assets shall be reviewed for impairment and recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value After an impairment loss is recognized, the adjusted carrying amount of the intangible asset shall be its new accounting basis Intangible assets that are deemed to have a finite useful life are amortized over their lives HP did not recognize any impairment losses on goodwill or intangible assets in 2013

(k) Impairment of Long-Lived Assets

Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated undiscounted future cash flows expected to result from the use of these assets Should the sum of the related, expected future net cash flows be less than the carrying value, an impairment loss could be recognized dependent upon other considerations In 2013, HP analyzed the carrying value of certain properties where HP determined that a potential impairment could exist As a result of this analysis, an impairment loss of $2,972 was recognized in 2013, and recorded in health services and administrative services depreciation expense in the consolidated statement of activities

In addition to consideration of impairment upon events or changes in circumstances described above, management regularly evaluates the remaining useful lives of is long-lived assets If estimates are revised, the carrying value of fixed assets is depreciated or amortized over the remaining lives

(l) Deferred Financing Costs

Financing and legal costs incurred in connection with the issuance of long-term debt are amortized over the life of the related indebtedness using the effective-interest method, and are included within other assets on the consolidated statements of financial position

(m) Unpaid Medical Claims

The liability for unpaid medical claims for medical services purchased are developed using actuarial methods based upon historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of healthcare services, contracted service rates, and other relevant factors The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change HP did not change actuarial methods during the year ended December 31, 2013 Management believes the amount of unpaid medical claims is adequate to cover HP's liability for unpaid medical claims as of December 31, 2013, however, actual claim payments may differ from those established estimates Adjustments to unpaid medical claims estimates are reflected in operating results in the period in which the change in estimate is identified Medical claims also include the cost to establish new or expanded healthcare services to assist certain providers who provide acute charity care, safety net care, and disproportionate share of charity care services

(n) Provider Payable

HP's contracts with hospitals, specialists, and primary care providers (Providers) include provisions for pay for performance and outcome recognition programs These programs include goals such as generic drug use, optimal diabetes care, patient satisfaction, depression outcomes, colorectal screening, and others that are measured and reported on a quarterly and annual basis If the Providers exceed the goals that were agreed upon, they will receive shared savings payouts from HP

(In thousands)

(o) Premiums Earned

Premiums earned revenue is recognized in the period for which services are covered. Unearned premiums received in advance of a coverage period are classified as deferred revenue in the consolidated statements of financial position.

Premium contracts are analyzed and losses recognized when it is probable that expected future healthcare costs and maintenance costs under a group of existing contracts exceeds anticipated future premiums and stop-loss insurance recoveries on those contracts. HP did not record a loss contract reserve in 2013.

(p) Net Health Service Revenue

Net health service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services in the period for which services are provided, including estimated retroactive adjustments, under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are provided and are adjusted in future periods as new data becomes available and as final settlements are determined.

The major portion of revenue from Medicare and Medicaid is based on preestablished payment rates based on patient diagnosis or clinical procedure.

HP utilizes a process to identify and appeal certain settlements with Medicare. Reimbursement is adjusted in the year the appeal is finalized. During 2013, appeals, cost report settlements, and other adjustments to prior year estimates resulted in a decrease in net health service revenue of $1,607 in 2013 in the consolidated statement of activities.

Health service revenue at established rates, less third-party payor contractual adjustments and provisions for bad debt, for the year ended December 31, 2013 consisted of the following:

		2013
Medicare	$	612,897
Medicaid		248,210
Other third-party payor		1,147,468
Patients		276,417
Net health service revenue before provision for bad debt		2,284,992
Provision for bad debt		(35,106)
Net health service revenue	$	2,249,886

(Continued)

(q) Other Revenue

Other revenue is recognized in the period in which services are rendered and consists primarily of administrative support fees from self-insured employer groups, retail sales revenue, grant revenue, cafeteria revenue, and parking ramp revenue

(r) Uncompensated Care

Certain subsidiaries of HP provide medical care without charge or at a reduced cost to patients who were determined to be unable to pay (charity care) and provided medical care to patients who were determined to be able, but unwilling to pay (doubtful accounts) Upon determining that a patient meets the established HP charity care criteria, the charges for services provided to the patient are determined to qualify as uncompensated care and are not reported as revenue

(s) Expenses

HP allocates certain direct support costs, including information systems and patient billing, to health services expenses in order to accurately reflect the cost of services provided All allocations are eliminated in consolidation

(t) Income Taxes

HPIC, HPSI, HPA, HPAI, HPCMC, PNE, DSI, and HPV (the Taxable Group) are subject to federal and state income taxes Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting basis of assets and liabilities based on enacted tax rates and laws The deferred income tax provision or benefit generally reflects the net change in deferred income tax assets and liabilities during the year The current income tax provision reflects the tax consequences of revenues and expenses currently taxable or deductible on various income tax returns for the year reported

Deferred tax assets of $7,208 and $8,729 have been recorded and included in other current assets in the consolidated statements of financial position at December 31, 2013 and January 1, 2013, respectively Income tax receivables of $25,526 and $12,471 at December 31, 2013 and January 1, 2013, respectively, have been recorded and included in accounts receivable, net in the consolidated statements of financial position Income tax payables of $27 and $0 at December 31, 2013 and January 1, 2013, respectively, have been recorded and included in accrued real estate, income taxes, and interest in the consolidated statements of financial position Income tax expense of $1,402 has been recorded and included in income and other taxes in the consolidated statement of activities for the year ended December 31, 2013

The consolidated tax return of HPAI, HPIC, HPSI, and HPA is currently under examination by the Internal Revenue Service for the tax years ended December 31, 2010 and 2009 HP believes that any additional taxes refunded or assessed as a result of this examination will not have a material impact on the financial position of HP or the Taxable Group

HP's accounting policy provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including

resolutions of any related appeals or litigation processes, based on the technical merits HP recorded no liabilities at December 31, 2013 or January 1, 2013 for unrecognized tax benefits

(u) Risk Management

HP's investments are exposed to various risks, such as interest rate, market, cash flow, and credit risks Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is possible that changes in risks in the near term could materially affect the amounts reported in the accompanying consolidated statements of financial position and consolidated statement of activities

HP is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors and omissions, injuries to employees, and natural disasters These risks are covered by commercial insurance purchased from independent third parties There have been no significant changes in HP's insurance coverage's in 2013

HP has established reserves for unpaid medical claims based on assumptions concerning a number of factors, including trends in healthcare costs, expenses, general economic conditions, and other factors To the extent that actual claims experience is less favorable than estimated based on HP's underlying assumptions, HP's incurred losses would increase and future earnings could be adversely affected

(v) Medical Loss Ratio

HP is subject to the minimum MLR rebate requirements of the Health Care Reform Act Under the regulations of the Health Care Reform Act, insured plans will be required to make premium rebate payments to its enrollees that are enrolled under certain health insurance policies if a specific minimum annual MLR is not met in the prior year The required minimum MLR, as defined by the Health Care Reform Act for insured plans is 85% for the large group market and 80% for the individual and small group markets HP believes it will meet all minimum annual MLR requirements for the year ended December 31, 2013 and as such has recorded no liability

(In thousands)

(w) Recent Accounting Pronouncements

Accounting Standards Update (ASU) No 2011-06, *"**Other Expenses**—Fees Paid to the Federal Government by Health Insurers a consensus of the Financial Accounting Standards Board (FASB) **Emerging Issues Task Force**"* (ASU 2011-06) addresses the recognition and classification of an entity's share of the annual health insurance industry assessment (the industry fee) mandated by Health Reform Legislation The industry fee is levied on health insurers for each calendar year beginning on or after January 1, 2014 and is not deductible for income tax purposes The amount of the industry fee for each health insurer is based on a ratio of the insurer's net health insurance premium written for the previous calendar year compared to the U S health insurance industry total net premiums In accordance with the amendments in ASU 2011-06 on January 1, 2014, the liability for the industry fee payable will be estimated and recorded in full within HP's 2014 consolidated financial statements, with a corresponding deferred cost that will be amortized to expense using a straight-line method of allocation over the calendar year that it is payable The estimated assessment for HP in 2014 is approximately $34,000

(2) Investments

The composition of the investment portfolios as of December 31, 2013 and January 1, 2013 is summarized as follows

	Investments	Investments whose use is limited (current)	Investments whose use is limited (noncurrent)	Other investments	Total
December 31, 2013					
Cash equivalents	$ 9,506	17,459	36,566	8,646	72,177
Government agency securities	234,908	—	57,501	224,785	517,194
Asset-backed securities	70,741	—	2,211	28,127	101,079
Residential mortgage-backed securities	54,192	—	5,985	41,714	101,891
Commercial mortgage-backed securities	53,846	—	2,598	19,097	75,541
Corporate obligations	270,000	1,225	32,407	51,489	355,121
Preferred securities	—	—	1,288	22,700	23,988
Common stocks mutual funds	2,105	231	35,904	399,137	437,377
	$ 695,298	18,915	174,460	795,695	1,684,368

(Continued)

(In thousands)

	Investments	Investments whose use is limited (current)	Investments whose use is limited (noncurrent)	Other investments	Total
January 1, 2013					
Cash equivalents	$ 14,129	17,085	3,712	7,001	41,927
Government agency securities	206,181	—	65,567	175,667	447,415
Asset-backed securities	67,075	—	1,556	11,760	80,391
Residential mortgage-backed securities	59,712	—	6,838	41,089	107,639
Commercial mortgage-backed securities	39,815	—	1,532	10,600	51,947
Corporate obligations	270,831	—	39,470	48,660	358,961
Preferred securities	—	—	1,180	19,473	20,653
Common stocks mutual funds	1,800	229	30,215	344,169	376,413
	$ 659,543	17,314	150,070	658,419	1,485,346

Investments whose use is limited consists of long-term professional liability trust funds, donor restricted funds, debt service reserve funds, and the proceeds of the Hospital Facility Revenue Bonds

Investment return, net of amounts capitalized, for the year ended December 31, 2013, is summarized as follows

	2013
Interest and dividends	$ 24,978
Net realized gains	54,647
Total investment income and net realized gains	79,625
Change in net unrealized gains and losses on investments	14,553
Total investment return	$ 94,178

(Continued)

(In thousands)

HP did not record any impairment losses in 2013

Gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, including the noncredit portion of OTTI, as of December 31, 2013 and January 1, 2013, are as follows

	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
December 31, 2013						
Government agency securities	$ 261,705	(2,277)	33,730	(517)	295,435	(2,794)
Asset-backed securities	32,690	(155)	1,032	(45)	33,722	(200)
Residential mortgage-backed securities	30,621	(535)	1,430	(54)	32,051	(589)
Commercial mortgage-backed securities	36,296	(400)	750	(7)	37,046	(407)
Corporate obligations	76,837	(769)	43	(6)	76,880	(775)
Common stocks mutual funds	38,326	(931)	2,505	(692)	40,831	(1,623)
	$ 476,475	(5,067)	39,490	(1,321)	515,965	(6,388)
January 1, 2013						
Government agency securities	$ 83,054	(345)	—	—	83,054	(345)
Asset-backed securities	5,778	(34)	635	(18)	6,413	(52)
Residential mortgage-backed securities	3,288	(11)	731	(54)	4,019	(65)
Commercial mortgage-backed securities	8,088	(20)	—	—	8,088	(20)
Corporate obligations	24,209	(65)	537	(14)	24,746	(79)
Common stocks mutual funds	5,642	(408)	2,662	(1,293)	8,304	(1,701)
	$ 130,059	(883)	4,565	(1,379)	134,624	(2,262)

All investments in a gross unrealized loss position at December 31, 2013 and January 1, 2013 were investment grade The investments in a gross unrealized loss position at December 31, 2013 and January 1, **2013 represent 30.63% and 9.06%, respectively, of the fair value of total investments in HP's portfolio.**

The following paragraphs summarize HP's evaluation of investment categories with unrealized losses as of December 31, 2013 and January 1, 2013

Government agency securities are temporarily impaired due to current interest rates and not credit-related reasons HP expects to collect all principle and interest on these securities

Asset-backed securities, residential mortgage-backed securities, and commercial mortgage-backed securities are impacted by both interest rates and the value of the underlying collateral HP utilizes thresholds and discounted cash flow models using outside assumptions to determine if an OTTI is warranted

Corporate obligation valuations are impacted by both interest rates and credit industry specific issues HP recognizes OTTI due to credit issues when HP determines the security will not recover in a reasonable

period of time. Unrealized losses are primarily due to the interest rate environment and certain industries falling out of favor.

Common stocks and mutual funds with unrealized losses primarily represent highly diversified, publicly traded equity securities that generally move up or down with the capital markets.

(3) Fair Value of Financial Instruments

All financial instruments are carried at fair value, with the exception of revenue bonds and long-term debt, which had a carrying value of $795,551 and $732,027, and a fair value of $819,830 and $779,552 as of December 31, 2013 and January 1, 2013, respectively.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

(a) Cash and Cash Equivalents

The carrying amount approximates fair value due to the short duration of these financial instruments.

(b) Investments, Investments Whose Use is Limited, and Other Investments

The fair values are based on quoted market prices at the reporting date where available. For securities not actively traded, fair value is estimated based on investments with similar interest rates, credit quality, yield, and maturity.

(c) Revenue Bonds and Long-Term Debt

The fair values are estimated based on cash flows, discounted at current rates, for instruments of similar maturities and credit quality, or based on quoted market prices for similar issues, as advised by HP's investment bankers.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. The three levels of the fair value hierarchy under GAAP are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that HP has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in inactive markets,
- Inputs other than quoted prices that are observable for the asset or liability,

(Continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs

Following is a description of the valuation methodologies used for assets measured at fair value There have been no changes in the valuation methodologies used in 2013

Cash Equivalents

Valued daily based on subscription and redemption activity at a stable $1 net asset value (NAV) Redemptions can occur daily at NAV and there are no restrictions to redemption or unfunded commitments

Mutual Funds, Common Stock, and Preferred Stock

Valued daily based on unadjusted quoted market prices from national exchanges

Collective/Commingled Funds

Valued based on the underlying market value of securities held in the funds as determined by the common/collective trust fund manager The underlying asset values are determined using various inputs, however, the accounts are valued using the NAV of each account Redemptions can occur daily at NAV and there are no restrictions to redemption or unfunded commitments and these investments are classified as Level 2

Government Agency Securities, Asset-backed Securities, Residential Mortgage-backed Securities, Commercial Mortgage-backed Securities, Corporate Obligations, and Preferred Securities.

Valued based on the closing price reported on the active market on which the individual securities are traded For preferred securities classified as level three securities, the fair value is based on a bid evaluated price

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, although HP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date

(In thousands)

The following tables present the level within the fair value hierarchy at which HP's invested assets are measured on a recurring basis at December 31, 2013 and January 1, 2013

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Cash equivalents	$ 72,177	—	—	72,177
Fixed income				
Government agencies	517,194	—	—	517,194
Asset-backed securities	—	101,079	—	101,079
Residential mortgage-backed securities	—	101,891	—	101,891
Commercial mortgage-backed securities	—	75,541	—	75,541
Corporate obligations	—	355,121	—	355,121
Preferred securities	13,078	10,074	836	23,988
Common stock				
Small cap stocks	54,306	—	—	54,306
Mid cap stocks	30,343	—	—	30,343
Large cap stocks	22,872	—	—	22,872
International stocks	2,401	—	—	2,401
Miscellaneous stocks	—	105	—	105
Mutual funds				
Fixed income funds	50,202	—	—	50,202
Real estate investment trust funds	1,132	—	—	1,132
Managed futures	551	—	—	551
Large cap funds	74,471	—	—	74,471
Mid cap funds	36,737	—	—	36,737
Small cap funds	3,421	—	—	3,421
Index funds	37,327	—	—	37,327
Balanced funds	65	—	—	65
Collective/commingled funds	—	22,062	—	22,062
International funds	101,382	—	—	101,382
Total investment assets at fair value	$ 1,017,659	665,873	836	1,684,368

(Continued)

(In thousands)

	Level 1	Level 2	Level 3	Total
January 1, 2013				
Cash equivalents	$ 41,927	—	—	41,927
Fixed income				
Government agencies	447,415	—	—	447,415
Asset-backed securities	—	80,391	—	80,391
Residential mortgage-backed securities	—	107,639	—	107,639
Commercial mortgage-backed securities	—	51,947	—	51,947
Corporate obligations	—	358,961	—	358,961
Preferred securities	9,774	10,879	—	20,653
Common stock				
Small cap stocks	41,938	—	—	41,938
Mid cap stocks	23,613	—	—	23,613
Large cap stocks	17,004	—	—	17,004
International stocks	2,431	—	—	2,431
Miscellaneous stocks	—	75	—	75
Mutual funds				
Fixed income funds	47,487	29,690	—	77,177
Real estate investment trust funds	1,087	—	—	1,087
Managed futures	571	—	—	571
Large cap funds	60,616	—	—	60,616
Mid cap funds	27,127	—	—	27,127
Small cap funds	3,719	—	—	3,719
Index funds	18,959	—	—	18,959
Balanced funds	2,381	—	—	2,381
Collective/commingled funds	—	19,393	—	19,393
International funds	80,322	—	—	80,322
Total investment assets at fair value	$ 826,371	658,975	—	1,485,346

HP did not have any transfers between Levels 1, 2, and 3 during the year ended December 31, 2013

HP has no financial assets or liabilities that were measured at fair value on a nonrecurring basis at December 31, 2013 and January 1, 2013

(Continued)

(In thousands)

(4) Accounts Receivable, Net

Accounts receivable, net at December 31, 2013 and January 1, 2013 were as follows

	December 31, 2013	January 1, 2013
Health service	$ 353,683	343,782
Premiums	109,519	110,491
Other	63,765	63,971
Allowance for doubtful accounts	(86,134)	(89,445)
Total	$ 440,833	428,799

Health service accounts receivable are reduced by an allowance for doubtful accounts or charity care, based on established guidelines for identifying uncollectible patient accounts and classifying these accounts as either doubtful accounts or charity care In evaluating the collectibility of accounts receivable, HP's management periodically assesses the allowance for doubtful accounts and charity care by taking into consideration, by payor category, the expected net collections, accounts receivable aging, historical collections experience, economic conditions, trends in healthcare coverage, and other collection indicators The primary source of the allowance for doubtful accounts is the patient responsibility portion of commercial accounts The primary source of the allowance for charity care is charges for uninsured patients Patients who are insured are assessed separately for collectibility from uninsured patients The results of these assessments are used to establish the net realizable value of patient accounts receivable and the allowance for doubtful accounts and charity care For premiums and other receivables, HP's policy is to set up allowances for all receivables over 90 days outstanding

HP grants credit without collateral to its patients, most of whom are insured under third-party payor arrangements The mix of gross health service receivables by payor at December 31, 2013 and January 1, 2013 was as follows

	December 31, 2013	January 1, 2013
Medicare	24%	23%
Medicaid	7	8
Other third-party payors	50	49
Patients	19	20
Total	100%	100%

(Continued)

(In thousands)

(5) Property, Plant, and Equipment, Net

A summary of the costs and the related accumulated depreciation at December 31, 2013 and January 1, 2013 is as follows

	December 31, 2013		January 1, 2013	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land and land improvements	$ 68,744	8,422	68,017	7,967
Buildings and building improvements	1,162,496	605,462	1,117,940	558,399
Equipment	1,076,862	849,483	995,308	779,809
Leasehold improvements	157,409	97,166	147,404	89,564
Construction in progress	38,443	—	17,495	—
	$ 2,503,954	1,560,533	2,346,164	1,435,739
Property, plant, and equipment, net		$ 943,421		$ 910,425

(a) Regions Hospital Campus

The majority of Regions' main campus is owned by Ramsey County and leased to Regions The original lease agreement grants Regions use of the property through December 2066 and requires Regions to (i) provide care to the indigent of Ramsey County throughout the lease term, (ii) pay all taxes, utilities, maintenance, and insurance costs with respect to the property, (iii) use its best efforts to continue providing, and consult with the Ramsey County Board of Commissioners before discontinuing, its major or unique services, including but not limited to, the trauma center, burn unit, graduate medical education, and research services, and (iv) not assign the lease to a for-profit corporation

The property leased from Ramsey County is included in Regions' net property, plant, and equipment Under the lease, Regions is required to provide a minimum dollar amount of charity care to Ramsey County residents In the event the value of charity care does not meet the lease requirement, Regions can fulfill the requirement by making capital improvements to Regions' property Regions' compliance with the charity care requirement of the lease is based on the value of charity care provided and reduced by Ramsey County's direct cash support, if any

(b) Construction in Progress

Construction in progress at December 31, 2013 and January 1, 2013 represents deposits on equipment purchases and costs incurred in connection with remodeling and building projects At December 31, 2013 and January 1, 2013, there was $60 and $26, respectively, of capitalizable interest included in construction in progress

(Continued)

(In thousands)

(6) Goodwill and Other Intangible Assets

(a) Goodwill

HP has a carrying value of goodwill of $19,154 and $16,413 at December 31, 2013 and January 1, 2013, respectively, related to business acquisitions. HP did not recognize any impairment related to goodwill in 2013.

(b) Other Intangible Assets

The following table represents a summary of HP's other intangible assets by major asset class at December 31, 2013 and January 1, 2013:

		Gross carrying amount	Accumulated amortization	Net
December 31, 2013				
Intellectual property	$	100	(41)	59
Brand name		2,786	(777)	2,009
Noncompete clauses		1,610	(1,511)	99
Total	$	4,496	(2,329)	2,167
January 1, 2013				
Intellectual property	$	100	(31)	69
Brand name		2,786	(505)	2,281
Noncompete clauses		1,610	(1,138)	472
Total	$	4,496	(1,674)	2,822

Aggregate amortization expense for amortizing other intangible assets was $655 for the year ended December 31, 2013. Estimated amortization expense for the next five years is $375 in 2014, $283 in 2015, $279 in 2016, $279 in 2017, and $279 in 2018.

(Continued)

(In thousands)

(7) Long-Term Debt

Long-term debt at December 31, 2013 and January 1, 2013 consisted of the following

		December 31, 2013	January 1, 2013
Health Care Facility Revenue Bonds – Series 2003 (1)	$	43,030	53,845
Hospital Facility Revenue Bonds – Series 2006 (2)		174,951	176,732
Hospital Facility Revenue Bonds – Series 1998 (3)		36,166	37,665
Health Care Facility Revenue Bonds – Series 2009 (4)		183,780	183,516
Health Care Facility Revenue Bonds – Series 2008C (5)		177,799	187,333
HealthPartners, Inc. Senior Notes – Series 2013 (6)		92,500	—
Lakeview Health mortgage revenue bonds – Series 2005 (7)		26,776	27,481
Hudson Hospital refunding revenue bonds – Series 2012 (8)		19,469	20,365
Westfields mortgage bonds payable – Series 1999A and B (9)		8,130	8,749
HESH loan payable (10)		11,438	12,734
Health Care Facility Revenue Note – Series 2006 (11)		1,981	2,085
Meadowbrook note payable (12)		328	1,229
Capital lease obligations (13)		19,203	20,293
Total long-term debt		795,551	732,027
Less current portion		25,080	21,381
Long-term portion	$	770,471	710,646

Annual principal payments due on the above debt are as follows

Year ending December 31	
2014	$ 25,080
2015	26,890
2016	28,215
2017	29,470
2018	30,841
Thereafter	655,055
Total	$ 795,551

1) *The Health Care Facility Revenue Bonds* – Series 2003 were issued by the Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the City of Minneapolis on behalf of GHI and the Obligated Group, which includes Regions, HPI, HPAI, and HPIC (collectively, the "Obligated Group") The bonds are payable in semiannual installments through 2029 with interest rates ranging from 5 00% to 6 00% and are the sole obligation of GHI and the Obligated Group The Obligated Group's gross revenues were pledged toward repayment of the bonds Financing costs are

(Continued)

amortized over the life of the bonds The debt agreements provide for certain financial covenants and also limit the amount of additional debt that can be incurred

2) *The Hospital Facility Revenue Bonds* – Series 2006 were issued by the HRA on behalf of Regions The bonds are payable in annual installments through 2036 with interest rates ranging from 4 625% to 5 25% and are the sole obligation of the Obligated Group The bond proceeds were used primarily for hospital facility construction, general facility refurbishing, and equipment acquisition The Obligated Group's gross revenues were pledged toward repayment of the bonds The debt agreements include covenants enumerating minimum debt service coverage requirements, along with restrictions on the incurrence of additional debt, sales of assets, mergers and consolidations, transactions with affiliates, creation of liens, and certain other matters

3) *The Hospital Facility Revenue Bonds* – Series 1998 were issued by the HRA on behalf of Regions The bonds are payable in annual installments through 2028 with interest rates ranging from 5 00% to 5 30% and are the sole obligation of the Obligated Group The bond proceeds were used primarily for hospital facility construction, general facility refurbishing, and equipment acquisition The **Obligated Group's gross revenues were pledged toward repayment of the bonds. The debt** agreements include covenants enumerating minimum debt service coverage requirements, along with restrictions on the incurrence of additional debt, sales of assets, mergers and consolidations, transactions with affiliates, creation of liens, and certain other matters

4) *The Health Care Facility Revenue Bonds* – Series 2009 were issued by the City of St Louis Park, Minnesota on behalf of PNHS and the PNHS Obligated Group, which includes PNHS, Methodist, PNC, PNI, PNHCP, **and PNMC Holdings (collectively, the "PNHS Obligated Group").** Proceeds were used to refund the series 2008A and series 2008B PNHS Obligated Group bonds Principal payments are due annually in varying amounts beginning in 2024 and running through 2039 The series 2009 bonds are uninsured and were issued with interest rates ranging from 5 50% to 5 75% Under terms of the bond indenture agreements, the PNHS Obligated Group is required to maintain certain deposits with a trustee Under terms of the master indenture agreement, the PNHS Obligated Group has granted bond holders a security interest in the gross revenues of the PNHS Obligated Group The PNHS Obligated Group has also mortgaged and pledged certain real and personal property as security for the obligations

5) *The Health Care Facility Revenue Bonds* – Series 2008C were issued by the City of St Louis Park, Minnesota on behalf of PNHS and the PNHS Obligated Group Proceeds were used to refund the series 2003A PNHS Obligated Group bonds Principal payments are due annually in varying amounts through 2030 The Series 2008C bonds are uninsured and were issued with interest rates ranging from 5 50% to 5 75% Under terms of the bond indenture agreements, the PNHS Obligated Group is required to maintain certain deposits with a trustee Under terms of the master indenture agreement, the PNHS Obligated Group has granted bond holders a security interest in the gross revenues of the PNHS Obligated Group The PNHS Obligated Group has also mortgaged and pledged certain real and personal property as security for the obligations

6) *The HealthPartners, Inc Senior Notes* – Series 2013 were issued by HP and the Obligated Group The bonds are payable in annual principal payments and semiannual interest payments through 2030

with an interest rate of 4.61% and are the sole obligation of HP and the Obligated Group. The Obligated Group's gross revenues were pledged toward repayment of the bonds. Financing costs are amortized over the life of the bonds. The debt agreements provide for certain financial covenants and also limit the amount of additional debt that can be incurred.

7) *Lakeview Health – Health Care Revenue Bonds* – Series 2005 were issued through the City of Stillwater, Minnesota. The net proceeds from the bonds were used to fund construction of a new clinic in Stillwater, Minnesota and to reimburse Lakeview Health for prior project costs. The bonds are payable in semiannual installments through 2035 with interest rates ranging from 3.50% to 5.00% and are secured by future gross revenues of Lakeview Health.

8) *Hudson Hospital Refunding Revenue Bonds Payable* – Series 2012 were issued by the Wisconsin Health and Educational Facilities on behalf of HH. The bonds are payable in monthly installments through 2029 with an interest rate of 3.61% with substantially all of the mortgaged property of the hospital campus pledged as collateral on the Revenue Bonds.

9) *Westfields Mortgage Bonds Payable* – WH mortgage bonds payable consists of a $7,000 Hospital Facilities Revenue Note, Series 1999A, and a $6,990 Hospital Facilities Revenue Note, Series 1999B (collectively, the "Westfields Notes"). WH entered into this loan agreement with the Community Development Authority of the City of New Richmond, WI, and the Village of Star Prairie, WI. The Westfields Notes are payable in monthly installments through 2024 with an interest rate of 5.75% and are collateralized by land, land improvements, and the building.

10) *HESH Loan Payable* – HESH entered into a loan arrangement with Prudential Insurance Company of America in connection with the building and equipping of the HealthPartners Specialty Center facility. The loan is payable in monthly installments through 2020 with an interest rate of 5.99% and is secured by the land, all buildings, structures, and improvements located in or on the land and all of the fixtures, and personal property owned by HESH but excluding all personal property owned by any tenant of the property.

11) *Health Care Facility Revenue Note* – Series 2006 was issued by the City of Maplewood, MN, on behalf of Regions. The note is payable in monthly installments through 2026 with an interest rate of 5.39% and is the sole obligation of Regions. The bond proceeds were used primarily for the acquisition, construction, and equipping of the Maplewood Sleep Center.

12) *Meadowbrook note payable* – In 1989, PNHS entered into a note obligation, the proceeds of which were used to construct the Meadowbrook building. The Meadowbrook obligation provides for monthly installments through 2014 at an interest rate of 10.50%.

13) *Capital lease obligations* – In 2004, PNHS entered into a lease with 494 France Partnership, LLC for the Tria building. The lease term continues through 2025. PNHS also has another building capital lease that continues through 2031.

HP was in compliance with all debt covenants as of December 31, 2013.

(In thousands)

The debt agreements also require HP to maintain certain funds in trust accounts Investments in the trusts are recorded at fair value Such funds are included in investments whose use is limited in the consolidated statements of financial position at December 31, 2013 and January 1, 2013 and were as follows

	December 31, 2013	January 1, 2013
Funds held by trustee		
Project funds for capital additions	$ —	7,598
Debt service reserve fund	70,061	69,838
Bond interest and principal fund	17,587	17,173
Total funds held by trustee	87,648	94,609
Less current portion	18,004	17,591
Long-term portion	$ 69,644	77,018

(8) Operating Leases

HP leases clinics, office space, and medical equipment under noncancelable operating lease agreements that expire at varying dates with options for renewal The leases provide for minimum monthly rental payments, plus additional rentals, based on HP's pro rata share of utilities, maintenance, taxes, insurance, and building management expenses

Total rental expense, including operating expenses, for all operating leases during 2013 was $56,826

Minimum future lease payments required under noncancelable equipment and building leases are as follows

Year ending December 31	
2014	$ 26,730
2015	23,593
2016	21,454
2017	19,900
2018	14,055
Thereafter	56,103
Total	$ 161,835

HPI is a minority member of Bloomington Central Station, LLC, the owner of the HP campus, and the landlord of HP's corporate headquarters building at 8170 33rd Avenue South, Bloomington, MN HPI has certain rights under the LLC agreement and the lease agreement

(Continued)

(9) Asbestos Abatement

ASC 410, *Asset Retirement and Environmental Obligations*, requires companies to accrue for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets HP recorded asset retirement obligations in accordance with this interpretation for conditional asset retirement obligations related to the removal of asbestos contained within some of its buildings The asset retirement obligation is adjusted each year for any liabilities incurred or settled during the period, accretion expense, and any revisions made to the estimated cash flows At December 31, 2013 and January 1, 2013, HP has asset retirement obligations recorded of $5,253 and $5,259, respectively

(10) Retirement Plans

HP provides several retirement programs for its various groups of employees

GHI, HPCMC, PNBC, RHSC, and HPA (the Group) have a noncontributory defined benefit cash balance plan covering their employees age 21 and over with a minimum of one year of service Contributions to the plan are a function of the years of service, the level of compensation, and an interest rate credit Plan assets are invested in a fund consisting of common stocks, bonds, and other marketable securities The plan is funded in accordance with federal law and regulations

Lakeview Health has a defined benefit pension plan covering substantially all of its employees Pension benefits are based on years of service and the employees' compensation during their highest consecutive five-year compensation period Lakeview Health funds contributions to the plan based on actuarial computations using the projected unit credit method

HP uses a December 31 measurement date for the retirement plans

(In thousands)

The Plans' benefit obligation and funded status at December 31, 2013 and January 1, 2013, and changes for the year ended December 31, 2013 are as follows

	2013
Change in benefit obligation	
Benefit obligation – January 1, 2013	$ 491,846
Service cost	23,072
Interest cost	19,288
Actuarial loss	(21,765)
Benefits paid	(15,172)
Expenses	(1,092)
Benefit obligation – December 31, 2013	$ 496,177
Change in plan assets	
Fair value of plan assets – January 1, 2013	$ 441,012
Actual return on plan assets	85,979
Employer contributions	43,136
Benefits paid	(15,172)
Expenses	(1,092)
Fair value of plan assets – December 31, 2013	$ 553,863

	December 31, 2013	January 1, 2013
Funded status		
Funded status	$ 57,686	(50,835)
Unrecognized net actuarial loss	57,972	146,841
Unrecognized prior service cost	3,564	4,689
Prepaid benefit cost	$ 119,222	100,695
Amount recognized in the statements of financial position consists of the following		
Noncurrent assets – prepaid employee benefits	$ 57,686	—
Noncurrent liabilities – deferred employee benefits	—	(50,835)
Total amount recognized	$ 57,686	(50,835)

	December 31, 2013	January 1, 2013
Amount recognized in net assets		
Net loss	$ 57,972	146,841
Net prior service cost	3,564	4,689
Total amount recognized	$ 61,536	151,530

(Continued)

(In thousands)

	December 31, 2013	January 1, 2013
Weighted average assumptions as of December 31, 2013 and January 1, 2013		
Discount rate – the Group	4 75%	4 00%
Discount rate – Lakeview Health	5 10	4 26
Expected return on plan assets – the Group	7 75	8 00
Expected return on plan assets – Lakeview Health	7 50	7 50
Rate of compensation increase – the Group	4 00	4 00
Rate of compensation increase – Lakeview Health	5 00	5 00

The following benefit payments, which reflect expected future service, are expected to be paid

Estimated benefit payments	
2014	$ 31,704
2015	33,669
2016	34,747
2017	37,489
2018	38,452
2019–2023	202,812
Total	$ 378,873

(a) Plan Assets

HP has in place an Asset Allocation and Investment Policy Guidelines document that provides general oversight of the Plans' assets The asset class investment return goals are broken down by the following asset classes core fixed income, large cap equities, small cap equities, and international equities In addition to the return objectives, each asset class has a minimum and maximum range and a targeted asset allocation percentage In general, investment managers selected are expected to adequately diversify each portfolio in their efforts to maximize risk-adjusted performance The Plans may use private placements, mutual funds, and commingled/collective funds periodically to gain exposure to certain asset classes

(Continued)

(In thousands)

HP pension plan weighted average asset allocations at December 31, 2013 and January 1, 2013 by assets category are as follows

	Target allocation	December 31, 2013	January 1, 2013
Asset category			
Equity securities	75 0%	74 1%	71 7%
Debt securities	25 0	20 1	25 4
All other assets	—	5 8	2 9
	100 0%	100 0%	100 0%

Employer contributions – contributions expected to be paid in 2014 for the measurement year ended December 31, 2013	$ 20,000

In 2013, HP made cash contributions to the pension plan of $43,136, of which $32,000 is currently invested in the asset category of all other assets These assets have yet to be rebased, and once they have been rebased, they will be moved based on HP's target allocation policy

HP has classified its investments in the pension plans as collective/commingled funds, mutual funds, common stock (domestic and international), preferred stock, fixed income securities, and money market accounts

(Continued)

(In thousands)

The following tables present the level within the fair value hierarchy at which HP's invested assets are measured on a recurring basis at December 31, 2013 and January 1, 2013

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Cash equivalents	$ 32,807	—	—	32,807
Fixed income				
Asset-backed securities	—	919	—	919
Government agencies	18,567	—	—	18,567
Mortgage-backed securities	—	574	—	574
Corporate obligations	—	23,092	—	23,092
Common stock				
Small cap stocks	47,950	—	—	47,950
Mid cap stocks	2,703	—	—	2,703
Preferred stock	725	—	—	725
Mutual funds				
Fixed income funds	68,503	—	—	68,503
Large cap funds	10,892	—	—	10,892
International funds	122,423	—	—	122,423
Commodity funds	7,639	—	—	7,639
Collective/commingled funds	17,800	199,269	—	217,069
Total investment assets at fair value	$ 330,009	223,854	—	553,863

(Continued)

(In thousands)

	Level 1	Level 2	Level 3	Total
January 1, 2013				
Cash equivalents	$ 11,846	—	—	11,846
Fixed income				
Asset-backed securities	—	257	—	257
Government agencies	16,808	—	—	16,808
Mortgage-backed securities	—	478	—	478
Corporate obligations	—	25,316	—	25,316
Common stock				
Small cap stocks	31,386	—	—	31,386
Mid cap stocks	1,850	—	—	1,850
Preferred stock	326	—	—	326
Mutual funds				
Fixed income funds	70,570	—	—	70,570
Large cap funds	8,198	—	—	8,198
International funds	99,978	—	—	99,978
Commodity funds	8,967	—	—	8,967
Collective/commingled funds	15,651	149,381	—	165,032
Total investment assets at fair value	$ 265,580	175,432	—	441,012

HP did not have any transfers between Levels 1 and 2 during the year ended December 31, 2013

(b) Accumulated Benefit Obligation

Information for pension plans with an accumulated benefit obligation in excess of plan assets is as follows

	December 31, 2013	January 1, 2013
Projected benefit obligation	$ 496,177	491,846
Accumulated benefit obligation	454,445	448,954
Fair value of plan assets	553,863	441,012

(Continued)

(In thousands)

(c) Components of Net Periodic Benefit Cost

		2013
Service cost	$	23,072
Interest cost		19,288
Expected return on plan assets		(32,209)
Amortization of prior service cost		1,125
Recognized actuarial loss		13,334
Net periodic benefit cost	$	24,610

(d) Regions Plans

Substantially, all full-time employees of Regions are covered by Regions' defined contribution retirement plan or by the defined benefit plans administered by the Public Employees Retirement Association of the state of Minnesota (PERA)

Regions sponsors a defined contribution retirement plan covering all employees over the age of 21 who have completed one year of eligible service and are not covered by PERA The plan provides for both a base contribution and a matching contribution funded by the employer based on the employees' participation in a qualifying 403(b) plan The plan is a qualified plan under IRC Section 401(a) and satisfies the requirements of Section 401(m) Regions' contributions range from 4% to 6% of eligible employees' compensation Total contributions to the plan were $10,620 in 2013

PERA is a contributory defined benefit retirement plan available to employees hired by Regions prior to September 3, 1986, who may, but are not obligated to, continue PERA participation under provisions of Minnesota Statutes The PERA plan provides retirement benefits, as well as disability benefits to members, and benefits to survivors upon death of eligible members Benefits are established by Minnesota State Statute and vest after three years of credited services Contributions by Regions to this plan are based on a percentage of eligible employees' salaries The contributory percentage is established by PERA Contributions to PERA were $265 in 2013 Regions' relative actuarial position and relative net assets available for benefits are not determinable

(e) GHI Plans

GHI sponsors two qualified defined contribution plans under various sections of the IRC, which are the GHI 403(b)(7) Plan and the GHI 401(k) Plan Employee balances in the GHI 403(b)(7) Plan were frozen, effective July 3, 1996 Eligible employees of GHI can contribute 1 0% to 50 0% of annual compensation up to the maximum dollar limits established by the Internal Revenue Service with GHI matching the participants' contribution up to 7 5% of their salary GHI made discretionary contributions to the GHI 401(k) Plan, for which GHI, HPCMC, RHSC, HPA, and PNBC are participants, of $25,686 in 2013

(Continued)

(In thousands)

(f) PNHS Plans

PNHS contributes to various multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- If PNHS chooses to stop participating in some if its multiemployer plans, PNHS may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability

PNHS's participation in these plans for the annual period ended December 31, 2013, is outlined in the following table The zone status is based on information that PNHS received from the plan and is **certified by the plan's actuary.** Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are between 65% and 80% funded, and plans in the green zone are at least 80% funded

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2013	FIP/RP Status Pending/ Implemented	2013 Contributions		Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
Twin Cities Hospitals Minnesota Nurses Association	41-6184922	Yellow as of 1/1/2013	Yes *	14,088	**	No	5/31/2016
Twin Cities Hospitals Workers Pension Plan	41-1303906	Green as of 1/1/2013	No	550		No	2/28/2015

* The sponsor has commenced a funding improvement plan in order to meet funding requirements over a funding improvement period ending in 2020

** The required 2014 contribution was paid in December 2013 rather than in January 2014

(Continued)

PNHS was listed in both the Twin Cities Hospitals Minnesota Nurses Association and the Twin Cities Hospitals Workers Pension Plan Form 5500 as providing more than 5% of the total contributions for 2012

In addition, PNHS participates in one other multiemployer pension plan Total contributions to this plan were $120 in 2013

PNHS has a defined contribution pension plan covering all eligible noncontract employees under **which PNHS makes contributions of 4.5% of a participant's compensation up to 100% of the social** security wage base and 9 7% of any compensation in excess of 100% of the social security wage base up to a maximum wage base of $255 Plan contribution expense for PNHS was $22,046 in 2013

PNHS also offers a 401(k) and a 403(b) contributory savings plan covering substantially all employees **Discretionarily, PNHS matches a specified percentage of each employee's contribution** up to a maximum of 4% of the individual**'s compensation.** For 2013, PNHS made contributory matches of 40% Plan contribution expense for PNHS was $6,339 in 2013

(g) WH Plans

WH has a defined contribution retirement plan covering substantially all employees who meet the requirement set forth in the plan The eligible employees can elect to contribute, up to the maximum dollar limits established by the Internal Revenue Service, of their annual salary to the plan with WH matching the participants' contributions up to 5% of their salary Contributions to the plan were $185 in 2013

(h) HH Plans

HH has a defined contribution retirement plan for all its eligible employees HH contributes 3% of annual compensation for those plan participants contributing a minimum of 1% of their annual compensation For those employees attaining 15 or more years of continuous service, HH will contribute between 4% and 8% of the employees' annual compensation assuming the employee contributes an equal percentage Contributions to the plan were $425 in 2013

(i) Lakeview Health Plans

LMHA has a defined contribution plan or 401(k) plan covering substantially all employees of LMHA who meet the requirements set forth in the plan An employee becomes eligible to participate after completing one year of service, accumulating 1,000 hours of service, and attaining age 21 A participant may elect to defer compensation not to exceed a dollar limit, which is set by law All employee contributions to the 401(k) plan are 100% vested LMHA will make matching contributions to the 401(k) plan in the amount of 2% of the compensation that is contributed by the employee Contributions to the 401(k) plan were $762 in 2013

SMG has a defined contribution 401(k) plan covering substantially all employees of SMG who meet the requirements set forth in the plan A participant may elect to defer compensation not to exceed a

(In thousands)

dollar limit, which is set by law All employee contributions to the 401(k) are 100% vested SMG also has a profit sharing plan, where SMG has the discretion to determine contribution amounts A participant is eligible after completing 1,000 hours of service and if the participant is employed on the last day of the plan year Contributions to both the 401(k) plan and the profit sharing plan were $1,556 in 2013

(11) Postretirement Benefits

HP provides four postretirement benefit plans for its various groups of employees

Regions sponsors a defined benefit plan that provides postretirement medical and dental benefits to substantially all of Regions' employees hired prior to January 1, 1993, and retired by December 31, 2000 The plan is contributory for retirees below age 65 and noncontributory for retirees age 65 and older In 1994, the plan was amended to eliminate subsidized coverage after age 65 for participants who retired after July 1, 1994 In 1999, the plan was amended to eliminate coverage for active employees who retired after December 31, 2000

GHI sponsors a defined benefit plan that provides postretirement medical and dental benefits to GHI employees As of January 1, 2006, new early retirees (ages 55 to 64) will not be allowed to purchase two single policies Instead, they must purchase family coverage if they elect coverage for spouse or dependent As of January 1, 2008, new nonunion early retirees (ages 55 to 64) will pay rates that are based on the actual experience of the early retiree group (i e , retiree group rates)

PNHS extends health insurance coverage to certain union contract labor who elect to retire and begin receiving pension benefits at age 55 or older, until such time as the retiree is eligible for Medicare PNHS also has a defined benefit postretirement health care plan covering certain former employees and spouses who satisfied certain eligibility requirements No other employees will be included in this plan

HP uses a December 31 measurement date for the postretirement plans

The following provides a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the year ended December 31, 2013, and a statement of funded status as of the same dates

		2013
Change in benefit obligation		
Benefit obligation – January 1, 2013	$	21,854
Service cost		658
Interest cost		728
Actuarial gain		(5,377)
Benefits paid		(1,003)
Benefit obligation – December 31, 2013	$	16,860

(Continued)

(In thousands)

	2013
Change in plan assets	
Fair value of plan assets – January 1, 2013	$ —
Employer contributions	1,003
Benefits paid	(1,003)
Fair value of plan assets – December 31, 2013	$ —

	December 31, 2013	January 1, 2013
Funded status		
Funded status	$ (16,860)	(21,854)
Unrecognized prior year service cost	(4)	(323)
Unrecognized net gain	(7,792)	(2,777)
Net amount recognized	$ (24,656)	(24,954)
Amounts recognized in the statement of financial position consist of		
Current liabilities – salaries and employee benefits payable	$ (1,200)	(1,351)
Noncurrent liabilities – postretirement benefit obligation	(15,660)	(20,502)
Total amount recognized	$ (16,860)	(21,853)
Amounts recognized in net assets consist of		
Net gain	$ (7,792)	(2,777)
Prior service cost	(4)	(323)
Total amount required	$ (7,796)	(3,100)

The components of net periodic benefit cost for the plans for 2013 were as follows

	2013
Service cost	$ 658
Interest cost	728
Amortization of prior year service cost	(318)
Recognized actuarial gain	(362)
Net periodic postretirement benefit cost	$ 706

(Continued)

(In thousands)

Assumptions and healthcare trends for December 31, 2013 and January 1, 2013 were as follows

	December 31, 2013	January 1, 2013
Assumed healthcare cost trends		
Following year	6.75–7.50%	7–7.70%
Rate to which the cost trend rate is assumed to decline	5.00% & 4.50%	5.00% & 4.50%
Year that the rate reaches the ultimate trend rate	2020, 2021 & 2029	2018, 2021 & 2029
Assumptions used to determine benefit obligations		
Discount rate	2.85%, 4.35% & 4.75%	2.85%, 3.50% & 4.00%
Future compensation increase rates	—	—
Assumptions used to determine net periodic benefit costs		
Discount rate	2.85%, 4.00% & 7.00%	4.00%, 4.75% & 7.50%
Expected long-term rate of return	—	—

As an indicator of sensitivity, a 1% increase in the assumed healthcare cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2013, between approximately 6.4% and 9.7% and postretirement healthcare benefit expenses for 2013 between approximately 6.4% and 40.2% A 1% decrease in the assumed healthcare cost trend rate for each year would decrease the accumulated benefit obligation as of December 31, 2013, between approximately 5.9% and 8.4% and the postretirement healthcare benefit expenses for 2013 between approximately 5.9% and 35.0%

The following is the expected cash cost to HP for the next 10 years using current healthcare cost assumptions

Year ending December 31	
2014	$ 1,207
2015	1,284
2016	1,366
2017	1,455
2018	1,496
2019–2023	7,555

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) was signed into law The provisions of the Act provide for a federal subsidy for plans that provide prescription drug benefits and meet certain qualifications and, alternatively, would allow prescription drug plan sponsors to coordinate with the Medicare benefit HPI's retirement medical plan is not eligible for the Medicare subsidy under the Act, however, the Regions' postretirement plans provide prescription drug coverage for certain Medicare-eligible retirees

(Continued)

(12) Deferred Compensation Plan

HP offers certain employees nonqualified deferred compensation plans created in accordance with applicable provisions of the IRC The plans permit qualifying employees to defer a portion of their salary until future years The accumulated deferred compensation balance is not immediately available to employees until a certain criteria has been met depending on the specific deferred compensation plan

All amounts of compensation deferred under the plans and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of HP (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors Participants' rights under the plans are equal to those of general creditors of HP in an amount equal to the fair market value of the deferred account for each participant The related assets and liabilities are reported at fair value

The liabilities for these plans at December 31, 2013 and January 1, 2013 were $47,427 and $37,037, respectively, and are included in deferred employee benefits in the consolidated statements of financial position

(13) Self-Insured Programs

HP has various self-insured programs covering professional liability, workers' compensation, and certain health and dental claims Provisions for related losses on incurred claims are included as liabilities

GHI, Regions, WH, and HH have professional liability insurance programs providing coverage on a claims-made basis GHI and Regions has coverages that have a self-insured retention (SIR) limit of $5,000 per occurrence in 2013 GHI and Regions have purchased insurance policies with excess per claim and annual aggregate limits GHI's and Regions per claim limits in excess of the SIR limits are $55,000 in 2013 WH and HH have coverages that have a limit of $1,000 per occurrence and $3,000 aggregate in 2013 This coverage is purchased through Physicians Insurance Company of Wisconsin, Inc WH and HH are insured against losses in excess of these amounts through its participation in the mandatory Patients' Compensation Fund of the state of Wisconsin The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to February 1, 2015

PNHS is self-insured for claims made up to $3,500 per claim and $12,000 annual aggregate SIR in 2013 PNHS also has an aggregate excess umbrella coverage limit of $50,000 annually to cover the excess SIR, as well as the excess of PNHS' other corporate insurance programs in 2013

Lakeview Health's malpractice insurance is a claims made policy Should this policy lapse and not be replaced with equivalent coverage, claims based upon occurrence during its term, but reported subsequent thereto, would be uninsured

(14) Related-Party Transactions

HP has a one-third ownership interest in St Francis Regions Medical Center (St Francis) with Allina Health System and Essentia each holding a one-third ownership interest in St Francis as well HP's

ownership interest is accounted for on the equity basis and is included in other assets in the consolidated statements of financial position and in other revenue in the consolidated statement of activities At December 31, 2013, **HP's ownership interest in St. Francis was $32,744. HP's proportionate share in** income of St Francis was $4,353 in 2013 Effective January 1, 2014, **HP's and Allina Health System's** ownership interest in St Francis will increase to **47.5% with Essentia's ownership interest decreasing to** 5%

During 2013, a member of Western Wisconsin Medical Association (WWMA) was a board member of HP **WWMA was paid $6,611 in 2013 to provide medical services to HPI and GHI's enrolled members.**

(15) Provider Tax

The legislature of the State of Minnesota passed a law in 1992 requiring all healthcare providers to pay a tax on healthcare services they provide to patients The funds collected from this tax help provide health insurance coverage to individuals who otherwise could not afford health insurance In 2013, the provider tax was 2% of healthcare services, which is included within health services on the consolidated statement of activities

(16) Minnesota Comprehensive Health Association

Minnesota Comprehensive Health Association (MCHA) was created as a nonprofit association that provides health insurance to residents of Minnesota who otherwise are unable to obtain coverage in the marketplace Membership in MCHA is state mandated and composed of all insurers, HMOs, nonprofit health service corporations, and fraternal benefit societies transacting the business of health insurance in Minnesota Contributing members are assessed amounts to reimburse MCHA for claims expenses in excess of revenues Each contributing member's assessment is based on the ratio of its health insurance premiums earned to the total contributing members' annual premium revenues in Minnesota

(17) Medical Care Surcharge

The legislature of the State of Minnesota passed a law in 1992 requiring all healthcare providers to pay a medical care surcharge The purpose of the surcharge was to maintain the federal matching funds the state receives for the Medicaid program and to improve reimbursement to providers for Medicaid patients

(18) Premium Tax

The legislature of the State of Minnesota passed legislation in 1992 requiring HMOs to pay 1% tax on premium revenue effective January 1, 1996 The funds collected from this tax help provide health coverage to individuals who otherwise could not afford health insurance In 2013, the premium tax for HMOs was 1% as determined by the State Finance Commissioner based on funds available in the Health Care Access Fund HPIC, a subsidiary of HP, was assessed a 2% premium tax in 2013

(19) Minnesota Capitalization Requirements

The legislature of the State of Minnesota enacted a bill (the Bill) relating to HMOs requiring, among other things, that HMOs maintain positive working capital, make certain deposits, and comply with certain net worth requirements The Bill requires that existing HMOs maintain cash deposits equal to the greater of

(In thousands)

$500 or 33% of their uncovered expenses in the preceding calendar year The term "uncovered expenses" is defined as the costs of healthcare services that are covered by the HMO for which the enrollee would also be liable in the event of the organization's insolvency The legislature of the State of Minnesota enacted a bill requiring that insurance companies maintain at least $500 in securities as a guarantee that the obligations to policyholders will be performed At December 31, 2013 and January 1, 2013, the depository requirements were satisfied through statutory deposits with Wells Fargo Bank Minnesota, NA

The Bill also requires that existing HMOs and Accident and Health Insurance Companies maintain a "total adjusted capital to risk-based capital," defined as total admitted assets less total liabilities at the regulatory action level, which is greater than 150% of the risk-based capital authorized control level On a consolidated basis, all HP-affiliated HMOs and Accident and Health Insurance Companies are in compliance with the above provisions at December 31, 2013 and January 1, 2013

(20) Charity Care, Taxes, and Assessments

In furtherance of its charitable purpose, HP provides a variety of benefits to the community HP maintains records to identify, measure, and estimate the cost for community service programs

HP also conducts medical research and provides medical education programs in furtherance of its commitment to improving the healthcare available to the community

HP also provides medical care without charge or at reduced cost to low-income community residents, primarily through (a) the services to patients who express a willingness to pay but who are determined to be unable to pay and (b) participation in public program payments (primarily Medicare and Medicaid)

The cost of charity care, community service, medical education, taxes, and assessments for the year ended December 31, 2013 was as follows

		2013
Cost of charity care	$	32,841
Community service		27,018
Medical education		12,964
Medical care surcharge		34,860
MCHA assessments		51,315
Premium tax		30,530
Provider tax		30,662
Total cost of charity care, community service medical education, taxes, and assessments	$	220,190

(21) Net Assets

HP reports net assets based on the existence or absence of donor-imposed restrictions The expiration of donor restrictions is recorded in the period in which the restrictions expire Permanently restricted net assets have been restricted by donors to be maintained by HP in perpetuity

(Continued)

(In thousands)

Operating income related to restricted assets is primarily due to contributions revenue, contributions expense, and investment income

		2013
Unrestricted net assets – January 1, 2013	$	1,799,264
Excess of revenues over expenses – unrestricted		237,807
Change in net unrealized gains and losses on investments		14,558
Recognition of change in pension and postretirement funded status		94,690
Net assets released from restrictions		15,397
Unrestricted net assets – December 31, 2013	$	2,161,716
Temporarily restricted net assets – January 1, 2013	$	30,020
Excess of revenues over expenses – temporarily restricted		13,749
Net investment income and realized gains		2,705
Change in net unrealized gains and losses on investments		(4)
Change in beneficial interest		45
Contributions		3,569
Net assets released from restrictions		(16,950)
Temporarily restricted net assets – December 31, 2013	$	33,134
Permanently restricted net assets – January 1, 2013	$	11,377
Excess of revenues over expenses – permanently restricted		28
Net investment income and realized gains		9
Change in net unrealized gains and losses on investments		(1)
Contributions		225
Permanently restricted net assets – December 31, 2013	$	11,638
Total net assets – January 1, 2013	$	1,840,661
Total net assets – December 31, 2013		2,206,488
Total excess of revenues over expenses		251,584

(Continued)

(22) Contingencies

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

HP periodically identifies potential documentation and coding compliance issues. When this occurs, HP follows up with an investigation and, where warranted, initiates disclosure and repayment to the appropriate regulatory authorities. A provision would be made in HP's consolidated financial statements for possible fines, penalties, repayments, or adverse judgments in these matters to the extent the amount is reasonably determinable.

HP is involved in litigation and regulatory investigations and audits arising in the normal course of business. It is management's opinion that these matters will be resolved without material adverse effect on HP's consolidated financial position or results of activities.

(23) Subsequent Events

Effective January 1, 2014, Amery Regional Medical Center (ARMC) joined the HP family of care. ARMC is a 25-bed critical access hospital, has four clinics, a dialysis center, a wound healing center, a geriatric mental health center and an assisted living facility. ARMC is located in Amery, Wisconsin. This transaction will be accounted for as an acquisition under ASC Subtopic 958-805, *Not-For Profit Entities—Business Combinations*.

HP has evaluated all other subsequent events from the consolidated statements of financial position date through March 28, 2014, the date at which the consolidated financial statements were issued, and determined that there are no other items to disclose.

ADDITIONAL CONSOLIDATING INFORMATION

HEALTHPARTNERS INC

Consolidating Schedule of Financial Position Information

December 31 2013

(In thousands)

Assets	GHI	HPI	Elims	HMO	HPIC	Total HPAI	PNHS	Regions	Health	Lakeview HH	Lakeview WH	HPCMC
Current assets												
Cash and cash equivalents	$ 96 535	184 479	—	281 014	5 073	19 826	76 503	86 634	15 710	24 757	8 217	40
Investments at fair value	217 787	186 562	—	404 349	263 416	—	—	24 829	545	2 159	—	—
Investments whose use is limited at fair value	—	—	—	—	—	—	17 050	1 865	—	—	—	—
Accounts receivable net	209 212	218 821	(174 419)	253 614	6 260	35 243	140 714	78 854	30 605	6 623	7 574	836
Other current assets	17 704	—	—	17 704	4 871	1 301	42 934	8 776	3 213	991	761	—
Total current assets	541 238	589 862	(174 419)	956 681	279 620	56 370	277 201	200 958	50 073	34 530	16 552	876
Investments whose use is limited at fair value	51 185	1 520	—	52 705	551	25 003	64 088	20 602	1 967	2 297	7 247	—
Other investments at fair value	—	37 523	—	37 523	—	—	461 690	165 220	98 857	—	717	—
Beneficial interest in net assets of foundation	—	—	—	—	—	—	—	20 939	—	—	—	—
Property plant and equipment net	141 906	—	—	141 906	—	—	358 368	299 182	49 081	32 481	17 984	—
Deferred compensation	43 191	—	—	43 191	—	—	2 148	—	—	—	—	—
Goodwill and other intangible assets	—	—	—	—	—	—	—	1 328	1 839	—	1 412	—
Other	75 166	62 494	—	137 660	—	48 428	13 730	2 877	3 014	616	346	—
Total assets	$ 852 686	691 399	(174 419)	1 369 666	280 171	129 801	1 177 225	711 106	204 831	69 924	44 258	876
Liabilities and Net Assets												
Current liabilities												
Unpaid medical claims	$ 19 926	85 932	(4 525)	101 333	69 558	—	—	—	—	—	—	—
Accounts payable	349 232	1 563	(167 996)	182 799	32 553	4 903	64 527	47 140	8 117	5 718	5 268	—
Provider payable	2 027	14 154	(1 898)	14 283	15 000	19 799	—	—	—	—	—	—
Salaries and employee benefits payable	91 403	—	—	91 403	—	—	75 886	38 766	8 680	2 970	2 676	876
Accrued real estate taxes income taxes and interest	2 970	306	—	3 276	—	27	15 889	—	6	61	17	—
Deferred revenue	5 542	14 808	—	20 350	12 958	569	4 733	—	—	1	—	—
Current portion of long-term debt	3 385	2 500	—	5 885	—	—	11 990	3 548	706	928	1 198	—
Total current liabilities	474 485	119 263	(174 419)	419 329	130 069	25 298	173 025	89 454	17 509	9 678	9 159	876
Long-term debt – less current portion	39 645	90 000	—	129 645	—	—	369 114	209 550	26 076	18 541	11 656	—
Deferred employee benefits	47 229	—	—	47 229	—	—	2 148	—	3 548	—	—	—
Postretirement benefit obligation	8 081	—	—	8 081	—	—	1 687	5 892	—	—	—	—
Other	36 129	—	—	36 129	—	—	26 964	22 160	290	—	—	—
Total liabilities	605 569	209 263	(174 419)	640 413	130 069	25 298	572 938	327 056	47 423	28 219	20 815	876
Net assets												
Unrestricted	247 117	482 136	—	729 253	150 102	104 503	576 745	363 111	157 408	41 134	23 443	—
Temporarily restricted	—	—	—	—	—	—	16 629	20 296	—	489	—	—
Permanently restricted	—	—	—	—	—	—	10 913	643	—	82	—	—
Total net assets	247 117	482 136	—	729 253	150 102	104 503	604 287	384 050	157 408	41 705	23 443	—
Total liabilities and net assets	$ 852 686	691 399	(174 419)	1 369 666	280 171	129 801	1 177 225	711 106	204 831	69 924	44 258	876

See accompanying independent auditors report

(Continued)

PNBC	IHS	CVTCC	DSI	WEMS	RHSC	HPSI	HPA	HESH	HPI Ramsey	HPDC	HPIER	RHF	Elims	Consolidated
2 859	1 765	1 939	720	38	1 445	3 304	2 216	—	—	2 338	8 860	3 469	—	546 727
—	—	—	—	—	—	—	—	—	—	—	—	—	—	695 298
—	—	—	—	—	—	—	—	—	—	—	—	—	—	18 915
976	413	745	70	95	1 393	1 744	189	5 081	—	—	4 924	839	(135 959)	440 833
—	31	—	48	—	—	919	78	—	—	—	48	4	—	81 679
3 835	2 209	2 684	838	133	2 838	5 967	2 483	5 081	—	2 338	13 832	4 312	(135 959)	1 783 452
—	—	—	—	—	—	—	—	—	—	—	—	—	—	174 460
—	—	—	—	—	—	—	—	—	—	—	15 236	16 452	—	795 695
—	—	—	—	—	—	—	—	—	—	—	—	—	(20 939)	—
162	22	203	278	17	—	17 058	953	18 813	—	6 218	695	—	—	943 421
—	—	—	—	—	—	—	—	—	—	—	—	—	—	45 339
14 776	—	—	1 966	—	—	—	—	—	—	—	—	—	—	21 321
—	—	—	—	85	—	—	—	11	32 744	—	—	1 305	(118 014)	122 802
18 773	2 231	2 887	3 082	235	2 838	23 025	3 436	23 905	32 744	8 556	29 763	22 069	(274 912)	3 886 490
—	—	—	—	—	—	—	—	—	—	—	—	—	(19 258)	151 633
742	142	397	7	1	13	424	—	—	4 353	234	837	1 130	(115 128)	244 177
—	—	—	—	—	—	—	—	—	—	—	—	—	(90)	48 992
516	1 344	360	65	—	1 772	759	186	—	—	—	—	—	—	226 259
23	—	—	—	—	—	339	54	995	—	—	—	—	(36)	20 651
—	—	—	—	—	—	—	—	—	—	—	—	—	—	38 611
896	—	—	—	—	—	—	—	1 376	—	—	—	—	(1 447)	25 080
2 177	1 486	757	72	1	1 785	1 522	240	2 371	4 353	234	837	1 130	(135 959)	755 403
3 132	—	—	—	—	—	—	—	10 062	—	—	—	—	(7 305)	770 471
—	—	—	—	—	—	—	—	—	—	—	—	—	—	52 925
—	—	—	—	—	—	—	—	—	—	—	—	—	—	15 660
—	—	—	—	—	—	—	—	—	—	—	—	—	—	85 543
5 309	1 486	757	72	1	1 785	1 522	240	12 433	4 353	234	837	1 130	(143 264)	1 680 002
13 464	745	2 130	3 010	234	1 053	21 503	3 196	11 472	28 391	8 322	27 472	5 734	(110 709)	2 161 716
—	—	—	—	—	—	—	—	—	—	—	1 454	14 562	(20 296)	33 134
—	—	—	—	—	—	—	—	—	—	—	—	643	(643)	11 638
13 464	745	2 130	3 010	234	1 053	21 503	3 196	11 472	28 391	8 322	28 926	20 939	(131 648)	2 206 488
18 773	2 231	2 887	3 082	235	2 838	23 025	3 436	23 905	32 744	8 556	29 763	22 069	(274 912)	3 886 490

HEALTHPARTNERS, INC

Consolidating Schedule of Financial Position Information

January 1, 2013

(In thousands)

Assets		GHI	HPI	Elims	HMO	HPIC	Total HPAI	PNHS	Regions	Health	Lakeview HH	Lakeview WH	HPCMC
Current assets													
Cash and cash equivalents	$	23,725	104,550	—	188,275	25,011	60,085	111,704	64,517	10,800	24,008	12,006	1,201
Investments, at fair value		216,798	185,545	—	402,343	234,617	—	—	20,237	506	1,840	—	—
Investments whose use is limited, at fair value		—	—	—	—	—	—	15,815	1,400	—	—	—	—
Accounts receivable, net		150,255	120,000	(71,382)	208,530	8,577	22,008	140,250	71,467	32,567	6,004	2,721	532
Other current assets		17,447	—	—	17,447	6,110	1,705	28,123	8,986	3,522	902	376	—
Total current assets		408,225	470,701	(71,382)	816,604	274,315	83,888	295,898	166,706	50,494	33,534	16,003	1,823
Investments whose use is limited, at fair value		54,715	3,000	—	57,715	550	—	60,020	20,778	1,967	2,295	6,736	—
Other investments, at fair value		—	30,275	—	30,275	—	—	375,322	142,240	83,153	—	—	—
Beneficial interest in net assets of foundation		—	—	—	—	—	—	—	10,970	—	—	—	—
Property, plant, and equipment, net		127,777	—	—	127,777	—	—	355,047	200,225	47,058	31,984	16,033	—
Deferred compensation		32,313	—	—	32,313	—	—	2,036	—	—	—	—	—
Goodwill and other intangible assets		—	—	—	—	—	—	—	—	2,093	—	—	—
Other		14,540	58,210	—	72,750	—	40,228	14,235	3,028	2,033	937	554	—
Total assets	$	637,570	571,246	(71,382)	1,137,443	274,865	124,116	1,103,167	651,956	194,298	68,750	40,016	1,823
Liabilities and Net Assets													
Current liabilities													
Unpaid medical claims	$	22,808	102,908	(4,737)	121,030	81,560	—	—	—	—	—	—	—
Accounts payable		218,613	22,007	(65,170)	170,104	18,610	4,270	50,400	37,007	5,878	5,028	4,018	—
Provider payable		2,337	18,480	(1,409)	19,357	11,000	18,029	—	—	—	—	—	—
Salaries and employee benefits payable		70,003	—	—	70,003	—	—	74,670	30,722	8,235	2,782	1,850	870
Accrued real estate taxes, income taxes, and interest		3,158	—	—	3,158	—	—	16,028	—	(20)	175	18	—
Deferred revenue		14,704	13,533	—	28,237	12,241	600	6,945	—	—	—	—	—
Current portion of long-term debt		3,215	—	—	3,215	—	—	11,286	3,383	1,680	805	1,168	—
Total current liabilities		344,888	157,507	(71,382)	431,103	123,429	22,914	168,338	77,772	15,773	8,880	7,060	870
Long-term debt – less current portion		50,630	—	—	50,630	—	—	381,071	213,000	26,806	10,470	12,855	—
Deferred employee benefits		73,776	—	—	73,776	—	—	2,036	—	13,803	—	—	—
Postretirement benefit obligation		11,044	—	—	11,044	—	—	3,068	6,390	—	—	—	—
Other		38,867	—	—	38,867	—	—	27,580	21,260	290	—	—	—
Total liabilities		519,205	157,507	(71,382)	605,420	123,429	22,914	582,702	318,521	56,672	28,350	19,915	870
Net assets													
Unrestricted		118,374	413,640	—	532,023	151,436	101,202	497,583	313,465	137,626	39,785	20,101	947
Temporarily restricted		—	—	—	—	—	—	12,202	19,355	—	533	—	—
Permanently restricted		—	—	—	—	—	—	10,680	615	—	82	—	—
Total net assets		118,374	413,640	—	532,023	151,436	101,202	520,465	333,435	137,626	40,400	20,101	947
Total liabilities and net assets	$	637,570	571,246	(71,382)	1,137,443	274,865	124,116	1,103,167	651,956	194,298	68,750	40,016	1,823

See accompanying independent auditors' report

(Continued)

PNBC	IHS	CVTCC	DSI	WEMS	RHSC	HPSI	HPA	HESH	HPV	HPI Ramsey	HPDC	HPIER	RHF	Elims	Consolidated
3 057	2 306	1 556	135	81	1 351	4 745	2 437	—	126	—	—	8 516	4 261	—	536 306
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	656 543
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17 314
1 285	377	800	556	28	1 067	11	78	4 418	—	—	—	3 745	1 406	(78 585)	428 700
—	28	—	46	1	—	815	62	—	—	—	—	49	—	—	68 262
4 342	2 711	2 455	737	110	2 418	5 571	2 577	4 418	126	—	—	12 310	5 730	(78 585)	1 710 278
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	150 070
—	—	—	—	—	—	—	—	—	—	—	—	13 073	14 347	—	658 410
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(19 070)	—
224	48	350	352	40	—	9 347	733	19 815	—	—	287	506	—	—	910 425
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34 040
15 171	—	—	1 071	—	—	—	—	—	—	—	—	—	—	—	19 235
—	—	—	—	65	—	—	—	13	—	28 301	—	33	1 085	(106 004)	57 267
19 737	2 750	2 814	3 060	215	2 418	14 918	3 310	24 246	126	28 301	287	26 012	21 162	(205 249)	3 540 643
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(20 045)	182 503
813	206	388	—	45	30	1 515	6	—	—	—	288	944	1 192	(56 166)	260 263
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(33)	48 353
556	1 488	372	50	—	1 557	644	133	—	—	—	—	—	—	—	200 943
56	—	—	—	—	—	—	—	726	—	—	—	—	—	(51)	20 081
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	48 026
738	—	—	—	—	—	—	—	1 266	—	—	—	—	—	(2 289)	21 381
2 163	1 694	760	50	45	1 566	2 159	139	2 022	—	—	288	944	1 192	(78 584)	790 613
5 862	—	—	—	—	—	—	—	11 438	—	—	—	—	—	(10 585)	710 646
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	90 215
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	20 502
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	88 006
8 025	1 694	760	50	45	1 566	2 159	139	13 460	—	—	288	944	1 192	(80 169)	1 699 982
11 712	1 065	2 054	3 010	170	822	12 759	3 171	10 786	126	28 301	(1)	23 017	4 121	(96 110)	1 709 264
—	—	—	—	—	—	—	—	—	—	—	—	2 051	15 234	(19 355)	30 020
—	—	—	—	—	—	—	—	—	—	—	—	—	615	(615)	11 377
11 712	1 065	2 054	3 010	170	822	12 759	3 171	10 786	126	28 301	(1)	25 068	19 970	(116 080)	1 840 661
19 737	2 750	2 814	3 060	215	2 418	14 918	3 310	24 246	126	28 301	287	26 012	21 162	(205 249)	3 540 643

HEALTHPARTNERS, INC

Consolidating Schedule of Activities Information

Year ended December 31 2013

(In thousands)

	GHI	HPI	Elims	Total HMO	HPIC	HPAI	PNHS	Regions	Lakeview Health	HH	WH	HPCMC
Revenues												
Premiums earned	$ 442 937	1 269 327	—	1 712 264	873 448	—	—	—	—	—	—	—
Net health service revenue	529 893	1 378	(82 693)	448 578	—	—	1 150 188	596 710	135 410	49 618	38 948	—
Other revenue	67 428	8 756	(3 896)	72 288	—	106 145	106 352	41 643	10 656	1 852	1 201	10 462
Investment income and net realized gains	5 012	3 662	—	8 674	2 181	16	56 593	4 657	3 804	327	153	—
Total revenues	1 045 270	1 283 123	(86 589)	2 241 804	875 629	106 161	1 313 133	643 010	149 870	51 797	40 302	10 462
Expenses												
Health services												
Salaries and employee benefits	451 541	70 920	—	522 461	—	—	672 041	333 718	82 200	27 784	18 984	9 546
Health services purchased												
Professional	139 846	481 082	(82 693)	538 235	345 392	—	28 609	370	—	—	25	—
Hospitalization	56 819	418 679	—	475 498	338 627	—	—	—	—	—	—	—
Pharmacy	177 082	116 483	—	293 565	73 162	—	—	27 141	9 137	—	337	(5)
Supplies and other	89 958	12 436	(3 896)	98 498	10 701	2 656	278 339	144 258	32 755	12 089	10 553	58
Depreciation	17 283	2 147	—	19 430	—	—	44 428	37 084	5 584	3 296	1 051	—
Interest	2 904	465	—	3 369	—	—	22 976	10 934	—	718	—	—
Total health services	935 433	1 102 212	(86 589)	1 951 056	767 882	2 656	1 046 393	553 505	129 676	43 887	30 950	9 599
Administrative services												
Salaries and employee benefits payable	36 832	45 656	—	82 488	—	—	104 820	25 402	7 695	3 453	2 837	861
Supplies and other	13 942	20 981	—	34 923	68 175	97 946	54 859	9 959	5 834	2 784	2 024	2
Depreciation	5 343	8 987	—	14 330	—	—	5 488	2 926	1 485	64	1 120	—
Interest	—	—	—	—	—	—	—	—	1 262	—	480	—
Total administrative services	56 117	75 624	—	131 741	68 175	97 946	165 167	38 287	16 276	6 301	6 461	863
Health services taxes and assessments												
MCHA assessments	9 835	19 319	—	29 154	22 161	—	—	—	—	—	—	—
Medical care surcharge	41	8 104	—	8 145	—	—	19 805	5 695	645	305	175	—
Premium tax	726	12 020	—	12 746	17 784	—	—	—	—	—	—	—
Income and other taxes	73	244	—	317	(451)	2 259	—	11 351	10	—	—	—
Total health services taxes and assessments	10 675	39 687	—	50 362	39 494	2 259	19 805	17 046	655	305	175	—
Total expenses	1 002 225	1 217 523	(86 589)	2 133 159	875 551	102 861	1 231 365	608 838	146 607	50 493	37 586	10 462
Excess (deficit) of revenues over expenses	$ 43 045	65 600	—	108 645	78	3 300	81 768	34 172	3 263	1 304	2 716	—

See accompanying independent auditors' report

(Continued)

PNBC	IHS	CVTCC	DSI	WEMS	RHSC	HPSI	HPA	HESH	HPI Ramsey	HPDC	HPIER	RHF	Elims	Consolidated
—	—	—	—	—	—	—	—	—	—	—	—	—	(688)	2 585 024
11 950	7 817	6 699	(2)	190	1 314	—	—	—	—	—	—	—	(197 534)	2 249 886
683	5	6	1 957	311	17 657	11 793	2 829	3 460	—	—	22 750	13 559	(117 088)	308 521
1	1	—		—	—	1	1	—	4 353	(3)	1 669	2 084	(4 887)	79 625
12 634	7 823	6 705	1 955	501	18 971	11 794	2 830	3 460	4 353	(3)	24 419	15 643	(320 197)	5 223 056
5 713	4 717	4 410	767	357	17 962	9 930	2 414	—	—	—	11 114	1 141	(93 296)	1 631 963
—	—	1	8	—	—	—	—	—	—	—	131	69	(8 256)	904 584
—	—	—	—	—	—	—	—	—	—	—	—	—	(189 278)	624 847
—	40	476	197	10	1	—	—	—	—	—	8	311	—	404 380
2 300	744	1 560	794	123	467	79	229	1 044	—	73	2 939	3 090	(14 504)	588 845
68	—	(40)	142	23	—	266	85	1 002	—	—	128	—	—	112 547
—	—	5	—	—	—	—	—	727	—	—	—	—	—	38 729
8 081	5 501	6 412	1 908	513	18 430	10 275	2 728	2 773	—	73	14 320	4 611	(305 334)	4 305 895
1 477	2 200	126	47	82	226	206	68	—	—	—	4 825	725	(1 758)	235 780
593	416	1	—	2	83	61	—	—	4 353	—	1 815	161	(12 571)	271 420
402	26	—	—	—	—	338	—	—	—	—	91	—	—	26 270
330	—	—	—	—	—	—	—	—	—	—	—	—	(534)	1 538
2 802	2 642	127	47	84	309	605	68	—	4 353	—	6 731	886	(14 863)	535 008
—	—	—	—	—	—	—	—	—	—	—	—	—	—	51 315
—	—	90	—	—	—	—	—	—	—	—	—	—	—	34 860
—	—	—	—	—	—	—	—	—	—	—	—	—	—	30 530
—	—	—	—	—	—	370	8	—	—	—	—	—	—	13 864
—	—	90	—	—	—	370	8	—	—	—	—	—	—	130 569
10 883	8 143	6 629	1 955	597	18 739	11 250	2 804	2 773	4 353	73	21 051	5 497	(320 197)	4 971 472
1 751	(320)	76	—	(96)	232	544	26	687	—	(76)	3 368	10 146	—	251 584

HEALTHPARTNERS, INC.

Notes to Consolidating Schedules

December 31, 2013 and January 1, 2013

(In thousands)

(1) Basis of Presentation

The consolidating schedules of financial position information and consolidating schedule of activities information are presented for additional analysis of the various transactions within the overall organization. The individual columns do not purport to present the ownership structure in accordance with accounting principles generally accepted in the United States of America. All significant intercompany balances and transactions have been eliminated for consolidating purposes.

ADDITIONAL SUPPLEMENTAL INFORMATION

HEALTHPARTNERS, INC

Supplemental Schedule of Financial Position Information for HealthPartners Obligated Group

December 31, 2013

(In thousands)

Assets		GHI	HPI	HPIC	HPAI	Regions	Elims	Total obligated group	PNHS	Lakeview Health	HH	WH	HPCMC
Current assets													
Cash and cash equivalents	$	96,535	184,470	5,073	10,826	80,034	—	302,547	76,503	15,710	24,757	8,217	40
Investments at fair value		217,787	186,562	203,416	—	24,826	—	632,504	—	545	2,150	—	—
Investments whose use is limited at fair value		—	—	—	—	1,865	—	1,865	17,050	—	—	—	—
Accounts receivable, net		209,212	218,821	6,260	35,243	78,854	(242,896)	305,494	140,714	30,605	6,623	7,574	836
Other current assets		17,704	—	4,871	1,301	8,776	—	32,652	42,934	3,213	691	701	—
Total current assets		541,238	589,862	279,620	56,370	200,958	(242,896)	1,425,152	277,201	50,073	34,530	16,552	876
Investments whose use is limited at fair value		51,185	1,520	551	25,003	20,602	—	98,861	64,088	1,967	2,297	7,247	—
Other investments at fair value		—	37,523	—	—	165,220	—	202,743	461,690	98,857	—	717	—
Beneficial interest in net assets of foundation		—	—	—	—	20,030	—	20,030	—	—	—	—	—
Property, plant and equipment, net		141,906	—	—	—	299,182	—	441,088	358,368	40,081	32,481	17,984	—
Deferred compensation		43,191	—	—	—	—	—	43,191	2,148	—	—	—	—
Goodwill and other intangible assets		—	—	—	—	1,328	—	1,328	—	1,830	—	1,412	—
Other		75,166	92,494	—	48,428	2,877	(72,628)	146,337	13,730	3,014	616	346	—
Total assets	$	852,686	691,399	280,171	129,801	711,196	(315,524)	2,349,630	1,177,225	204,831	69,924	44,258	876
Liabilities and Net Assets													
Current liabilities													
Unpaid medical claims	$	109,926	85,932	69,558	—	—	(4,524)	170,892	—	—	—	—	—
Accounts payable		349,232	15,963	32,553	4,903	47,140	(230,383)	199,008	64,527	8,117	5,718	5,268	—
Provider payable		2,027	14,154	15,000	19,700	—	(1,980)	48,901	—	—	—	—	—
Salaries and employee benefits payable		91,403	—	—	—	38,700	—	130,109	75,886	8,080	2,970	2,976	876
Accrued real estate taxes, income taxes, and interest		2,970	306	—	27	—	—	3,303	15,880	6	61	17	—
Deferred revenue		5,542	14,808	12,958	560	—	—	33,877	4,733	—	1	—	—
Current portion of long-term debt		3,385	2,500	—	—	3,548	—	9,433	11,900	706	928	1,198	—
Total current liabilities		474,485	119,263	130,069	25,298	89,454	(242,896)	595,673	173,025	17,509	9,678	9,159	876
Long-term debt – less current portion		309,645	90,000	—	—	209,550	—	339,195	369,114	26,076	18,541	11,656	—
Deferred employee benefits		47,229	—	—	—	—	—	47,229	2,148	3,548	—	—	—
Postretirement benefit obligation		8,081	—	—	—	5,802	—	13,973	1,687	—	—	—	—
Other		36,129	—	—	—	22,160	—	58,289	26,964	290	—	—	—
Total liabilities		905,569	209,263	130,069	25,298	327,056	(242,896)	1,054,359	572,938	47,423	28,219	20,815	876
Net assets													
Unrestricted		247,117	482,136	150,102	104,503	363,111	(72,628)	1,274,341	576,745	157,408	41,134	23,443	—
Temporarily restricted		—	—	—	—	20,296	—	20,296	16,620	—	480	—	—
Permanently restricted		—	—	—	—	643	—	643	10,913	—	82	—	—
Total net assets		247,117	482,136	150,102	104,503	384,050	(72,628)	1,295,280	604,287	157,408	41,705	23,443	—
Total liabilities and net assets	$	852,686	691,399	280,171	129,801	711,196	(315,524)	2,349,630	1,177,225	204,831	69,924	44,258	876

See accompanying independent auditors' report

(Continued)

PNBC	IHS	CVTCC	DSI	WEMS	RHSC	HPSI	HPA	HESH	HPI Ramsey	HPDC	HPIER	RHF	Elims	Consolidated
2 850	1 705	1 030	720	38	1 445	3 304	2 210	—	—	2 338	8 800	3 400	—	540 727
—	—	—	—	—	—	—	—	—	—	—	—	—	—	905 298
—	—	—	—	—	—	—	—	—	—	—	—	—	—	18 015
970	413	745	70	95	1 303	1 744	180	5 081	—	—	4 924	830	(97 482)	440 833
—	31	—	48	—	—	910	78	—	—	—	48	4	—	81 070
3 835	2 200	2 084	838	133	2 838	5 907	2 483	5 081	—	2 338	13 832	4 312	(97 482)	1 783 452
—	—	—	—	—	—	—	—	—	—	—	—	—	—	174 400
—	—	—	—	—	—	—	—	—	—	—	15 230	10 452	—	795 905
—	—	—	—	—	—	—	—	—	—	—	—	—	(20 930)	—
102	22	203	278	17	—	17 058	953	18 813	—	9 218	905	—	—	943 421
—	—	—	—	—	—	—	—	—	—	—	—	—	—	45 330
14 770	—	—	1 900	—	—	—	—	—	—	—	—	—	—	21 321
—	—	—	—	85	—	—	—	11	32 744	—	—	1 305	(45 380)	122 802
18 773	2 231	2 887	3 082	235	2 838	23 025	3 430	23 905	32 744	8 556	29 703	22 000	(133 807)	3 886 490
—	—	—	—	—	—	—	—	—	—	—	—	—	(10 250)	151 033
742	142	397	7	1	13	424	—	—	4 353	234	837	1 130	(46 741)	244 177
—	—	—	—	—	—	—	—	—	—	—	—	—	1	48 002
510	1 344	360	95	—	1 772	750	180	—	—	—	—	—	—	220 250
23	—	—	—	—	—	330	54	905	—	—	—	—	(30)	20 951
—	—	—	—	—	—	—	—	—	—	—	—	—	—	38 011
800	—	—	—	—	—	—	—	1 370	—	—	—	—	(1 447)	25 080
2 177	1 486	757	72	1	1 785	1 522	240	2 371	4 353	234	837	1 130	(97 482)	755 403
3 132	—	—	—	—	—	—	—	10 062	—	—	—	—	(7 305)	770 471
—	—	—	—	—	—	—	—	—	—	—	—	—	—	52 025
—	—	—	—	—	—	—	—	—	—	—	—	—	—	15 000
—	—	—	—	—	—	—	—	—	—	—	—	—	—	85 543
5 300	1 486	757	72	1	1 785	1 522	240	12 433	4 353	234	837	1 130	(74 787)	1 080 002
13 464	745	2 130	3 010	234	1 053	21 503	3 190	11 472	28 391	8 322	27 472	5 734	(38 081)	2 101 710
—	—	—	—	—	—	—	—	—	—	—	1 454	14 502	(20 200)	33 134
—	—	—	—	—	—	—	—	—	—	—	—	643	(643)	11 038
13 464	745	2 130	3 010	234	1 053	21 503	3 190	11 472	28 391	8 322	28 926	20 930	(59 020)	2 206 488
18 773	2 231	2 887	3 082	235	2 838	23 025	3 430	23 905	32 744	8 556	29 703	22 000	(133 807)	3 886 490

HEALTHPARTNERS, INC

Supplemental Schedule of Financial Position Information for HealthPartners Obligated Group

January 1 2013

(In thousands)

Assets	GHI	HPI	HPIC	HPAI	Regions	Elims	Total obligated group	Lakeview Health	PNHS	HH	WH	HPCMC
Current assets												
Cash and cash equivalents	$ 23 725	164 550	25 011	60 085	64 517	—	337 888	19 899	111 704	24 008	12 996	1 291
Investments at fair value	216 798	185 545	234 617	—	20 237	—	657 197	506	—	1 840	—	—
Investments whose use is limited at fair value	—	—	—	—	1 499	—	1 499	—	15 815	—	—	—
Accounts receivable net	150 255	129 666	8 577	22 098	71 467	(92 379)	289 684	32 567	140 256	6 694	2 721	532
Other current assets	17 447	—	6 110	1 705	8 986	—	34 248	3 522	28 123	992	376	—
Total current assets	408 225	479 761	274 315	83 888	166 706	(92 379)	1 320 516	56 494	295 898	33 534	16 093	1 823
Investments whose use is limited at fair value	54 715	3 000	550	—	20 778	—	79 043	1 967	60 029	2 295	6 736	—
Other investments at fair value	—	30 275	—	—	142 249	—	172 524	83 153	375 322	—	—	—
Beneficial interest in net assets of foundation	—	—	—	—	19 970	—	19 970	—	—	—	—	—
Property plant and equipment net	127 777	—	—	—	299 225	—	427 002	47 958	355 047	31 984	16 633	—
Deferred compensation	32 313	—	—	—	—	—	32 313	—	2 636	—	—	—
Goodwill and other intangible assets	—	—	—	—	—	—	—	2 093	—	—	—	—
Other	14 549	58 210	—	40 228	3 028	(72 628)	43 387	2 633	14 235	937	554	—
Total assets	$ 637 579	571 246	274 865	124 116	651 956	(165 007)	2 094 755	194 298	1 103 167	68 750	40 016	1 823
Liabilities and Net Assets												
Current liabilities												
Unpaid medical claims	$ 22 868	102 908	81 569	—	—	(4 737)	202 608	—	—	—	—	—
Accounts payable	218 613	22 667	18 619	4 279	37 667	(86 141)	215 704	5 878	59 400	5 028	4 018	—
Provider payable	2 337	18 489	11 000	18 029	—	(1 501)	48 354	—	—	—	—	—
Salaries and employee benefits payable	79 993	—	—	—	36 722	—	116 715	8 235	74 679	2 782	1 856	876
Accrued real estate taxes income taxes and interest	3 158	—	—	—	—	—	3 158	(29)	16 028	175	18	—
Deferred revenue	14 704	13 533	12 241	606	—	—	41 084	—	6 945	—	—	—
Current portion of long-term debt	3 215	—	—	—	3 383	—	6 598	1 689	11 286	895	1 168	—
Total current liabilities	344 888	157 597	123 429	22 914	77 772	(92 379)	634 221	15 773	168 338	8 880	7 060	876
Long-term debt – less current portion	50 630	—	—	—	213 099	—	263 729	26 806	381 071	19 470	12 855	—
Deferred employee benefits	73 776	—	—	—	—	—	73 776	13 803	2 636	—	—	—
Postretirement benefit obligation	11 044	—	—	—	6 390	—	17 434	—	3 068	—	—	—
Other	38 867	—	—	—	21 260	—	60 127	290	27 589	—	—	—
Total liabilities	519 205	157 597	123 429	22 914	318 521	(92 379)	1 049 287	56 672	582 702	28 350	19 915	876
Net assets												
Unrestricted	118 374	413 649	151 436	101 202	313 465	(72 628)	1 025 498	137 626	497 583	39 785	20 101	947
Temporarily restricted	—	—	—	—	19 355	—	19 355	—	12 202	533	—	—
Permanently restricted	—	—	—	—	615	—	615	—	10 680	82	—	—
Total net assets	118 374	413 649	151 436	101 202	333 435	(72 628)	1 045 468	137 626	520 465	40 400	20 101	947
Total liabilities and net assets	$ 637 579	571 246	274 865	124 116	651 956	(165 007)	2 094 755	194 298	1 103 167	68 750	40 016	1 823

See accompanying independent auditors report

(Continued)

PNBC	IHS	CVTCC	DSI	WEMS	RHSC	HPSI	HPA	HESH	HPV	HPI Ramsey	HPDC	HPIER	RHF	Elims	Consolidated
3 057	2 306	1 556	135	81	1 351	4 745	2 437	—	129	—	—	8 516	4 261	—	536 360
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	659 543
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17 314
1 285	377	899	556	28	1 067	11	78	4 418	—	—	—	3 745	1 469	(57 588)	428 799
—	28	—	46	1	—	815	62	—	—	—	—	49	—	—	68 262
4 342	2 711	2 455	737	110	2 418	5 571	2 577	4 418	129	—	—	12 310	5 730	(57 588)	1 710 278
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	150 070
—	—	—	—	—	—	—	—	—	—	—	—	13 073	14 347	—	658 419
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(19 970)	—
224	48	359	352	40	—	9 347	733	19 815	—	—	287	596	—	—	910 425
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34 949
15 171	—	—	1 971	—	—	—	—	—	—	—	—	—	—	—	19 235
—	—	—	—	65	—	—	—	13	—	28 391	—	33	1 085	(34 066)	57 267
19 737	2 759	2 814	3 060	215	2 418	14 918	3 310	24 246	129	28 391	287	26 012	21 162	(111 624)	3 540 643
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(20 045)	182 563
813	206	388	—	45	39	1 515	6	—	—	—	288	944	1 192	(35 201)	260 263
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1)	48 353
556	1 488	372	50	—	1 557	644	133	—	—	—	—	—	—	—	209 943
56	—	—	—	—	—	—	—	726	—	—	—	—	—	(51)	20 081
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	48 029
738	—	—	—	—	—	—	—	1 296	—	—	—	—	—	(2 289)	21 381
2 163	1 694	760	50	45	1 596	2 159	139	2 022	—	—	288	944	1 192	(57 587)	790 613
5 862	—	—	—	—	—	—	—	11 438	—	—	—	—	—	(10 585)	710 646
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	90 215
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	20 502
—	—	—	—	—	—	—		—	—	—	—	—	—	—	88 006
8 025	1 694	760	50	45	1 596	2 159	139	13 460	—	—	288	944	1 192	(68 172)	1 699 982
11 712	1 065	2 054	3 010	170	822	12 759	3 171	10 786	129	28 391	(1)	23 017	4 121	(23 482)	1 799 264
—	—	—	—	—	—	—	—	—	—	—	—	2 051	15 234	(19 355)	30 020
—	—	—	—	—	—	—	—	—	—	—	—	—	615	(615)	11 377
11 712	1 065	2 054	3 010	170	822	12 759	3 171	10 786	129	28 391	(1)	25 068	19 970	(43 452)	1 840 661
19 737	2 759	2 814	3 060	215	2 418	14 918	3 310	24 246	129	28 391	287	26 012	21 162	(111 624)	3 540 643

HEALTHPARTNERS, INC

Supplemental Schedule of Activities Information for HealthPartners Obligated Group

Year ended December 31 2013

(In thousands)

	GHI	HPI	HPIC	HPAI	Regions	Elims	Total obligated group	PNHS	Lakeview Health	HH	WH	HPCMC
Revenues												
Premiums earned	$ 442 937	1 269 327	873 448	—	—	(586)	2 585 126	—	—	—	—	—
Net health service revenue	529 893	1 378	—	—	596 710	(168 803)	959 178	1 150 188	135 410	49 618	38 948	—
Other revenue	67 428	8 756	—	106 145	41 643	(46 943)	177 029	106 352	10 656	1 852	1 201	10 462
Investment income and net realized gains	5 012	3 662	2 181	16	4 657	—	15 528	56 593	3 804	327	153	—
Total revenues	1 045 270	1 283 123	875 629	106 161	643 010	(216 332)	3 736 861	1 313 133	149 870	51 797	40 302	10 462
Expenses												
Health services												
Salaries and employee benefits	451 541	70 920	—	—	333 718	(37 365)	818 814	672 041	82 200	27 784	18 984	9 546
Health services purchased												
Professional	139 846	481 082	345 392	—	370	(82 693)	883 997	28 609	—	—	25	—
Hospitalization	56 819	418 679	338 627	—	—	(86 110)	728 015	—	—	—	—	—
Pharmacy	177 082	116 483	73 162	—	27 141	—	393 868	—	9 137	—	337	(5)
Supplies and other	89 958	12 436	10 701	2 656	144 258	(8 218)	251 791	278 339	32 755	12 089	10 553	58
Depreciation	17 283	2 147	—	—	37 084	—	56 514	44 428	5 584	3 296	1 051	—
Interest	2 904	465	—	—	10 934	—	14 303	22 976	—	718	—	—
Total health services	935 433	1 102 212	767 882	2 656	553 505	(214 386)	3 147 302	1 046 393	129 676	43 887	30 950	9 599
Administrative services												
Salaries and employee benefits	36 832	45 656	—	—	25 402	(1 275)	106 615	104 820	7 695	3 453	2 837	861
Supplies and other	13 942	20 981	68 175	97 946	9 959	(671)	210 332	54 859	5 834	2 784	2 024	2
Depreciation	5 343	8 987	—	—	2 926	—	17 256	5 488	1 485	64	1 120	—
Interest	—	—	—	—	—	—	—	—	1 262	—	480	—
Total administrative services	56 117	75 624	68 175	97 946	38 287	(1 946)	334 203	165 167	16 276	6 301	6 461	863
Health services taxes and assessments												
MCHA assessments	9 835	19 319	22 161	—	—	—	51 315	—	—	—	—	—
Medical care surcharge	41	8 104	—	—	5 695	—	13 840	19 805	645	305	175	—
Premium tax	726	12 020	17 784	—	—	—	30 530	—	—	—	—	—
Income and other taxes	73	244	(451)	2 259	11 351	—	13 476	—	10	—	—	—
Total health services taxes and assessments	10 675	39 687	39 494	2 259	17 046	—	109 161	19 805	655	305	175	—
Total expenses	1 002 225	1 217 523	875 551	102 861	608 838	(216 332)	3 590 666	1 231 365	146 607	50 493	37 586	10 462
Excess (deficit) of revenues over expenses	$ 43 045	65 600	78	3 300	34 172	—	146 195	81 768	3 263	1 304	2 716	—

See accompanying independent auditors' report

(Continued)

PNBC	IHS	CVTCC	DSI	WEMS	RHSC	HPSI	HPA	HESH	HPI RAMSEY	HPDC	HPIER	RHF	Elims	Consolidated
—	—	—	—	—	—	—	—	—	—	—	—	—	(102)	2 585 024
11 950	7 817	6 699	(2)	190	1 314	—	—	—	—	—	—	—	(111 424)	2 249 886
683	5	6	1 957	311	17 657	11 793	2 829	3 460	—	—	22 750	13 559	(74 041)	308 521
1	1	—	—	—	—	1	1	—	4 353	(3)	1 669	2 084	(4 887)	79 625
12 634	7 823	6 705	1 955	501	18 971	11 794	2 830	3 460	4 353	(3)	24 419	15 643	(190 454)	5 223 056
5 713	4 717	4 410	767	357	17 962	9 930	2 414	—	—	—	11 114	1 141	(55 931)	1 631 963
—	—	1	8	—	—	—	—	—	—	—	131	69	(8 256)	904 584
—	—	—	—	—	—	—	—	—	—	—	—	—	(103 168)	624 847
—	40	476	197	10	1	—	—	—	—	—	8	311	—	404 380
2 300	744	1 560	794	123	467	79	229	1 044	—	73	2 939	3 090	(10 182)	588 845
68	—	(40)	142	23	—	266	85	1 002	—	—	128	—	—	112 547
—	—	5	—	—	—	—	—	727	—	—	—	—	—	38 729
8 081	5 501	6 412	1 908	513	18 430	10 275	2 728	2 773	—	73	14 320	4 611	(177 537)	4 305 895
1 477	2 200	126	47	82	226	206	68	—	—	—	4 825	725	(483)	235 780
593	416	1	—	2	83	61	—	—	4 353	—	1 815	161	(11 900)	271 420
402	26	—	—	—	—	338	—	—	—	—	91	—	—	26 270
330	—	—	—	—	—	—	—	—	—	—	—	—	(534)	1 538
2 802	2 642	127	47	84	309	605	68	—	4 353	—	6 731	886	(12 917)	535 008
—	—	—	—	—	—	—	—	—	—	—	—	—	—	51 315
—	—	90	—	—	—	—	—	—	—	—	—	—	—	34 860
—	—	—	—	—	—	—	—	—	—	—	—	—	—	30 530
—	—	—	—	—	—	370	8	—	—	—	—	—	—	13 864
—	—	90	—	—	—	370	8	—	—	—	—	—	—	130 569
10 883	8 143	6 629	1 955	597	18 739	11 250	2 804	2 773	4 353	73	21 051	5 497	(190 454)	4 971 472
1 751	(320)	76	—	(96)	232	544	26	687	—	(76)	3 368	10 146	—	251 584

HEALTHPARTNERS, INC.

Note to Supplemental Schedules for HealthPartners Obligated Group

December 31, 2013 and January 1, 2013

(In thousands)

(1) Basis of Presentation

The supplemental schedules of financial position information and supplemental schedule of activities information for HealthPartners Obligated Group are presented for additional analysis of the various transactions within the overall organization. The individual columns do not purport to present the ownership structure in accordance with accounting principles generally accepted in the United States of America. All significant intercompany balances and transactions have been eliminated for consolidating purposes.

HEALTHPARTNERS, INC

Supplemental Schedule of Financial Position Information for Park Nicollet Health Services

December 31, 2013

(In thousands)

Assets	Methodist	PNC / PNMC Holdings	PNHS	PNI	PNHCP	Total Obligated Group	Total Non-obligated Controlled Affiliates	Eliminations/ Consolidation	Total PNHS
Current assets									
Cash and cash equivalents	$ 586	7 829	64 316	48	10	72 789	3 714	—	76 503
Patient accounts receivable, net	53 696	49 069	—	—	4 187	106 952	10 492	—	117 444
Investments - limited as to use	11 923	4 848	—	167	—	16 938	112	—	17 050
Intercompany	69 787	29 139	(1 974)	4 214	(105 619)	(4 453)	3 302	1 151	—
Due from third-party payers	—	22 721	—	—	387	23 108	162	—	23 270
Other current assets	20 728	6 481	3 323	4 804	5 191	40 527	2 407	—	42 934
Total current assets	156 720	120 087	65 665	9 233	(95 844)	255 861	20 189	1 151	277 201
Investments	299 688	89 112	11 003	56 477	—	456 280	5 410	—	461 690
Investments - limited as to use	30 715	8 646	—	—	—	39 361	24 727	—	64 088
Land, buildings and equipment, net	234 443	98 286	15	25	439	333 208	25 160	—	358 368
Other assets	3 470	682	10 839	111	—	15 102	18 782	(18 006)	15 878
Total assets	$ 725 036	316 813	87 522	65 846	(95 405)	1 099 812	94 268	(16 855)	1 177 225
Liabilities and Net Assets									
Current liabilities									
Accounts payable and accrued expenses	$ 21 144	16 936	17 604	4 493	4 156	64 333	5 701	—	70 034
Accrued compensation and related benefits	—	11 104	64 769	13	—	75 886	—	—	75 886
Due to third-party payers	4 771	—	—	—	—	4 771	—	—	4 771
Current maturities of long-term debt	6 681	4 245	—	—	—	10 926	2 114	(1 050)	11 990
Accrued interest payable	8 258	2 086	—	—	—	10 344	—	—	10 344
Total current liabilities	40 854	34 371	82 373	4 506	4 156	166 260	7 815	(1 050)	173 025
Long-term debt – excluding current maturities	280 625	73 436	—	—	—	354 061	30 367	(15 314)	369 114
Other liabilities	1 253	954	26 788	16	—	29 011	3 426	(1 638)	30 799
Total liabilities	322 732	108 761	109 161	4 522	4 156	549 332	41 608	(18 002)	572 938
Net assets									
Unrestricted	401 089	208 052	(21 639)	60 901	(99 561)	548 842	26 756	1 147	576 745
Temporarily restricted	1 008	—	—	351	—	1 359	15 270	—	16 629
Permanently restricted	207	—	—	72	—	279	10 634	—	10 913
Total net assets	402 304	208 052	(21 639)	61 324	(99 561)	550 480	52 660	1 147	604 287
Total liabilities and net assets	$ 725 036	316 813	87 522	65 846	(95 405)	1 099 812	94 268	(16 855)	1 177 225

See accompanying independent auditors' report

HEALTHPARTNERS, INC

Supplemental Schedule of Activities Information for Park Nicollet Health Services

Year ended December 31 2013

(In thousands)

	Methodist	PNC / PNMC Holdings	PNHS	PNI	PNHCP	Eliminations	Total Obligated Group	Total Non-obligated Controlled Affiliates	Eliminations/ Consolidation	Total PNHS
Operating revenues										
Patient service revenue – net of contractual allowances and discounts	$ 476 455	625 821	—	—	—	—	1 102 276	75 294	—	1 177 570
Provision for uncollectible accounts	(9 709)	(15 382)	—	—	—	—	(25 091)	(2 291)	—	(27 382)
Net patient service revenue	466 746	610 439	—	—	—	—	1 077 185	73 003	—	1 150 188
Medical retailing revenue	—	—	—	704	62 493	—	63 197	274	—	63 471
Grant and contract revenue	530	—	—	11 430	—	—	11 960	108	—	12 068
Earnings on funds held by trustee under bond indenture agreement and other investments	7 071	1 408	—	2 199	—	—	10 678	—	—	10 678
Other revenue	11 392	25 384	4 180	8 424	163	(6 756)	42 787	3 218	(15 540)	30 465
Total operating revenues	485 739	637 231	4 180	22 757	62 656	(6 756)	1 205 807	76 603	(15 540)	1 266 870
Operating expenses										
Salaries wages and employee benefits	308 859	399 006	14 433	12 010	17 465	—	751 773	23 596	1 492	776 861
Supplies and services	173 445	134 607	3 589	3 900	4 863	(6 756)	313 648	44 665	(17 632)	340 681
Depreciation and amortization	34 679	11 818	6	29	274	—	46 806	3 110	—	49 916
Cost of retail goods sold	—	—	—	114	40 661	—	40 775	156	—	40 931
Interest – net	18 079	3 821	3	—	—	—	21 903	2 246	(1 173)	22 976
Parent assessment	(79 977)	82 152	(13 876)	2 338	9 207	—	(156)	156	—	—
Total operating expenses	455 085	631 404	4 155	18 391	72 470	(6 756)	1 174 749	73 929	(17 313)	1 231 365
Operating income (loss)	30 654	5 827	25	4 366	(9 814)	—	31 058	2 674	1 773	35 505
Nonoperating income (loss)										
Investment income	30 336	8 758	—	4 754	—	—	43 848	3 240	(1 173)	45 915
Other	91	532	(25)	—	—	—	598	—	(250)	348
Total nonoperating income (loss) – net	30 427	9 290	(25)	4 754	—	—	44 446	3 240	(1 423)	46 263
Excess (deficit) of revenues over expenses	$ 61 081	15 117	—	9 120	(9 814)	—	75 504	5 914	350	81 768

See accompanying independent auditors report

HEALTHPARTNERS, INC.

Note to Supplemental Schedules for Park Nicollet Health Services

December 31, 2013

(In thousands)

(1) Obligated Group and Basis of Presentation

Obligated Group – PNHS, Methodist, PNMC Holdings, PNI and PNHCP, each a Minnesota not-for-profit corporation, and PNC, a Minnesota not-for-profit association, are the members of the PNHS Obligated Group created under a Master Trust Indenture

Basis of Reporting – In accordance with financial presentation under the bond agreements, the supplemental schedule of financial position information and supplemental schedule of activities information as of and for the year ending 2013, exclude the effects of consolidating subsidiaries controlled by members of the PNHS Obligated Group and the effect of recording the beneficial interest in the net assets held by certain affiliated entities on behalf of members of the PNHS Obligated Group

(2) Parent Assessment

Parent assessment included in the supplemental schedule of activities information is an allocation of PNHS overhead costs to and from certain legal entities with in PNHS The costs are generally allocated based on the relative operating cost of each legal entity and eliminated in consolidation